



The Aurora Housing Authority™

THE AURORA HOUSING AUTHORITY

**1449 JERICO CIRCLE
AURORA, ILLINOIS 60506**

REQUEST FOR QUALIFICATIONS (RFQ)

FROM

AFFORDABLE REAL ESTATE DEVELOPERS

FOR

REAL ESTATE DEVELOPMENT PARTNER(S) FOR THE AURORA HOUSING AUTHORITY

"PORTFOLIO REPOSITIONING"

ISSUE DATE: MARCH 19, 2021

Ralph Jordan
Executive Director
Aurora Housing Authority

**To be closed at the Aurora Housing Authority
Administration Office
1449 Jericho Circle
Aurora, IL 60506
at 3:30 p.m. (Local time) on April 19, 2021**

THE AURORA HOUSING AUTHORITY
Request for Qualifications Notice

ISSUE DATE: March 19, 2021

PROJECT NAME: REAL ESTATE DEVELOPMENT PARTNER FOR THE
AURORA HOUSING AUTHORITY "PORTFOLIO
REPOSITIONING"

DELIVERY DATE/TIME: April 19, 2021 at 3:30 p.m. Local time

The Aurora Housing Authority is seeking qualifications from Affordable Real Estate Developers interested in partnering with the Aurora Housing Authority for the repositioning of the assets in its portfolio.

Qualifications will be received until **3:30 p.m.**, local time, **April 19, 2021**. Submissions should be prepared in accordance with the instructions included in the Request for Qualifications (RFQ) document and will be evaluated by the Authority as described within the RFQ. Submissions will be held in confidence and not released in any manner until after contract award.

Submissions should be sent to **Attention: Ralph Jordan, Executive Director**, at the Aurora Housing Authority, 1449 Jericho Circle, Aurora, IL 60506.

By submission of qualifications, the Respondent agrees, if accepted, to enter into a contract with the Housing Authority for the contract price and within the contract time negotiated. The Respondent further accepts all the terms and conditions of the RFQ.

By submitting qualifications, each respondent is affirming his/her commitment to comply with the Laws of the State of Illinois, governing Fair Employment Practices and with all rules and regulations of the U.S. Department of Housing and Urban Development, governing Equal Employment Opportunities and Non-discriminatory Practices. The Housing Authority reserves the right to reject any and all qualifications or to waive any informality in the selection process. This project is funded in part with HUD funds and requires that all contractors/vendors bidding contracts must comply with Section 3 of the HUD Act of 1968.

Date: March 19, 2021

Ralph Jordan
Executive Director/Contracting Officer

OVERVIEW

The Aurora Housing Authority (AHA) is an Illinois public body corporate organized as a housing agency and operating under the Illinois Housing Facilities Act, ILCS 20 3805. Its mission is to provide quality affordable housing for low- to moderate-income families, and to make public housing in Aurora a "housing of choice." The Aurora Housing Authority's portfolio is made up of five public housing sites that are comprised of 502 units of housing. Additionally, the agency administers 1,428 Housing Choice Vouchers. The AHA has a total operation budget of approximately \$20M.

The Aurora Housing Authority (AHA) seeks qualifications from a qualified Development Partner(s), who also has experience in transforming Low Income Public Housing using Rental Assistance Demonstration, Section 18 and/or Voluntary Conversion.

The scope of work must address all necessary labor, materials, equipment, transportation, and supervision necessary to complete the development process.

The AHA, under this solicitation, may, at its discretion, make multiple awards, or award a single company multiple projects, if it is deemed to be in the best interest of the Authority.

#	AMP	Year Built	Unit Count	Building Count	UNIT MIX						Site Name and Location
					0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
1	IL090000001	1972	58	24	0	0	12	20	20	6	Eastwood
2	IL090000001	1971	36	9	0	0	17	17	0	0	Indian Trail – 34 Units + 2 Deprogrammed 401,403,405,407,409,411,413,415 and 417 Indian Trail Road, Aurora, IL 60505
3	IL090000001	1972	34	18	0	0	6	6	13	7	Southwind – 32 units + 2 Deprogrammed
4	IL090000001		59	59	0	4	11	42	2	0	Scattered Sites – Single Family Homes, Duplexes and 4-unit buildings
5	IL090000002	1977	127	2	0	127	0	0	0	0	Centennial House and Annex 1630-1640 W. Plum Street – Office onsite
6	IL090000002	1970	188	2	67	118	1	0	0	0	Maple Terrace 904 North Avenue/905 Second Avenue Aurora, IL 60505 - Office onsite

SCOPE OF WORK

AHA is considering a combination of demolition/disposition, acquisition, rehabilitation and new construction using bonds, tax-credits and other financings, and may decide to invest AHA funds. The selected development partner(s) will assist AHA in evaluation and analyzing existing AHA housing stock for consideration for restructuring.

Consulting, feasibility analysis and related technical advisory services to evaluation the feasibility and applicability of LIHTC transactions for AHA properties.

Description of Potential Development Projects

The selected Real Estate Development Partner(s) will be required to propose development/redevelopment strategies for AHA controlled properties. In the case of a 9% tax credit application, the selected Developer Partner(s) will be responsible for creating comprehensive development strategies to address the integration of LIHTC and other programs into the broader community. The strategies shall provide supporting documentation and information in sufficient detail to justify redevelopment or new development and the integration of the same into the broader Aurora community.

We are seeking a Developer Partner(s) who can provide the financial resources to assist with all development costs leading up to, and after financial closing. The Development Partner(s) will assist AHA through this process and advise AHA staff on financing strategies, demo/disposition rules and regulations, and the application process through the Special Applications Center (SAC) office. It is important to AHA that the LIHTC deals with result in communities of mixed income to include market, affordable and low-income properties. To create the desired results will require comprehensive planning and leveraging resources and coordination of planning efforts for the selected sites.

Technical guidance on the transition of any community or communities to the newly development/redeveloped mixed income property and provide technical assistance AHA seeks to reposition select public housing units and other assets under the LIHTC program. The successful firm(s) must possess or have available consulting and or technical expertise in HUD Programs, HUD Regulations and related areas. The firm(s) must have extensive knowledge of the Low-Income Housing Tax Credit (LIHTC) program.

The firm(s) should excel in preparing LIHTC applications and providing technical guidance to housing authorities regarding PBV and other development/repositioning initiatives.

AHA, or its non-profit affiliate, as the Co-Developer, along with the selected co-developer(s), shall select the other key members of the team which may include architectural, legal, construction, management and financial services. Specific items are detailed in the specifications herein:

AHA's Role (this list is not necessarily all-inclusive):

- Engage the selected Co-Developer in the overall development process including decisions affecting the development of the project(s) given goals to de-concentrate poverty.
- Interface with HUD staff assign, either SAC, local HUD or national HUD office handling real estate transactions.
- Interface with partner(s) and obtain approval to transfer ownership of property along with other approvals as needed (building, zoning, etc.)
- Public relations between the development project and the residents and broader community.
- Provide some guarantees to be negotiated with the selection Co-developer and various lender and syndicators.
- Assist in applying for local/state/federal funding to help support the development financing.
- Provide no more than \$100,000 in pre-development funds for market study, appraisals, and other pre-development activities.
- Provide properties for redevelopment.
- Maintain ownership control of all properties (through either AHA or its non-profit affiliate) in accordance with Federal regulations and as approved by HUD.
- Establish a financial structure that allows it to participate in a stream of income from the development, including the developer's fee cash flow and incentive management fees.
- Provide historical operating costs to develop detailed operating budgets showing at least 15-year projects.
- Prepare and submit applications to HUD for RAD, Section 18 demo/dispo, Conversion, Subsidy Layering Reviews, etc.
- Assist with Section 3 and Davis-Bacon compliance.
- Coordinate community and supportive services.
- Participate in the overall development process including making decisions influencing the development and management of the project(s).
- Assist design, construction and quality control of the development.
- Comply with Section 504 of the Rehabilitation Act, as amended, and the rules and regulations there under, with regard to provision of accessible housing.
- Work with co-developer to apply for Tax Credits and bond financing, if appropriate.
- Ongoing property management and operations of the redevelopment project(s).
- Obtain all permits, approvals, and environmental clearances.
- Hire professional services such as architectural, engineering, and legal services as needed.
- Hire general contractor and all trades.

Development Partner(s)'s Role (this list is not necessarily all-inclusive):

- Assist in securing financing in anticipation of one or more development phases providing all required guarantees that exceed those which can be provided by the AHA because of its nonprofit and governmental status.
- Create financing package(s) which include realistic public and private financing sources.
- Assist with 9% and or 4% Low Income Housing Tax Credit application allocations from Illinois Housing Development Authority (IHDA), Federal Home Loan Bank, bond and other finance applications as needed.
- Responsible for soliciting tax credit syndicators, Phase I environmental, Market Study, Appraisal, and Tax Credit Accounting firms.
- Help encourage participation by MBE, WBE and Section 3 firms.
- Ensure Davis-Bacon compliance
- Development cost-effective construction strategy and implementation schedule.
- Work with AHA to develop detailed project budget or operating pro-formas showing at least 15-year projects.
- Assist AHA in compiling data for regular monthly reports on the progress of development efforts, including work completed, associated costs, and schedule.
- Assist AHA staff in developing capacity in the development and mixed-finance arenas and management tax credit compliance, as needed.
- Assist with resident relocation timeframe and related notifications as required for FHEO, HUD and URA.
- Assist with financing pre-development activities.
- Develop and approved conversion or development strategy including, but not limited to preparation of sketches and renderings.
- Prepare and submit complete LIHTC application(s) to IHDA and other appropriate agencies in a timely manner.
- Review and provide guidance on all documents pertaining to temporary and permanent financing, loans, collateralization and other financial strategies necessary for LIHTC or otherwise relating to the conversion/repositioning of AHA's inventory.
- Working closing with AHA's legal counsel regarding matters of financing structuring as it relates to IRS, IRS Technical Advice Memoranda (TAMs), other relevant Code Section and other applicable federal, state and local regulations.

Required Experience: Each Respondent must have the following:

- Experience in development construction and affordable housing.
- Experience in maximizing the use of various financing vehicles.
- Expertise in housing developments that incorporates Low Income Housing Tax Credits, HOME, CDBG, AHP and other affordable housing financing tools.

- Expertise in regulatory compliance issues.
- Expertise in Section 3, Davis-Bacon, and W/MBE compliance.
- Expertise with local government authorities which regulate and permit utilities.
- Special consideration will be given to firms with executive-level experience with PHA's while participating in RAD, Choice Neighborhoods, HOPE VI and other HUD development initiatives.
- Special consideration will be given to firms that have a good track record with the Illinois Housing Development Authority (this will be confirmed by contact IHDA).
- Preference will be given to firms that have worked with PHA's in the Chicagoland region.

The Co-Developer partnership(s) shall be negotiated based on the scale, scope and risk level in connection with the agency's development master plan.

The Scope of Work is used to gain an understanding of Respondent services and costs and may not be the full scope of a future contract with chose Respondent.

The AHA intends to retain the successful proposer(s) pursuant to a "Best Value" basis, not a "Low Proposal" basis (Best Value, in that the AHA will, as detailed within the following section, consider factors other than just cost making the award decision). Responses should be provided in the following format and securely bound in a three-ring binder. Responses should be received as one (1) original, two (2) copies, and one (1) electronic version (via disk or flash drive). Page separators/tabs should clearly identify each section to facilitate quick reference and comparison to the material submitted by other respondents. Brevity will be appreciated. Responses should address all items requested in this RFQ including, but not limited to, the following:

A. Letter of Transmittal:

- a. Include a letter of transmittal bearing the signature of an authorized representative of the respondent and the name and email address of the individual authorized to negotiate services and costs with the AHA.

B. Tab 1 - Vendor Information:

- a. Provide general information that best represents the respondent's company.
- b. Describe those factors that differentiate the respondents' services from other vendors.
- c. Provide proof that the respondent has at least \$5000,000 of General Liability and \$1,000,000 of Professional Liability Insurance, including errors and omissions.
- d. Certify that the company nor its individual members are disbarred from HUD or state government agencies.

- C. **Tab 2- Capacity to Provide Professional Services:**
- a. Describe the methodology that the respondent proposes to provide the services described in the scope of work. Include proposed staffing matrix delineating task/discipline areas.
 - b. Describe anticipated timelines and specific deliverables to be considered under this engagement.
 - c. State whether organization is national, regional or local. State the local address of your firm.
- D. **Tab 3 - Staff Experience and Organization:**
- a. Show the experience of key personnel anticipated to be assigned to this project relative to projects of similar size and nature. (Experience with public housing authorities is essential). Specifically, show the experience that these key personnel have working with each other on previous projects.
 - b. Provide staffing plan of who will be responsible for the specific tasks identified in the scope of work.
 - c. Provide staffing bias inclusive of professional and educational background.
 - d. LIHTC and RAD experience is required. If the members of your firm have not participated in multiple LIHTC (9 and 4%) and Rental Assistance Demonstration (RAD) conversions, you do not qualify under this RFQ.
- E. **Tab 4 - Cost and Fees:**
- a. Cost and Fees should NOT be included into the binder and shall be sealed in a separate envelop and placed in the front pocket of one (1) original binder.
 - b. understands that the costs of development are to be negotiated between the partner(s)s and the AHA will negotiate a developer's fee split. However, provide a sample Developer's Agreement that contains the terms and fees for a development project where AHA may invest up to \$100,000 and the Development Partner(s) to invest the balance of pre-dev costs, up to \$1 million. This document will be used as the basis for negotiations.
- F. **Tab 5 - Section 3:**
- a. Preference points will be given to any respondent that can attest to being Section 3, MBE or WBE Business Entity or have MBE and/or WBE partner(s) on its team. Please provide an employee listing if Section 3 applies.

RESPONSE EVALUATION:

Evaluation Factors: The following factors will be utilized by AHA to evaluate each Response submittal received; award of points for each listed factor will be based upon the documentation that the respondent submits within its Response submittal:

No.	Max. Point Value	Factor Type	Description
1	35 points	Subjective	Experience and Qualifications: Experience in development finance, public housing, Low Income Housing Tax Credits, resident relations, HUD Regs, RAD, market rate, mixed-income, relocation. Offeror should list of projects and transactions with PHA's. Capability and experience of the members of the Development Partner(s)'s team, and determination of availability of all required skills necessary for the development process. Experience with community-based development and collaboration with community organizations. Evidence of quality performance on-time and on-budget.
2	35 points	Objective	Financial Capacity: Overall financial strength of the Development Partner(s). Demonstrated record of financing affordable housing projects through a variety of funding sources and knowledge and experience working with the funding sources identified in this RFQ. Successful development utilizing low-income housing tax credits. Contribution of Development Partner(s) and demonstrated ability to bring financial resources to leverage dollars and to create a desired mix of housing. Proposed fee split per transactions will be key for this factor also.
3	25 points	Subjective	Development: Completeness and responsiveness to all requirements and priorities of AHA as described in this RFQ, including, but not limited to participation of AHA in the development structure (AHA reserves the right to declare incomplete qualifications as non-responsive). Demonstrated conceptual understanding of HUD mixed-finance, RAD (PBV or PBRA) transactions, FHA financings, etc. Clarity and coherence of presentation. Concept and proposed structuring. Enhancement of neighborhood appearance. Plan for long-term property management and asset management. Involvement of residents in planning, operations and benefits.
4	5 points	Subjective	The OVERALL QUALITY AND PROFESSIONAL APPEARANCE OF THE RESPONSE SUBMITTED, based upon the opinion of the evaluators.
	100 points		TOTAL POINTS (Other than preference points)

Preference Evaluation Factor: The following factors will be utilized to evaluate each Response submittal received:

No.	Max. Point Value	Factor Type	Description
1	5 points	Objective	SECTION 3 BUSINESS PREFERENCE PARTICIPATION: A firm, or its partner(s)s, must Quality for Section 3 status.
2	5 points	Objective	MBE PREFERENCE PARTICIPATION: A firm, or its partner(s), must quality for MBE status.
3	5 points	Objective	WBE PREFERENCE PARTICIPATION: A firm, or its partner(s)s, must qualify for WBE status.
4	5 points	Objective	LOCAL PARTICIPATION: A firm and its principals must be based in metro-Chicago region.
	20 points		TOTAL POINTS (other than preference points)

	120 POINTS	TOTAL POSSIBLE POINTS
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DIRECTIONS FOR SUBMISSION:

Respondents must submit a clearly marked original containing original signature in blue ink, along with two (2) copies, and a flash drive in a sealed carton to AHA's Office by 3:30 p.m. (local time), April 19, 2021 without exception, at the following address, in order to be deemed responsive and eligible for consideration:

AURORA HOUSING AUTHORITY
Attention: Ralph Jordan, Executive Director
1449 Jericho Circle
Aurora, Illinois 60506

Qualifications will not be opened publicly. It is the Firm's responsibility to ensure that its proposal is delivered at the proper time and place. Qualifications which, for any reason, are not timely delivered will not be considered and will be returned unopened

AHA staff designated to receive qualifications will determine when the deadline for receipt of qualifications has expired. No responsibility will attach to an officer, employee or agent of AHA for not recognizing or receiving a proposal which is not properly marked, addressed or delivered to the submission place, in the submission method, by the submission date and time.

To assure that the respondent's Response to the RFQ arrives at the proper place, on time, and to prevent opening by unauthorized individuals, cartons containing submissions, must be identified on the outside, as follows:

RFQ
Development Partner(s)

Due: April 19, 2021 at 3:30 p.m. Local Time

Faxed or electronic submissions of the Response to the RFQ will not be accepted. Once received by AHA, submissions will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted in writing to the Procurement Manager at the above address. No information concerning this solicitation or request for clarification will be provided in response to telephone calls. All requests for information must be received no later than **April 1, 2021**.

AHA'S RESERVATION OF RIGHTS:

Definitions:

Respondent - Company or individual responding to RFQ

Contractor- Company or individual who is awarded the contract

AHA reserves to right to:

1. AHA reserves the right to reject any or all Responses, to waive any informality in the RFQ process, or to terminate the RFQ process at any time, if deemed by the AHA to be in its best interest.
2. AHA reserves the right not to award a contract pursuant to this RFQ.
3. AHA reserves the right to terminate a contract awarded pursuant to the RFQ, at any time for its convenience upon fourteen days written notice to the successful Respondent (s).
4. AHA reserves the right to determine the days, hours and locations that the successful Respondent(s) shall provide the services called for in this RFQ.
5. AHA reserves the right to retain all Responses submitted and not permit withdrawal for a period of sixty (60) days after the deadline for receiving Responses without the written consent of the AHA Contract Administrator (CA) or its Executive Director (ED).
6. AHA reserves the right to negotiate the fees proposed by the Respondent entity. If such negotiations are not, in the opinion of AHA's CA, successfully concluded within a reasonable timeframe as determined by AHA, AHA shall retain right to end such negotiations.
7. AHA shall have no obligation to compensate any Respondent for any costs incurred in responding to this RFQ.
8. AHA shall reserve the right to, at any time during the RFQ or contract process, to prohibit any further participation by a Respondent, or reject and Response submitted that does not confirm to any of the requirements detailed herein. Each prospective Respondent further agrees that he/she will inform AHA's CA in writing within five (5) days of the discovery of any item that is issued thereafter by CH that he/she feels needs to be addressed. Failure to abide by this timeframe shall relieve AHA, but not the prospective Respondent, of any responsibility pertaining to such issue.
9. AHA reserves the right, prior to award, to revise, change, alter or amend any of the instructions, terms, conditions, and/or specifications identified in the RFQ documents issued, within any attachment or drawing, or within any addenda issued. All addenda will be on AHA's website under "Doing Business". Such changes that are issued before the response submission deadline shall be binding upon all prospective Respondents.
10. In the case of rejection of all Responses, AHA reserves the right to advertise for new Responses or to proceed to do the work otherwise, if in the judgment of AHA, the best interest of AHA will be promoted.
11. AHA reserves the right to, without any liability; cancel the award of any Response(s) at any time before the execution of the contract documents by all parties.

12. AHA reserves the right to reduce or increase estimated or actual quantities in whatever amount necessary without prejudice or liability to AHA, if:
 - a. Funding is not available,
 - b. Legal restrictions are placed upon the expenditure of monies for this category of service or supplies; or,
 - c. AHA's requirements in good faith after award of the contract.
13. AHA reserves the right to make an award to more than one respondent based on ratings and to award with or without negotiations or a "Best and Final Offer" (BAFO).
14. AHA reserves the right to require additional information from all respondents to determine level of responsibility. Such information shall be submitted in the form required by AHA within two (2) days of written request.
15. AHA reserves the right to amend the contract any time prior to contract execution.
16. AHA reserves the right to require the Contractor to keep accurate timesheets for all employees assigned to perform any project, task, or assignment resulting from this RFQ and any resulting contract.
17. AHA reserves the right to contact any individuals, entities, or organizations that have had a business relationship with the respondent regardless of their inclusion in the reference section of the Response submittal.
18. In the event any resulting contract is breached, prematurely terminated or cancelled due to non- performance and/or withdrawal by the Contractor, AHA reserves the right to seek monetary restitution (to include but not limited to withholding of monies owed) from the Contractor to cover costs for interim services and/or cover the difference of a higher cost (difference between existing Contracted rate and new Contract rate) beginning the date of Contractor's termination, breach and/or cancellation through the contract expiration date.
19. AHA reserves the right to require the Contractor to replace any employee, subcontractor, or other individuals and/or entities, found to be unacceptable, performing work under any contract resulting from this RFQ. Replacement shall occur within two (2) days of notification by AHA.

The contact persons will be - Ralph Jordan, Executive Director
Email: rjordan@auroraha.org

NON-COLLUSIVE AFFIDAVIT

State of _____)
County of _____) S.S.

_____, being duly sworn, deposes and says that:

- (1) He/She is the _____ of _____, the Firm that has submitted the attached Proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- (3) Such Proposal is genuine and is not a collusive or sham offer;
- (4) Neither said Firm nor any of his/her officers, partner(s), owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other firm or person to submit a collusive or sham bid in connection with the contract for which the attached Proposal has been submitted or to refrain from making a Proposal in connection with such contract, or has in any manner, directly or indirectly, sought by agreement, or collusion or communication or conference with any other firm or person on prices in the attached Proposal or of any other firm or, to fix any overhead, profit, or cost element of the contract or contract of any other firm, or to secure through any collusion, connivance, or unlawful agreement any advantage against the Aurora Housing Authority, or any person interested in the proposed contract; and
- (5) The Proposal Price referenced in the attached Proposal document is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representative, owners, employees, or parties in interest, including this affiant.

(Signed) _____

Title: _____

State of _____
County of (_____) S.S.

Subscribed and sworn to before me this _____ day of _____, 2021

Notary Public for _____

Title

My commission expires _____, 20 _____

Section 3 Clause

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 or 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.

CERTIFICATION of SECTION 3 COMPLIANCE

Name of Business _____

Address of Business _____

Job Name _____

1. The contractor certifies that (s)he has sent 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. The contractor further certifies that (s)he has (or will) post(ed) 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.

2. The contractor certifies that he/she has included 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 further certifies that (s)he 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.

3. The contractor certifies 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.

(Corporate Seal)

Authorizing Name _____

Signature _____

Attested by: _____

PENALTY FOR FALSE OR FRAUDULENT STATEMENT;

U.S. Code, Title 18, Section 1001, provides that a fine or up to \$10,000.00 or imprisonment for a period not to exceed 5 years, or both, shall be the penalty for the willful misrepresentation and the making of a false, fictitious or fraudulent statement knowing the same to be false.