To file a complaint for an alleged violation of Section 3:

Section 3 Businesses or Residents may file a written complaint with the Forth Worth Regional HUD Office or mail it to:

The Assistant Secretary for Fair Housing and Equal Opportunity
ATTN: Office of Economic Opportunity
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Room 5100
Washington, D.C. 20410-2000

A written complaint should contain:

- Name and Address of the person filing the complaint
- Name and Address of subject of complaint (HUD recipient, contractor, or subcontractor)
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective action sought (i.e., training, employment or contracts)
**Section 3 F.A.Q.**

**What is Section 3?**
It is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Congress established the Section 3 policy as the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

**Who are Section 3 Residents?**
Residents of public housing, homeless persons and low income persons who live in the area in which a HUD-assisted project is located.

**What is a Section 3 business?**
A business that meets the definition of a Section 3 business concern is one that is:
- 51 percent or more owned by Section 3 Residents
- Whose permanent full-time employees include persons, at least 30 percent of whom are currently Section 3 Residents or;
- That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

**Who receives priority under Section 3?**
For training and employment:
- All Section 3 Residents
For contracting:
- Business that meet the definition of a Section 3 business concern

**Examples in Construction**
- Architecture
- Bricklaying
- Carpentry
- Cement/masonry
- Demolition
- Drywall
- Electrical
- Engineering
- Fencing
- Heating
- Iron works
- Machine operation
- Bricklaying
- Painting
- Plastering
- Plumbing
- Surveying
- Tile setting

Are Contractors and Subcontractors required to provide long-term employment opportunities, and not simply seasonal or temporary employment?

- Contractors/Subcontractors are required, to the greatest extent feasible, to provide all types of employment opportunities to Section 3 Residents, including seasonal and temporary employment, as well as long-term jobs.
- Employment goals are based on “new hires,” which are defined as full-time employees for permanent, temporary, or seasonal employment opportunities.
- Contractors are encouraged to provide long-term employment.
- At least 30 percent of the permanent, full-time employees hired should be Section 3 Residents.
- After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires Contractors/Subcontractors to continue hiring Section 3 Residents when

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**Background**

As a recipient of the Community Development Block Grant (CDBG) sponsored by the U.S. Department of Housing and Urban Development, it is the policy of the City of Carrollton to incorporate federally mandated “good faith efforts” to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses which provide economic opportunities to low- and very low-income persons.” (24 CFR 135)

The City of Carrollton seeks to make good faith efforts to involve Section 3 Residents and businesses in all phases of its procurement practices and to provide them equal opportunities to compete for new positions and contracts for construction, professional services, purchases of equipment and supplies, and provision of other services required by the City.

The City recognizes the need for guidance in the process of hiring, contracting, and subcontracting Section 3 Residents and businesses and offers any personal assistance per contractors’ requests. The resources compiled in this brochure are intended to serve as a guide in identifying business opportunities associated with the individuals and businesses mentioned above.