

APPENDIX B

HUD SECTION 3 COMPLIANCE ACKNOWLEDGMENT AND

INTENT TO COMPLY

(OWNER/DEVELOPER/GENERAL CONTRACTOR)

Submitted by:

Name of Owner/Developer: _____

Address: _____

E-mail: _____ **Telephone:** _____

Contact Name: _____ **Title:** _____

Name of General Contractor: _____

Address: _____

E-mail: _____ **Telephone:** _____

Contact Name: _____ **Title:** _____

Section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u (Section 3), 24 CFR 135

HUD Section 3 promotes local economic development, neighborhood economic improvement, and individual self-sufficiency by ensuring employment and other economic opportunities generated by certain HUD financial assistance are directed to low-income persons and businesses which hire them.

HUD Section 3 requirements apply to projects receiving in excess of \$200,000 in federal assistance for housing construction, re-construction, conversion, rehabilitation, de-construction, demolition, or public construction and apply to contractors and sub-contractors when any contract or subcontract exceeds \$100,000 for a project in excess of \$200,000.

General Statement

_____, as the OWNER/DEVELOPER,
and

_____, as the GENERAL CONTRACTOR are committed to comply with the HUD Section 3 Act, the Section 3 regulations, and the Michigan Land Bank HUD Section 3 requirements. It is our desire to work together to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to HUD Section 3 Business Concerns, and to provide employment and training to HUD Section 3 residents and eligible individuals.

HUD Section 3 Compliance Goals
Employment and Training:

To demonstrate compliance with HUD Section 3 regulations, it is desirous to employ HUD Section 3 residents or eligible individuals as 30% of the aggregate number of new hires and to provide training to those new hires. We agree to provide information regarding existing employees and projected hiring needs as a part of the Michigan Land Bank HUD Section 3 Strategic Compliance Plan 1 when submitting proposals for HUD covered contracts.

Contracting:

To demonstrate compliance with HUD Section 3 regulations, the Michigan Land Bank shall attempt to award at least 10% of the total dollar amount of all HUD Section 3 covered contracts for building trades work, and at least 3% of the total dollar amount of all other HUD Section 3 covered contracts (i.e., professional services) to HUD Section 3 Business Concerns for non-construction purposes. As the Owner/Developer/General Contractor, we agree to award sub-contracts at least 10% of the total dollar amount for building trades work to HUD Section 3 business concerns and at least 3% of the total dollar amount for non-construction work to HUD Section 3 business concerns.

Section 3 Business Concerns²

Section 3 Business Concerns receive a preference in HUD contracting opportunities.

HUD Section 3 Clause

The following contract provisions, 24 CFR 135.38 (A-G), are required to be included in all solicitations and HUD Section 3 Covered Contracts. These provisions must be included in all contracts executed by the Michigan Land Bank as well subsequent contracts executed by Contractors, Sub-contractors and any party where HUD Section 3 covered funds are utilized:

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 impediments 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.

² If you would like to check your eligibility as a HUD Section 3 Business Concern, verify at the HUD website. Determine your business concern's eligibility by completing the online Section 3 Business Concerns worksheet. Select Vendor Information to review the HUD Section 3 Business Concerns worksheet.

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 this provision 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).

If awarded a HUD funded contract, I will a) insert the HUD Section 3 Clause language into all HUD Section 3 covered contracts and subcontracts b) submit and implement, to the greatest extent feasible, a Michigan Land Bank Section HUD Section 3 Strategic Compliance plan which will form of our contractual obligations to the Michigan Land Bank c) submit all required employment and contracting documentation; and d) take affirmative actions to comply with all HUD Section 3 notification, information, attain and report monthly efforts toward achieving established HUD Section 3 hiring and contracting compliance goals and reporting obligations.

OWNER/DEVELOPER: _____

(Print/type name)

By: _____ Date: _____

(Signature and title)

GENERAL CONTRACTOR: _____

(Print/type name)

By: _____ Date: _____

(Signature and title)

Witness: _____ Date: _____

Notarized by: _____ Date: _____

