



October 5, 2023

GENERAL NEWS

HUD Publishes Section 3 Benchmarks

Today in the *Federal Register*, the Department of Housing and Urban Development (HUD) published a [notice](#) updating the 2020 version of the Section 3 benchmarks [notice](#) and requesting public comment about the benchmark goals.

As you remember, the [final rule](#) on Section 3 of the Housing and Urban Development Act of 1968, published on September 29, 2020, requires HUD to update the benchmarks through a document published in the *Federal Register*, subject to public comment, not less frequently than once every three years. Today's notice states:

After evaluation and consideration of the data collected to date, HUD has determined that the available data is not a sufficiently representative sample to support the alteration of the current published benchmark goals or publication of aggregate labor hour data. Therefore, the benchmark goals will continue to be the ratios established in the original Section 3 benchmark notice published September 29, 2020, and HUD will continue to support the labor hour goal methodology contained therein.

While HUD has decided not to change the benchmark goals for public housing financial assistance and Section 3 projects, HUD is soliciting public comment on any matters related to the notice, generally, but specifically on the experience of grantees, contractors, and other stakeholders in achieving the existing benchmark goals along with any challenges faced or recommendations for appropriate benchmarks for future updates. HUD will not be issuing a second notice regarding the current Section 3 benchmarks unless the comments provide HUD with a basis for making revisions to the benchmarks. The effective date of the notice is **November 6, 2023**.

[Section 3](#) requires that recipients of certain types of HUD financial assistance provide training, employment, contracting, and other economic opportunities to low and very low-income individuals—and to businesses that provide economic opportunities to such persons—to the greatest extent possible.

HUD Charges LA Housing Providers with Race and Familial Status Discrimination

In a [press release](#) yesterday, HUD announced that it is [charging](#) the owner and manager of a multifamily rental home in New Orleans, Louisiana, with discriminating against potential tenants based on race and familial status.

The [Fair Housing Act](#) prohibits discrimination based on race and familial status. This includes prohibiting housing providers from refusing to negotiate the rental with persons of a particular race and steering potential renters due to their familial status. The Act also prohibits housing providers from making discriminatory statements about renters with children.

HUD's charge alleges that the property manager screened potential tenants by allowing their calls to go to voicemail. She then failed to negotiate the rental with black testers while negotiating the rental with white testers. The charge also alleges that she steered testers with children away from the property by repeatedly highlighting aspects of the property that purportedly made it unsuitable for families while making discriminatory statements indicating a preference for renters without children.

A United States administrative law judge will hear HUD's charges unless any party elects to have the case heard in a federal district court. If the administrative law judge finds after a hearing that discrimination has occurred, the judge may award damages to the fair housing organization that filed the complaint for losses caused by the discrimination. The judge may also order injunctive relief and other equitable relief to deter further discrimination as well as payment of attorney fees. In addition, the judge may impose civil penalties to vindicate the public interest. If the case is heard in a federal court, the judge may also award punitive damages to the complainant.



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