



Exhibit I
Section 3 Clause

HUD Section 3 Compliance - Contract Clause

- I. 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 USC §1701u) ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and YouthBuild participants, as defined at 24 CFR Part 75 ("Section 3 Regulations").
- II. The Parties agree to comply with HUD's regulations in Section 3 Regulations, which implement Section 3. As evidenced by their execution of this Contract, the Parties certify that they are under no contractual or other impediments that would prevent them from complying with the Section 3 Regulations.
- III. The subrecipient/contractor/subcontractor agrees to include this Section 3 clause in every contact/subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the contact/subcontract in this Section 3 clause, upon a finding that the contactor/subcontractor violates the regulations in Section 3 Regulations. The subrecipient/contractor/subcontractor will not subcontract with any contactor/subcontractor where the subrecipient/contractor has notice or knowledge that the contractor/subcontractor has been found in violation of the regulations in Section 3 Regulations.
- IV. The subrecipient/contractor/subcontractor agrees to maintain hiring and contracting practices to the greatest extent feasible, and consistent with existing Federal state, and local laws and regulations, to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 Workers, in the following priority where feasible; to Section 3 Business Concerns that provide economic opportunities to Section 3 Workers residing in the service area or neighborhood of the Section 3 project, and to YouthBuild Programs.
- V. The subrecipient/contractor/subcontractor agrees to the greatest extent feasible to follow Safe Harbor benchmarks so that 25 percent of the total labor hours expended on the project are by Section 3 Workers, of which 5 percent are by Targeted Section 3 Workers as defined in 24 CFR part 75. As part of these practices, subrecipient/contractor/subcontractor agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR Part 75, as applicable. If the subrecipient/contractor/subcontractor is not able to meet this benchmark goal, it must provide a narrative of efforts taken and supporting documentation explaining why it was unable to meet the goal, despite greatest extent feasible efforts taken. Qualitative efforts will then need to be submitted with supporting documentation.
- VI. The subrecipient/contractor/subcontractor will certify that any vacant employment positions, including training positions, shall be filled after a contractor is selected but before the Contract is executed.
- VII. The subrecipient/contractor/subcontractor agrees to send 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 job training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (1) job titles to hire; (2) availability of apprenticeship and training positions; (3) name and location of the applicant; (3) the anticipated date the work shall begin; and (4) personal/business contact information.
- VIII. The subrecipient/contractor/subcontractor agrees to obtain Section 3 Worker certification forms from (1) all existing employees that will or may work on the projects; and (2) from persons hired to work on the project.
- IX. The subrecipient/contractor/subcontractor agrees to provide written narrative regarding all efforts to comply with Section 3.
- X. The subrecipient/contractor/subcontractor agrees to maintain records documenting employees who qualified as Section 3 Workers that were hired to work on previous Section 3 projects that were retained by the subrecipient/contractor/subcontractor for subsequent Section 3 projects.
- XI. The subrecipient/contractor agrees to notify the contractor/subcontract that are associated with the Section 3 Projects about the Section 3 Requirements and include the Section 3 Clause in its entirety in every awarded contractor/subcontract.
- XII. The subrecipient/contractor/subcontractor agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by United States Department of Housing and Urban Development (HUD). The subrecipient/contractor/subcontractor is responsible for providing Section 3 performance metrics and supporting documentation for all its subrecipients, contractors, and subcontractors, as applicable.
- XIII. Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
- XIV. The Section 3 Regulations are hereby incorporated into this Section 3 Clause, and to the extent there is any conflict between this Section 3 Clause and the Section 3 Regulations, the Section 3 Regulations shall control.