

SECTION 3: ACKNOWLEDGEMENT OF COMPLIANCE REQUIREMENTS

Section 3 of the HUD Act of 1968 (12 U.S.C § 1701u) and its associated regulations (24 C.F.R. Part 75)

Project Name: _____ **HUD Grant:** CDBG / HOME **HUD Assistance:** \$ _____

The requirements of Section 3 apply to contractors and subcontractors performing work on construction or rehabilitation projects for which the amount of HUD financial assistance exceeds \$200,000. All contractors and subcontractors, regardless of the funding total, must execute the following acknowledgement (referred to as the Acknowledgement of Compliance Requirements) to acknowledge they have reviewed and understand Section 3 compliance for the HUD-funded project.

Review and initial each statement:

_____ HUD financial assistance for the project does / does not (circle one) exceed \$200,000.

_____ The parties will comply with HUD's regulations in 24 CFR part 75, which implement Section 3. The parties certify that they are under no impediment that would prevent them from complying with the Part 75 regulations.

_____ The parties acknowledge noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

SECTION 3 BUSINESS CONCERN:

_____ A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

SECTION 3 WORKER:

_____ A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD:

Individual Annual Income	1
80 % (gross income)	\$61,800

2. The worker is employed by a Section 3 business concern; or
3. The worker is a YouthBuild participant.

SECTION 3 TARGETED WORKER:

_____ A Section 3 targeted worker is a worker who:

1. Is employed by a Section 3 business concern; or
2. Currently fits, or when hired fit, at least one of the following categories, as documented within the past five years:
 - a. Living within the service area or the neighborhood of the project, as defined in 24 CFR § 75.5; or
 - b. A YouthBuild participant.

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HIRING

_____ Contractors, to the greatest extent feasible, will fill vacant positions with Section 3 workers or Section 3 targeted workers. Any vacant employment positions, including training positions, that are filled *after* the contractor is selected but *before* the contract is executed, with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

REPORTING

_____ Contractors, to the greatest extent feasible, will make efforts to have Section 3 workers conduct *25 percent* or more of the total number of labor hours worked by all workers on a Section 3 project and Targeted Section 3 workers conduct *5 percent* or more of the total number of labor hours worked by all workers on a Section 3 project (This *5 percent* is included as part of the *25 percent* threshold).

_____ Contractors will track labor hours in pursuit of meeting the above outlined benchmarks.

EQUAL OPPORTUNITIES

_____ The parties agree affirmative action and equal employment opportunity to those who do business with the federal government. It is illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease).

OUTREACH

_____ Contractors, to the greatest extent feasible, will conduct outreach to hire Section 3 workers and/or Section 3 targeted workers which includes, but is not limited to:

1. Notify labor organizations or representatives of workers of Section 3 preference, including job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
2. Provide technical assistance to help Section 3 workers compete for jobs.

_____ Contractors, to the greatest extent feasible, will support hired Section 3 workers and/or Section 3 targeted workers to ensure they have access to resources which includes, but is not limited to:

1. Provide training and/or apprenticeship opportunities.
2. Refer Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare, financial literacy, etc.).
3. Notify laborers on the jobsite of the Section 3 worker qualifications to ensure all employees may complete eligibility certification.

The undersigned agrees to comply with the Section 3 Guidelines when applicable as referenced by HUD regulations in 24 CFR part 75 as amended.

Name/Title (printed)	Company	Signature
Name/Title (printed)	Company	Signature
Name/Title (printed)	Company	Signature