



What is Section 3?

Section 3 is a federally mandated program of the U.S. Department of Housing and Urban Development (HUD). Under Section 3 of the HUD Act of 1968, amended in 1992, federal funding invested in housing and community development also provides employment opportunities for low-income people in the local jurisdiction, called “Section 3 Residents.”

Section 3 requires that “to the greatest extent feasible,” businesses and employers working on projects funded by HUD should make a good faith effort to train and hire low-income individuals, and subcontract with businesses that do so.

Among the contracts covered by Section 3 are construction projects, extensive rehabilitations and other jobs that arise in connection with these activities.



Lead-based paint remediation

What SDHC does: SDHC helps Section 3 Residents find training and jobs with contractors seeking certain skills. It helps Section 3 Business Concerns with opportunity events and educational programs, promotes them in a directory, and offers training and technical assistance.

Who are Section 3 Eligible Residents?

Individuals living in San Diego who are low- or very low-income residents, based on household size and income level, as shown in the chart below:

Household Size:	1	2	3	4	5	6	7	8+
Maximum Gross Annual Household income :	\$ 45,150	\$ 51,600	\$ 58,050	\$ 64,500	\$ 69,700	\$ 74,850	\$ 80,000	\$ 85,150

What is a Section 3 Eligible Business Concern?

A business that meets at least one of these requirements:

- Section 3 Residents own at least 51 percent of the business;
- At least 30 percent of its full-time employees include people who are currently Section 3 Residents or within three years of the date of first employment with the business concern were Section 3 Residents; or
- It provides evidence of a commitment to subcontract 25 percent or more of the dollar amount of the awarded contract to a Section 3 Business Concern.

How can I get involved?

SDHC has a certification program for residents and for businesses.

You must complete an application and submit required documents. For businesses, requirements vary depending on which qualification applies.

For more information, please contact the SDHC Section 3 Program:

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