

Instructions: Review the Section 3 Clause language below. All Section 3 covered Contracts must include the following Section 3 Clause.

- A. The work to be performed under this Contract is subject to the requirements of Section 3 of the U.S. Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u), as amended (Section 3). The purpose of Section 3 is to help ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance 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 or residents of the community in which the HUD assistance is spent.
- B. The parties to this Contract agree to comply with HUD's regulations in 24 CFR §75, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual obligation or other impediment that would prevent them from complying with 24 CFR §75 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 a minimum number and job titles subject to hire, the 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 set forth in 24 CFR §75 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 §75. 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 set forth in 24 CFR §75.
- 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 §75 require employment opportunities be directed, were not filled to circumvent the Contractor's obligations under 24 CFR §75.
- F. Noncompliance with HUD's regulations in 24 CFR §75 may result in sanctions, termination of this Contract for default, and debarment or suspension from future Section 3 covered Contracts.
- G. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR §75.

NOTE: Capitalized terms are defined in Appendix A – Terms of the Multifamily Section 3 Compliance Guide, which can be found on Minnesota Housing's website at <https://www.mnhousing.gov/sites/multifamily/postselection/homehtf>.