



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.



Lead-based paint remediation

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:

FY 2019 Family Income Limits								
Family Size:	1	2	3	4	5	6	7	8
Maximum Gross Annual Family Income:	\$59,950	\$68,500	\$77,050	\$85,600	\$92,450	\$99,300	\$106,150	\$113,000

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:

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