What is the Section 3 Program for Businesses?
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, federal funding invested in housing and community development shall provide contracts, employment, training, and other economic opportunities to low- and very low-income people in the local jurisdiction and to businesses that provide such opportunities, also known as “Business Concerns.”

Section 3 requires that “to the greatest extent feasible,” businesses working on projects that receive certain financial assistance from HUD should make a good faith effort to train and hire low- and very low-income individuals, especially those who receive government assistance for housing, and contract with businesses that do so.

Among the service contracts covered by Section 3 are construction, professional services, and general services, such as housekeeping.

What is a Section 3 Eligible Business Concern?
A business that meets at least one of these requirements:
• A Section 3 Resident owns at least 51 percent of the business;
• At least 30 percent of its permanent full-time employees 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 more than 25 percent of the dollar amount of the awarded contract to Section 3 Business Concerns.

Who are Section 3 Eligible Residents?
• Residents of public housing that reside in the County of San Diego.
• SDHC Housing Choice Voucher (Section 8) participants
• Individuals living in the County of San Diego who are low- or very low-income residents, based on family size and income level, as shown in the chart below:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Gross Annual Family Income</td>
<td>$59,950</td>
<td>$68,500</td>
<td>$77,050</td>
<td>$85,600</td>
<td>$92,450</td>
<td>$99,300</td>
<td>$106,150</td>
<td>$113,000</td>
</tr>
</tbody>
</table>

How can a business become certified?
1. Contact the SDHC Section 3 Unit to request the Section 3 Business Concern Certification Form
2. Self-certify as a Section 3 Business Concern by completing and submitting the form
3. Certification is valid for 3 years

Businesses that qualify under the 25 percent subcontracting rule are not certified, but rather they are evaluated on a per contract basis.

What are the benefits of certification?
• Placement on a Section 3 Business Concern registry, which is promoted to and utilized by SDHC’s development partners, contractors and/or subcontractors who have contracting opportunities on Section 3 covered contracts
• Notification of business development workshops, conferences and networking opportunities
• Referrals to public agencies that have Section 3 contracting opportunities

Contact:
San Diego Housing Commission, Section 3 Unit  |  1122 Broadway, Suite 300, San Diego, CA 92101
(619) 578-7579  |  section3@sdhc.org

Established in 1979, the San Diego Housing Commission provides a variety of award-winning affordable housing programs and services that stimulate the local economy, revitalize neighborhoods, and impact the lives of low-income and homeless San Diegans.