

CERTIFICATE OF SECTION 3 COMPLIANCE (3.28a)

PURPOSE, AUTHORITY AND RESPONSIBILITY

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that promotes local economic development and individual self-sufficiency.

When job training, employment or contracting opportunities are generated because a HUD-assisted project or activity necessitates the employment of additional persons or the awarding of contracts for work, Section 3 requires that, to the greatest extent possible, Recipients of HUD financial assistance give preference to low- and very low-income persons, Section 3 business concerns or other Section 3 eligible persons residing in the community where the project is located.

_____ (hereinafter called the Recipient/Contractor) hereby **CERTIFIES** that upon being awarded a contract to participate in the following HUD-funded project: _____, _____, _____ **County** (the "**Project**") that the Recipient/Contractor:

- (a) is under no contractual or other impediment that would prevent it from complying with requirements of Section 3 as set forth in 24 CFR part 135; and
- (b) will comply with HUD's regulations in 24 CFR Part 135; and
- (c) will submit to the West Virginia Housing Development Fund (the "Fund") a Section 3 Plan before a "Notice to Proceed" is issued or start date is projected; the developer or prime contractors will require all subcontractors to submit a Section 3 Plan prior to proceeding with their respective scope of work; and
- (d) will send to each labor organization or representative of workers with which the Recipient/ Contractor has a collective bargaining agreement or other understanding, a notice advising the labor organization or the representative or workers of the Recipient/Contractor's commitments under Section 3; and
- (e) will include the Section 3 Clause (24 CFR 135.38) and this Section 3 Certification of Compliance in every subcontract subject to compliance with the regulations found in 24 CR Part 135 (i.e., where the amount of the federal funding exceeds \$200,000 and the contract or subcontract exceeds \$100,000) and further agrees to take the appropriate

action pursuant to those regulations in the event the contractor/subcontractor is found to be in violation of 24 CFR Part 135; and

(f) will not contract/subcontract with any contractor/subcontractor where the Recipient/Contractor has notice or knowledge that the contractor/subcontractor has been found in violation of any provision of 24 CFR Part 135; and

(g) will not fill any vacant employment positions, including training positions (1) after the Recipient/Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations in 24 CFR Part 135 require employment opportunities to be directed, in order to circumvent the Recipient/Contractor's obligations under 24 CFR Part 135; and

(h) will, to the extent feasible, make a good faith effort to utilize the services of Section 3 businesses located in or substantially owned by persons who live within the project boundaries.

Signature

By: _____

Its: _____

Date: _____

SECTION 3 CLAUSE (To Be Included in All Section 3-Covered Contracts)

All section 3-covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and 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.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).