



Dear Contractor:

The U. S. Department of Housing and Urban Development's (HUD) Section 3 Program is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low and very low income persons or business concerns residing in the community where the project is located. (See your HUD General Contract Conditions HUD-5370-EZ section 13. a-f)

Could you be a Section 3 Business Concern? Review the following income limit chart:

80% of AMI (area median income) = low income limit

Family Size	1
Income	\$67,150

- Income Limits Subject to Change

You could be a Section 3 Business Concern if:

Your business qualifies as a Section 3 business if it meets one of the following categories, as documented within the last six-month period:

- At least 51 percent owned and controlled by low-income persons (see above income limits)
- At least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing
- Over 75 percent of the labor hours performed for your business over the prior three-month period were performed by **Section 3 workers***

***What is a Section 3 or Targeted Section 3 Worker?**

- Currently, or when hired within the past five years are or were low-income
- Employed by a business that employs low-income persons, or
- A resident of public housing or Section 8-assisted housing

Low-income is defined by having an income for the previous or annualized calendar year below the income limit established by HUD.

1125 Mitchell Court, Crystal Lake, IL Phone (815) 338-7752



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If you have questions, I would be glad to speak to you about Section 3, contracting with McHenry County Housing Authority or any other procurement question. Please reach out to me at hlyons@mchenrycountyhousing.org or 815/308-6044.

Self-certification form attached.

Sincerely,

Holly Lyons
Deputy Director

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Section 3 Business Concern Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____
Address of Business _____
Name of Business Owner _____
Phone Number of Business Owner _____
Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above
Name of Preferred Contact _____
Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☐ Joint Venture

Select from **ONE** of the following three options below that applies:

- ☐ At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines on page 4).
- ☐ At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- ☐ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (Refer to definition on page 4).

(frontside) _____

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Business Concern Affirmation

I affirm that the above statements (on the frontside of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to [insert name of recipient/grantee] may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: _____

Signature: _____ Date: _____

*Certification expires within six months of the date of signature
Information regarding Section 3 Business Concerns can be found at [24 CFR 75.5](#)

FOR ADMINISTRATIVE USE ONLY

Is the business a Section 3 business concern based upon their certification?

☐ YES ☐ NO

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

(backside)

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McHenry County Housing Authority

Section 3 Income Limits

Eligibility Guidelines

The worker's income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size.

Individual Income Limits for McHenry County

Income Limits Category	FY 2026 Income Limits
Extremely Low Income Limits (30%)	\$25,200
Very Low Income Limits (50%)	\$42,000
Low Income Limits (80%)	\$67,150

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

Section 3 Worker Definition:

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 business concern; or
- A YouthBuild participant.

Targeted Section 3 Worker Definition:

- Employed by a Section 3 business concern or
- Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - A resident of public housing; or
 - A resident of other public housing projects or Section 8-assisted housing; or
 - A YouthBuild participant.

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