



## HUD Compliance and Monitoring?

HUD monitors the performance of recipients and contractors. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses. HUD provides technical assistance to recipients and contractors in order to obtain compliance with Section 3 requirements.



## What if it appears that an entity is not complying with Section 3?

There is a complaint process. Section 3 residents and business concerns may file complaints if they think a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. There are appeal rights to the Secretary. Section 3 residents and businesses may also seek judicial relief.



## How can Section 3 businesses or residents complain about a violation of Section 3 requirements?

They can file a complaint in writing to the local HUD FHEO Office or to:

### **The Assistant Secretary for Fair Housing and Equal Opportunity**

U.S. Department of Housing and Urban Development  
451 Seventh Street, SW, Room 5100  
Washington, DC 20410-2000  
1-800-669-9777  
1-800-927-9276 (TTY)

[www.hud.gov](http://www.hud.gov) [www.espanol.hud.gov](http://www.espanol.hud.gov)

A written complaint should contain:

1. Name and address of the person filing the complaint;
2. Name and address of subject of complaint (HUD recipient or contractor);
3. Description of acts or omissions in alleged violation of Section 3;
4. Statement of corrective actions sought.

# U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Section 3

## Economic Opportunity

*A Piece of the American Dream*



*U.S. Department of Housing and Urban Development*



*Fair Housing and Equal Opportunity*

April 2006

HUD-1476-FHEO Rev 2

OMB Approval Number 2529-0043 (exp. 8/31/2007)

Previous Editions are Obsolete

## Section 3 Act

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (as amended), requires that economic opportunities generated by certain HUD financial assistance for housing (including Public and Indian Housing) and community development programs shall, to the greatest extent feasible, be given to low and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

Other HUD programs covered by Section 3 (to distinguish between HUD Public and Indian housing programs) are those that provide housing or community development assistance for housing rehabilitation, housing construction, or other public construction project.

## Who are Section 3 residents?

Public housing residents including persons with disabilities.

Low and very low income persons who live in the area where a HUD assisted project is located.

## What is a Section 3 business?

A section 3 business is one:

That is owned by Section 3 residents  
Employs Section 3 residents or;  
Subcontracts with businesses that provide opportunities to low and very low income persons.

## What types of Economic Opportunities are available under Section 3?

- ✓ Jobs and Employment opportunities
- ✓ Training and Educational opportunities
- ✓ Contracts and Business opportunities

## Who will provide the Economic Opportunities?

Recipients of HUD financial assistance and their contractors and subcontractors are expected to develop a Section 3 Plan to assure that economic opportunities to the greatest extent feasible, are provided to low and very low-income persons and to qualified Section 3 businesses. One element of that Plan is the use of a Section 3 clause which indicates that all work performed under the contract are subject to the requirements of Section 3.

## Who receives Economic Opportunities under Section 3?

*For training and employment:*

- ✓ persons in public and assisted housing;
- ✓ persons in the affected project neighborhood;
- ✓ participants in HUD Youth-build programs;
- ✓ homeless persons.

*For contracting:*

- ✓ businesses which fit the definition of a Section 3 business.

## How can individuals and businesses find out more about Section 3?

Contact the Fair Housing and Equal Opportunity representative at your nearest HUD Office.