

Attachment C

Project I.D.:

**Recipient
(Owner/Developer)
Section 3 Compliance Checklist**

As a recipient of this HUD assistance in excess of \$200,000, you are required to comply with Section 3. As a recipient of HUD assistance, you are obligated to meet the safe harbor goals even if none of your contracts exceed \$200,000.

Section 3 requires that you and your contractors and subcontractors with contracts of more than \$100,000 who hire or award contracts associated with the project take steps so that low- and very low-income residents and Section 3 business concerns have an opportunity to benefit from the project.

Described below are steps you must take to ensure that you comply with Section 3 and against which you will be evaluated. Please initial each of the following items:

1. Include the Section 3 clause in your contracts.
2. Develop a list of Section 3 business concerns to use in selecting your contractors and to distribute to your contractors and persons you provide funds under this program. HUD Section 3 website has a sample of a form a business can complete for MH to determine whether it is a Section 3 business.
3. Require your contractors and subcontractors to provide you copies of subcontracts over \$100,000 showing inclusion of the Section 3 Clause and retain them for later review by Minnesota Housing, HUD, or their representatives.
4. If you hire employees for the project, provide documentation of your efforts to identify and provide training and employment opportunities to Section 3 residents. See the attached "Appendix to Part 135" for examples of acceptable methods.
5. If you award contracts for more than \$100,000 you must take steps to provide contracts to Section 3 business concerns and document your efforts. See Attachment D for examples of acceptable steps you can take.
6. If you or your contractors and their subcontractors encounter impediments in hiring Section 3 residents or awarding contracts to Section 3 business concerns, provide Minnesota Housing a written explanation of the impediments before any contracts are signed for the project.
7. Assemble items 3-5 above and retain them for later review by Minnesota Housing, HUD, or their representatives.
8. Collect from your contractors and subcontractors with contracts over \$100,000 a completed "Section 3 Data Form" (Attachment L) regarding each entity's efforts and success in providing training and employment opportunities to Section 3 residents, and contracting with Section 3 business concerns.
9. Submit the Section 3 Data Forms to Minnesota Housing after the bids have been received but before construction contracts are signed. If new subcontractors are hired, submit the forms before their contracts are signed.

Print Name	Title	Date
Name	Title	Date