

**CITY OF HOUSTON  
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCD)  
NOTICE OF FUNDING AVAILABILITY  
COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY 2017  
STELLA LINK DEVELOPMENT PROJECT  
SOLICITATION NO.: N060724**

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**Date Issued:** June 07, 2024

**Pre-Application Conference:** June 11, 2024, at 10am  
<https://bit.ly/Stella-Link-2024-NOFA>  
Meeting ID: 275 171 182 08  
Passcode: r2VTSH

Or call in (audio only)

+1 936-755-1521  
Phone Conference ID:  
498 422 044#

**Pre-Application Questions Deadline:** July 3, 2024, at 5pm


**Solicitation Due Date:** July 12, 2024, at 3pm

**Solicitation Contact Person:** Linsi Broom  
[Linsi.Broom@houstontx.gov](mailto:Linsi.Broom@houstontx.gov)  
832-393-0506

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**NOFA SUMMARY**

The City of Houston, Housing and Community Development Department (HCD) seeks applications from qualified for-profit and nonprofit developers to build single-family homes that serve eligible low-to-moderate income (LMI) Homebuyers. Applicants must demonstrate a capacity to design, construct, market, and sell new single-family homes on a specific site selected by the City. Applications will be reviewed, underwritten, and scored to select one Applicant based on a predetermined set of criteria outlined in the NOFA.

DocuSigned by:  
  
6121834A077C41A

Jedediah Greenfield, CPO Signature

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## PART I: GENERAL INFORMATION

### Introduction

The City of Houston (City) is the fourth largest city in the United States and is composed of 23 departments with multiple physical locations throughout the geographical boundaries of the city. The City has approximately 23,000 employees with approximately 500 employees involved in the procurement and/or contracting process. Contracts where the City must pay in excess of \$50,000 are routed to City Council for approval. The annual volume of contracts and purchase orders issued by the City in the last five years has ranged from 19,000 to 23,000.

The City is committed to building a resilient and equitable city after Hurricane Harvey through our recovery programs. Our housing recovery programs seek to develop safe and affordable homes across our city in communities where people can thrive. We will accomplish this by investing in homes, rebuilding existing housing stock and constructing new homes in areas safe from future flooding, as well as community amenities, economic engines, and resilience activities. We will use data to design and evaluate our Program's success and be transparent about how the recovery is unfolding. Recovery from Hurricane Harvey presents a historic opportunity to rebuild Houston's housing stock that's stronger and more resilient than ever before.

### Funding

The amount of funding available for the Harvey Single-Family Homeownership Development at Stella Link NOFA is approximately \$11,590,957.00. The funding source is Community Development Block Grant Hurricane Harvey Disaster Recovery 2017.

### Solicitation Schedule

<b>Event</b>	<b>Date</b>
Date NOFA Issued	June 07, 2024
Pre-Application Conference	June 11, 2024
Pre-Application Questions Deadline	July 3, 2024
Solicitation Due Date	July 12, 2024

## PART II: SCOPE OF WORK

### Description | Purpose

HCD is committed to creating homeownership opportunities for Houstonians—making possible the development of solid quality, affordable homes in thriving communities. To support this objective, the City has acquired **12.22 acres of land at 10301 Stella Link Road, Houston, Texas, 77025, located south of Main Street and east of Willowbend Boulevard, herein referred to as *Stella Link***. HCD is releasing this Stella Link Development Project NOFA outlining the City's process and requirements toward identifying a qualified Developer to build a community of new single-family homes on this Site with 51% or more of the units affordably priced for low-to-moderate income (LMI) homebuyers. The City will make the land available to the developer and potentially fund a portion of the infrastructure and/or home construction costs. The selected Developer will build, market, and sell homes pursuant to terms and conditions.

***Before submitting an application, Applicants are required to read and understand the City's Harvey Single-Family Development Program Guidelines. The definitions of terms used throughout the NOFA begin at page 50 of 57 of the Guidelines.***

The City's contribution is sourced from Community Development Block Grant Disaster Recovery 2017 (CDBG-DR 17) funds allocated by the U.S. Department of Housing and Urban Development (HUD) to the Texas General Land Office (GLO) in response to Hurricane Harvey. For this Project, the City has received a direct allocation of **Eleven Million Five Hundred Ninety Thousand Nine Hundred Fifty- Seven Dollars (\$11,590,957.00)** from the GLO. **The City has expended Thirteen Million Nine Hundred Seventy Thousand Five Hundred Forty Dollars and eleven cents (\$13,970,540.11)** for land acquisition, due diligence, interim maintenance and predevelopment planning, and the City will review and accept proposals for land infrastructure and/or home construction costs. The land grant and potential forgivable loan for infrastructure and/or home construction comprise the City's contribution and are referred to throughout this NOFA together as the "City's Investment". HCD anticipates this contract to be completed by December 31, 2027, and any development funded with this grant must meet all close out conditions at least ninety (90) days prior to that date. It is imperative that applicants demonstrate a readiness to meet the closeout timeline and demonstrate an ability to commence construction within four months of a recommendation of an award.

Through this NOFA, qualified developers are eligible to apply for the City's Investment to build housing of which at least 51% of the total homes built must be affordable on the established Site. Developers must complete and submit an application to be considered for a commitment of the City's Investment in the Stella Link Development. Projects will be evaluated on their alignment with the City of Houston's Action Plan submitted to the GLO, readiness, timeline, and overall outcomes. The final Award must be approved by the Mayor of Houston, and the Houston City Council.

### The Stella Link Site

Stella Link is a transit-oriented development site located in the Willowbend community slightly outside the 610 Loop. **The Site is comprised of 12.22 acres at 10301 Stella Link Road, near the intersection of South Main Street and east of Willowbend Boulevard, with superior access to major highways 610 and 288, and I-59. Stella Link has close proximity to Downtown, the Medical Center, Meyerland Plaza and Rice University.** Per FEMA, this Property is located outside the 100-year and 500-year floodplain.

The Land component of the City's Investment will convey to the selected Developer at Closing at terms and conditions to be more fully established. The Land will transfer under a restrictive deed covenant stipulating requirements related to the Award, including but not limited to the number, size and design of homes, the sales prices of homes, the eligibility requirements of homebuyers, the site plan, community amenities, and the timing requirements of the completion and sale of homes. The Land may revert back to the City if the Developer defaults on any portion or part of the restrictive deed covenant obligation. The Loan component, which may be up to **\$11,590,957.00**, will be provided as a forgivable loan including land cost and may be disbursed pursuant to the terms of a Loan Agreement, for actual, incurred, CDBG-DR-eligible costs.



### **Expected Site Improvements/Standards**

Applicants are advised that the City will issue guidance on the site-specific requirements, which will be based on the completion of its environmental review. Applicants should additionally refer to the "Stella Link Preliminary Community Design" document. This study was commissioned to develop a framing concept for the Stella Link Development and does not explicitly represent what the City requires under this NOFA. This Exhibit is incorporated to provide key aspects of the City's due diligence toward advancing Applicants' understanding of various parameters of the proposed Development. It should not be interpreted as a required or preferred site design, floor plans or architectural preferences.



## Preliminary Community Design

The preliminary site configuration shown is an example of a Design Plan for the Stella Link site that contains the layout of site access and circulation, single-family units and open spaces. The preliminary unit types suggested for the development on the site plan proposes 100+ mixed units to include (16x40) three-story two-bedroom and three-bedroom units and (20x40) three bedroom and four-bedroom units with garages. HCD require individual single-family detached units. Density will vary.

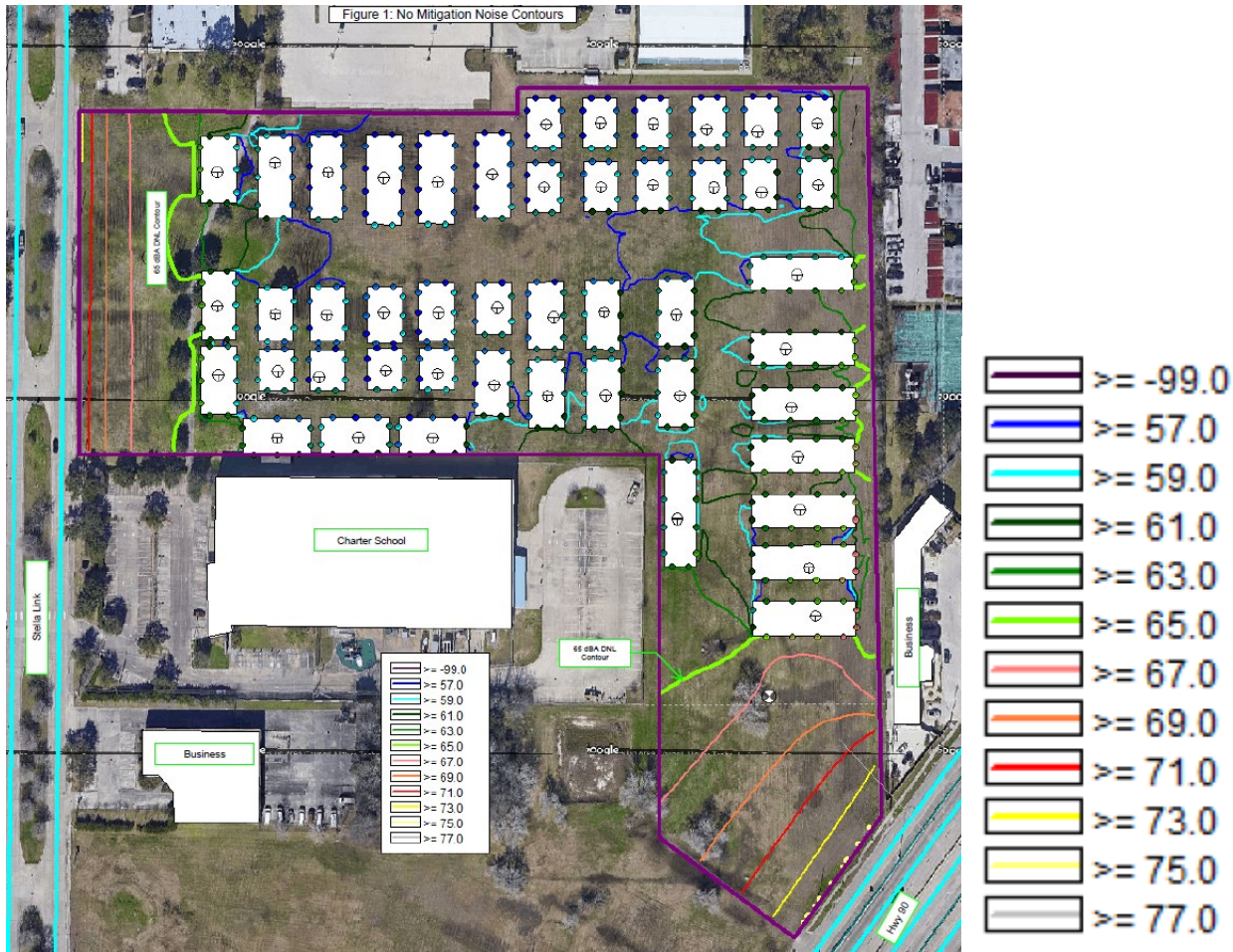


## HUD Site-Noise Assessment Analysis & Results

The Applicant is required to incorporate noise attenuation features for new construction that is proposed in high noise area, to the extent required by HUD environmental criteria and standards contained in Subpart B (Noise Abatement and Control) of 24 CFR Part 51.

The City will provide a Noise Mitigation Study for the proposed new construction high noise areas located at the site. The review indicates noise attenuation is required to meet the federal requirement not to exceed more than 65 decibels (dB) for interior sound. The HUD site noise assessment calculations indicate that the project site will fall in the "Acceptable" and "Normally Unacceptable" categories with predicted levels just above and below 65 (dB). The southeast corner building of the project site (worst-case) was chosen for this Noise Assessment Location (NAL) as it will be closest to the major noise sources at the project site; Highway 90/S. Main St. an additional NAL was placed at a western project building nearest Stella Link Rd. The exhibit displays results of Day-Night Average Sound Level (DNL)

noise contours at the site with no site mitigation in place.



## Community Feedback and Priorities

The successful Applicant will address community feedback and priorities identified by the City in its due diligence process. The video recording of the public meeting titled *New Homes for Stella Link Community Recap* on September 19, 2022, is available for viewing at <https://www.youtube.com/watch?v=OpRkJUfDkU8>.

- **Green Space Design**

Promote community gatherings through shared amenities. Community continuity to include but not limited to trees along walking paths, bike trails and shaded children's playgrounds.

- **Home Design and Sustainability**

Inclusion of design features promoting individual homeownership such as yards, individual design façade colors and porches. Designs to comply with Green Building Standards and must include first floor full brick or modern design to include brick and/or stucco (EIFS) with nearby trees to promote shading and individual homeownership.

- **Neighborhood Mobility**

Providing strong connections including but not limited to speed deterrents, raised crosswalks, pedestrian safety, sidewalks through traffic mitigation and transit as part of this project.

- **Neighborhood Safety**



Enhance community safety via gating and/or individual fencing, homes with garages and ensuring well-lit public areas.

- **Homeowner Associations**

Community engagement comments expressed overwhelming support for a homeowner’s association in the Stella Link development. Homeowner Association will be required for a development with public streets, individual water, sewer and trash pick-up.

**Program Compliance**

**Eligibility**

The Stella Link Development Project will provide homeownership outcomes to beneficiaries who are principally low- to-moderate income residents of Houston. HCD will verify the incomes of individual beneficiaries based on HUD’s 2024 Income Limits to ensure that at least 51% of the homes built by the Development are sold to LMI households (below 80% of Houston median income adjusted for family size).

**2024 Houston/The Woodlands/Sugar Land Region  
HUD Maximum Annual Household Income Limits\***

[AREA MEDIAN INCOME 2024 CHART](#)

Household Size	80% Area Median Income (AMI)	120% Area Median Income (AMI)
1-person	\$53,000	\$79,450
2-person	\$60,600	\$90,800
3-person	\$68,150	\$102,150
4-person	\$75,700	\$113,500
5-person	\$81,800	\$122,600
6-person	\$87,850	\$131,700
7-person	\$93,900	\$140,750
8-person	\$99,950	\$149,850

\*Household income limits are subject to annual changes.

New affordable homes target LMI Homebuyers for purchase by households impacted by Hurricane Harvey, who otherwise qualify for first mortgage financing sufficient to purchase the home at the Affordable Sales Price, which is below the home’s market value.

In the Application, Applicants will make specific regarding the number and size of Market Rate and Affordable Homes, the market prices and sales prices of homes, and the income levels targeted for eligible homebuyers of the affordable homes.

The City will require specific set-aside number of homes by price and maximum qualifying income of the homebuyer.

There must be at least two of the three categories of set-asides within the Development:

1. (Required) No fewer than fifty-one percent (51%) of the homes must be sold to eligible LMI Homebuyers at sales prices that are affordable to LMI Homebuyers earning less than 80% of Area Median Income (AMI) adjusted for household size.
2. (Preferred) Of the remaining 49% available, no fewer than 25% and no more than 49% of the



homes may be sold as Market Rate Homes.

3. (Preferred) If fewer than 49% of the homes are sold as Market Rate Homes, the remaining homes may be sold to income-eligible Affordable Homebuyers at AMI levels above 80% but below the AMI level required to purchase the home at the Market Rate home selling price.

For these homes, Developers may propose pricing tiers affordable to homebuyers at 100% to 120% of the AMI. These home selling prices must (a) be reduced below the Market Rate Home selling price, and (b) must be affordable to homebuyers at the designated income level(s).

### **Illustrative Examples**

The following examples of acceptable applications for Affordable and Market-Rate Homes are provided for clarification of this requirement:

- Developer to propose a design to maximize the land for single family detach homes and/or a combination of mix units such as duplex, triplex, and single-family detached homes.
- 65 Homes, of which 33 (51%) are reserved for households earning less than 80% AMI and 32(49%) are sold to Market-Rate purchasers.
- 65 Homes, of which 33 (51%) are reserved for households earning up to 80% AMI; 13 (20%) reserved for households earning up to 100% AMI; 7(10%) reserved for households earning up to 120% AMI; and 12(19%) are sold to Market-Rate Homebuyers, without income qualification requirements.

Applicants should note that the Affordability Value of the proposed balance between Affordable and Market-Rate Homes will be considered under the Selection Criteria.

## **Marketing and Sales of Affordable Homes**

### **Pricing of Affordable Homes**

Pricing of Affordable Homes (and corresponding income qualification standards for Affordable Homebuyers at those prices) will be at amounts to be established in an agreement between the Developer and the City, as a condition of the City's Investment. Pricing levels must be affordable to eligible Homebuyers at stipulated levels of income, and such affordability will be determined based on such households' likely ability to obtain conventional mortgage financing in amounts sufficient to purchase the Affordable Homes at the established pricing.

The number of Affordable Homes (including their levels of affordability and their corresponding pricing), is a key outcome the City seeks to achieve with its investment. For illustration purposes only, refer to "Sample Calculations Based on AMI, HOMEOWNERSHIP Affordability". HCD distinguishes between the 'market price' of the home, which reflects its market value, and the 'selling price' to eligible homebuyers. For Market Rate Homes, the market price and the selling price will be the same. For Affordable Homebuyers, the market price will be the home's market value, but the selling price should reflect a discount, rendering the home affordable to the target homebuyer.

The HCD will consider various approaches to structuring the sale of Affordable Homes, including:

- A reduced, affordable selling price for eligible homebuyers, with a LURA acceptable to the City and in accordance with requirements detailed hereinabove to ensure certain occupancy by the eligible homebuyer and/or resale restrictions.

- The eligible Homebuyer will purchase the home with a first and second lien. The first lien will be held by the bank or mortgage company securing the conventional mortgage based on the Homebuyers pre-qualification home purchase amount. The second lien represents the balance of the market sales price minus the reduced, affordable purchase price or subsidy. The City would hold the second lien in the form of a forgivable loan. The affordability period for the second lien is up to five (5) years, forgivable at a rate of twenty (20%) percent each year.
- Other proposed approaches permit eligible homebuyers to afford the home purchase while protecting the program goals of lower prices, long-term homeownership and equity appreciation. The overall City's Investment through this Program is effectively converted to affordable homeownership.

HCD is intentionally not releasing this NOFA with a specific format regarding financing and expects innovative and creative approaches from Developers toward a transaction in which the City's Investment ultimately results in our goals of affordable homeownership opportunities.

### Home Market Value Strategy

Pursuant to the Harvey Single Family Development Guidelines, "The maximum Homebuyer Assistance to qualified Homebuyers is limited to **\$135,000.00 per Household.** Other subsidies or sources of funding will not be used for the Harvey Single-Family Development Program." For planning purposes, HCD generally assumes that three-bedroom homes should target a market value of approximately \$346,000 (or less), and four-bedroom homes should target a market value of approximately \$384,000 (or less), to ensure this program restriction is met.

Developer Assistance for Affordability is provided by the Developer directly to the LMI Homebuyers to make single-family homes affordable. The developer will reduce the sales price of the home to guarantee affordability for a prospective LMI Homebuyer. The Developer Assistance is the net amount of the Sales Price minus the HUD Housing Trust Fund (HTF) Homeownership Value Limits (HUD HTF Price) for affordable homeownership values set annually by HUD for Harris County, Houston-The Woodlands-Sugar Land, TX HUD Metro Area. The FY2023 HUD HTF Price is \$268,000 for Houston/Harris County. This calculation will change annually. Please see the available link for updates: <https://www.hudexchange.info/resource/4982/housing-trust-fund-homeownership-value-limits/>.

See exhibit for Developer Assistance:

Developer Sales Price	\$346,000
HUD HTF Price (Max Sales Price)	\$268,000
Developer Assistance	\$78,000

In calculating the Developer Assistance, \$13,970,540.11(land cost) will be factored into the overall assistance to be provided.

### Marketing and Sales of Homes

Developers will be required to produce and implement an Affirmative Fair Housing Marketing Plan (AFHMP). The purpose of this AFHMP is to ensure potential Homebuyers are offered equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP ensures the selected Developer effectively markets housing opportunities to groups that are least likely to pursue homeownership opportunities through the Program.

It is the responsibility of the Developer to tailor outreach and marketing efforts in accordance with the goals of the Program. **The Program will allow for Builder to have preference with lender and**

**realtor partnership, but it is not a requirement.****Intake and Eligibility Determination**

Following the Developer's pre-screening to identify interested Homebuyers meeting their requirements, the Developer will submit the applicant's basic information to the City's Intake/Eligibility Team. The Intake/Eligibility Team will confirm eligibility (household and income) based on source documentation of income submitted by the Homebuyer. It is the responsibility of the Intake/Eligibility Team to complete eligibility determination and ensure homeownership counseling has been completed under this program.

**Price Restrictions and Affordable Sales**

Applications must document the proposed number of newly constructed homes to be sold at market rates and the number of homes to be sold at affordable price points to eligible households. The Applicant awarded the City's Investment will be required to sell homes in accordance with the agreed upon market rate to affordable rate allocation, which may be formalized in a LURA. Affordable Homebuyer income eligibility will be based on household income as a percentage of AMI, established annually by HUD. To qualify, the Homebuyer's income must not exceed eighty percent (80%) of AMI adjusted for household size; however, HCD expects developers to propose a range of income levels and sales prices affordable to households at those income levels. Land Use Restriction Agreements will attach to Affordable home sales.

HCD will prefer three and four-bedroom unit sizes in the Stella Link Development program. The program will consider two-bedroom/two-bathroom homes with square footage of 1,000 sq/ft. and up.

Bedrooms	Bathrooms	Square Feet
2	2	1,000 and up
3	2	1,200 - 1,600
4	2	1,500 - 1,900

**Minimum Construction Standards**

All CDBG-DR New Construction projects must, at a minimum, meet HCD Minimum Construction Standards (MCS) at completion and all applicable local codes and ordinances, including Chapter 19 of the Code of Ordinances, City of Houston, Texas. The Minimum Property Standards (MPS) are outlined in the link at [Minimum Construction Standards for Rehabilitation, Reconstruction and New Construction for Single Family Residences \(houstontx.gov\)](http://houstontx.gov)

Through its written Agreement with the selected Developer, the City will outline performance requirements and operational tools associated with construction management and oversight. The Agreement may include construction inspection information for progress, final payment requirements, and Texas Real Estate Commission (TREC) compliance.

The Developer warranty periods are: 1 year (365 calendar days) for workmanship and materials; 2 years (730 calendar days) for mechanical or delivery systems, including electrical delivery systems, plumbing delivery systems, ventilation, heating, and air conditioning systems; and 10 years (3,650 calendar days) for the structural warranty covering the major structural components of a Housing Unit. A Certificate of Compliance (COC) will be required to be submitted as proof of compliance.

Developers shall provide to the HCD Director all necessary final certificates, licenses, consents, and other approvals of the various governmental authorities having jurisdiction, including a permanent COC, as applicable. HCD Staff will ensure that all COC, warranties, and other final documents will be provided

to the Homeowner by the Developer upon completion of the work.

### **Green Building Standards**

New housing construction must comply, at minimum, with Energy Star Certified Homes, of the Green Building Standards (83 F.R. 5844):

1. ENERGY STAR® (Certified Homes)
2. EPA Indoor Air Plus (ENERGY STAR ®a prerequisite)
3. Leadership in Energy and Environmental Design (“LEED”) (New Construction, or Neighborhood Development);
4. ICC-700 National Green Building Standard (“NGBS”)

The Application may specify additional commitments to the City for Green Building Standards. Projects which commit to stronger standards will be preferred. Within the Application, Applicants will be required to submit designs compliant with the green building standards. Inspections following construction completion will be conducted to confirm compliance.

Green Building Standards proposed by Applicants in the Application must meet an industry-recognized standard that has achieved certification under ENERGY STAR® Certified Homes.

### **Resilient Home Construction**

All CDBG-DR assisted New Construction single-family projects must meet an industry recognized standard such as those set by Fortified Home Gold Level for New Construction of single-family detached homes or any other approved equivalent comprehensive resilient or disaster resistant building program (83 F.R. 5844). An equivalent hybrid of the industry standard may be proposed and accepted by the City.

The Application must commit to Resilient Standards. The City will prioritize projects which incorporate additional industry-recognized resilient home design standards which exceed the base program requirements. Resilient standards, when incorporated, will increase a home's resilience to natural hazards, including high wind, hail, and tropical storms.

During the Application process, Applicants will be required to submit designs compliant with the resilient construction standards. Inspections following construction completion will be conducted to confirm compliance.

### **Elevation**

The City of Houston will apply home Elevation Standards in compliance with FEMA requirements, and the City's current, more stringent, Chapter 19 of the Code of Ordinances, City of Houston, Texas, known as the Floodplain Ordinance No. 2018-258, effective September 1, 2018, as may be amended from time to time ("Floodplain Ordinance"). The Floodplain Ordinance defines the Houston Special Flood Hazard Area (HSFHA) as comprising both the 100-year and the 500-year floodplain that are each defined in Executive Order 11988 and 24 CFR Part 55. The City's Floodplain Management Office requires the HSFHA elevation standard of 500-year floodplain above two feet, or at least three feet above the highest adjacent grade where the depth is not specified. Furthermore, the Program will prohibit new construction activities in the floodway and the 100-year floodplain.

### **Signage**

Any recipient shall be required to place permanent signage in a prominent, visible public location to be included in the development budget. The Recipient will format the sign best to fit the architectural design



of the building or facility but should be legible from at least three (3) feet distance.

"This project is funded by the City of Houston, the Texas General Land Office of the State of Texas, and the United States Department of Housing and Urban Development through the Community Development Block Grant Program to provide for disaster recovery and restoration of infrastructure for communities impacted by Hurricane Harvey."

### **Accessibility Requirements**

Five percent (5%) of the total dwelling units shall be made accessible for persons with mobility impairments. An additional two percent (2%) of units in such a project shall be accessible for persons with hearing and vision impairments.

### **Insurance**

For all projects in the Program, all Developers must procure and maintain insurance for the duration of the Agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. Current Insurance and licensure documentation will accompany every construction draw request for payment to ensure contractor compliance.

### **Environmental**

The funded development will require an updated Phase I Environmental Site Assessment (ESA) to be in compliance with the standards established in the American Society for Testing and Materials (ASTM) E1527 – 13. This update should be performed by the same vendor which performed the original assessment, to be current within six months of the proposed closing date. Any additional studies identified in the Phase I ESA will be required, including but not limited to Phase II ESAs, where applicable. Any Phase II ESAs will need to comply with the standards established in ASTM E1903 – 19. HCD will review the Phase I ESA (and if applicable Phase II ESA) to ensure any, and all environmental issues requiring mitigation have been successfully addressed. To be considered current, Phase I ESA's must be less than six (6) months old at the time of Full Application submission. No Phase I ESA is required as part of the Application. Phase I ESA's which are more than 6 months old at the time of closing, must be updated and resubmitted, and in the event a Phase I ESA is more than 12 months old, the Developer will be required to complete and submit a new Phase I ESA. Any additional studies and/or testing (including but not limited to Phase II ESAs) determined necessary based on Phase I recommendations would be required to comply with these standards. ESA requirements must be fulfilled as a condition of the closing of any HCD financing.

### **Davis-Bacon Act and Related Acts (DBRA)**

As part of the Disaster Recovery 17, State and Federal requirement, Davis-Bacon Act will apply to this funded development. Measures will be applicable to all construction activities throughout the life of the project regardless of the size and nature of the construction work. Davis-Bacon is a federal regulation which includes numerous related acts that applies to federally assisted contracts in excess of \$2,000 for construction, alteration, and/or repair, including painting and decorating. Federal assistance is provided through grants, loans, and loan guarantees and insurance. The Act requires contractors and subcontractors to pay their laborers and mechanics employed no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area, determined by the United States Department of Labor. See link for details: [Davis-Bacon and Related Acts](#)

### **MWSBE Compliance Requirements**

Minority Business Enterprises/Women Business Enterprises - It is the City of Houston's policy to ensure that Minority and Women Business Enterprises (MWBE) have full opportunity to compete for and participate in City Contracts.

Applicant shall comply with the City's MWBE Program as set forth in Chapter 15, Article V of the City of Houston Code of Ordinances, as well as the Policies and Procedures of the Office of Business Opportunity (OBO) found on OBO's website at <https://www.houstontx.gov/obo/policies-procedures.html>.

Applicant shall make good faith efforts to award subcontracts and supply agreements in at least 29% (21%MBE, 8%WBE) of the HCD investment for all federally and non-federally funded construction contracts in excess of \$1,000,000 to certified MWBEs. MWBE Primes are allowed to meet advertised goals by self-performing up to 50% of the total contract goal(s). MWBE Primes will have to choose which goal they would like to receive credit for on construction projects (MBE or WBE). Once a goal type for participation is selected, the Primes participation credit will be capped at the proposed percentage or the approved goal, whichever is lower.

- The Prime Contractor shall make Good Faith Efforts to award subcontracts or supply agreements to MWSBEs to achieve goal requirements.
- Only firms certified through the City of Houston, Office of Business Opportunity can be used to meet MWBE goal requirements.

### **PART III: EVALUATION AND SELECTION PROCESS**

#### **Evaluation Committee**

An evaluation committee shall evaluate Applications in accordance with the evaluation criteria listed below. The evaluation committee reserves the right to issue letter(s) of clarification when deemed necessary to any or all Applicant(s).

#### **Interviews/Oral Presentations/Demonstrations**

The City reserves the right to request that Applicant(s) provide a final presentation handout of their application at the scheduled meeting. No Applicant may attend presentations of any other Applicant. If necessary, Applicants may be scheduled for more than one presentation, demonstration, or interview. The oral presentations, demonstrations and/or interviews may be recorded and/or videotaped.

#### **Selection Process**

The City intends to select Applications that best meet the needs of the City and that provide the best overall value. The City reserves the right to check references on any projects performed by the Applicant, whether provided by the Applicant or known by the City. The City also reserves the right to select the most responsive, responsible application feasible for affordable housing on this site.

Funding will be distributed to Applicant(s) that meet or exceed the minimum points, starting with highest score. After allocating funding based on highest scores, if there are insufficient funds to allocate to the next Applicant, the City may:

- i. Request that the next Applicant lower its funding request,
- ii. Skip the Applicant and award to the next Applicant whose funding request does not exceed available funding (whether based on the initial application or lowered in response to a request as set out in the step above), and/or
- iii. Choose not to award the remaining funding under this NOFA.

The City may continue the steps i and ii above with each next applicant (in order of score from highest to lowest) until all funds are awarded or the City determines it will not award any remaining funds under this NOFA. Upon approval of the selected Applicant(s), an agreement shall be executed by the appropriate City officials.

## Evaluation Criteria

### Threshold (Minimum Requirements)

T1. Applicant must not be debarred or suspended or is otherwise excluded from or ineligible for participating in Federally funded program.

T2. Applicant will not receive funding if it is not current with taxes due to the City, has delinquent loan(s) with HCDD, or if the organization is not in good standing with the City.

T3. Certificate of Account Status from Texas Comptroller  
<https://comptroller.texas.gov/taxes/franchise/coas-instructions.php>

T4. If applicable, current 501(c)(3) tax exempt status from Internal Revenue Service  
<https://www.irs.gov/charities-and-nonprofits>

T5. Applicant must have a minimum five (5) years of proven experience as a Developer and evidence of financial capacity to successfully complete the proposed project at-scale.

## Scoring Criteria

Maximum Points Available: 157 points

### S1. Developer Capacity: 25 possible points

All applications will be assessed to establish the capacity of the Developer Experience to develop the planned community on time, on budget, with adherence to the quality standards. These criteria seek to identify prior, similar experience, ability to access necessary capital, and financial capacity.

#### a. Developer Overall Experience: 5 possible points

HCD seeks Developers with proven experience and capacity to develop single-family home projects at-scale and considers the volume of a developer's prior production to be an important indicator of their capacity and will consider the number of comparable single-family homes developed by the applicant in the state of Texas within the last three (3) years. This does not include disaster recovery scatter sites but large-scale neighborhood designs of infrastructure and new home construction.

5 points: The Applicant demonstrates completion of 2 or more affordable single-family home projects with more than 20 units within the last 3 years.

3 points: The Applicant demonstrates completion of at least 1 single-family affordable home project with more than 20 units within the last 3 years

0 points: The Applicant does not demonstrate completion at least 1 single-family affordable home project with more than 20 units within the last 3 years

**b. Developer Capacity & Staffing Experience: 5 possible points**

HCD seeks Developers familiar with and knowledgeable about single-family home construction market, building codes, local subcontractors, and other locality-based considerations *at-scale*.

The Applicant must provide evidence that management and the development team have adequate experience and the organization has adequate staffing capacity to design and develop affordable, energy-efficient home designs to include but not limited to single-family detached homes with garage, duplex and triplex units. The Applicant with evidence of adequate staffing and capacity with the necessary experience and numbers of single-family projects will be heavily weighted.

5 points: Clear demonstration of key personnel with proven experience of 5+ prior projects.

3 points: Clear demonstration of key personnel with proven experience of less than 5 prior projects, but more than 2 projects.

0 points: Less than 2 projects.

**c. Developer Financial Capacity/Developer Access to Capital: 5 possible points**

HCD seeks a Developer with well established access to capital to complete transaction.

5 points - Developer provides letter(s) from financial institution(s) through which it obtained construction financing previously, toward single-family homeownership developments, stating facts concerning their similar or greater scale, successful completion and repayment without acts of default, and indicating their interest in providing financing toward the proposed development.

3 points - Developer provides letter(s) from financial institution(s) through which it obtained construction financing previously, toward single-family homeownership developments, stating facts concerning their lesser but relevant scale, successful completion and repayment without acts of default, and indicating their interest in providing financing toward the proposed development.

No points (0 points) will be awarded to a developer who fails to submit letter(s) from financial institution(s) evidencing prior successful financing of relevant scale, of single-family home developments sponsored by the developer.

**d. Developer Financial Strength: 5 possible points**

HCD seeks a developer with financial capacity to undertake the proposed development of approximate \$11,590,957 or more including the ability to guaranty completion.

Maximum points will be awarded to the Developer that is proven financially sound and able to sustain the costs of effectively following through with the current proposed project, based on review of current and previous years financial statements.



Applicant should submit 5 years of Financial Statements prepared by a Certified Public Accountant.

No points will be rewarded to a developer who fails to provide evidence of financial strength.

**e. Developer Prior Experience with Affordable Housing: 5 possible points**

Applicants will be ranked by the City with respect to prior experience with affordable homeownership, and HCD.

5 Points will be awarded to the Applicant developer with a full range of experience in:

- Infrastructure development
- Community Design
- Architectural Design
- New home production building
- Ability for sales and marketing of homes

1 point maximum will be awarded for each bullet.

**S2. Resilient Home Design: 15 possible points**

Commitment to comply with the Resilient Construction Standards to increase sustainability and resiliency in homes.

New home construction must comply with an industry recognized standard such as those set by the IBHS Fortified Gold Level Standard. The Applicant can describe how the home design elements that will greatly reduce risk of physical harm to residents and the property and preserve habitability of units during and in the aftermath of severe weather events to achieve the maximum of fifteen (15) possible points in this category.

15 points – Home demonstrates additional elements to exceed minimum requirements in adherence to HCD Minimum Construction Standards for New Construction and IBHS Fortified Gold Standard or any other approved equivalent comprehensive resilient or disaster resilient building program.

10 points – Home design demonstrates the minimum requirements in adherence to HCD Minimum Construction Standards for New Construction and IBHS Fortified Gold Standard or any other approved equivalent comprehensive resilient or disaster resilient building program.

0 Points – Home design does not meet HCD Minimum Construction Standards for New Construction and/or IBHS Fortified Gold Standard and/or any other approved equivalent comprehensive resilient or disaster resilient building program.

**S3. Energy Efficiency Attributes of Homes: 10 possible points**

Commitment to comply with Green Building Standard requirements that demonstrate energy efficiency and/or sustainable practices, and resilient homes.

Applicant home design must comply to at minimum, Energy Star Certification. The Applicant must describe how the home design will increase energy efficiency and cost-savings measures for the Homebuyer to achieve the maximum of ten (10) points in this category.

10 points – The home design demonstrates additional energy-efficient components to exceed minimum requirements of HCD Minimum Construction Standards for New Construction and Green Building Standards.

5 points – The home design demonstrates the minimum energy-efficient components to meet the minimum requirement of HCD Minimum Construction Standards for New Construction and Green Building Standards.

0 points – The home design does not meet HCD Minimum Construction Standards for New Construction and Green Building Standards.

#### **S4. Community Feedback and Priorities: 57 possible points**

Applicants will be required to incorporate the community amenities expressed during the Community Feedback Sessions hosted by HCD on May 5, 2022, May 17, 2022, and May 31, 2022. To view each session and the Community Feedback Session go to the **you tube link:** <https://youtu.be/OpRkJUfDkU8>.

The Applicant will be evaluated based on the ability to incorporate the prioritized community amenities in the following categories: Green Space, Home design, Neighborhood mobility, Neighborhood Safety, and a Homeowner Association.

- **Green Space Design: 10 possible points**

Promote community gatherings through shared amenities:

- Community continuity with trees to include but not limited to (1) gathering spaces and (2) trails and (3) walking paths and bike trails and (4) shaded children’s playgrounds and (5) ADA accessibility. 2 points will be awarded for each amenity incorporated in the proposed project.

- **Home Design and Sustainability: 20 possible points**

Inclusion of design features promoting individual homeownership such as:

- (1) Individual front & rear yards; (2) Individual design façade colors and elevations; (3) Front porches; (4) Designs to comply with some green build standards to include first floor full brick or modern design to include brick and/or stucco (EFIS); and nearby (5) trees to promote shading and individual homeownership. 4 points maximum will be awarded for each feature incorporated in the proposed project.

- **Neighborhood Mobility: 10 possible points**

Providing strong connections including but not limited to (1) speed deterrents, (2) raised crosswalks, (3) pedestrian safety, (4) sidewalks through traffic mitigation and (5) transit as part of this project 2 points will be awarded for each feature incorporated in the proposed project.

- **Neighborhood Safety: 12 possible points**

Enhance community safety via (1) gating and or individual fencing, homes with (2) garages and (3) well-lit public areas and (4) neighborhood cameras. 3 points will be awarded for each feature incorporated in the proposed project.

- **Homeowner Associations: 5 possible points**

Comments expressed overwhelming support for a homeowner's association in the Stella Link development. Homeowner Association will be required for this development with public streets, individual water, sewer and trash pick-up.

### **S5. Affordability Value: 25 possible points**

The highest points will be awarded to the Applicant who effectively outlines how their proposed single-family home project achieves affordability by incorporating a marketing and outreach strategy that includes but not limited to subsidy targeting LMI households earning less than 80%, and subsidy may be provided up to 120% AMI as well.

25 points – Development includes 100% of affordable units for households earning 80% AMI and below.

20 points – Development includes 51% of the affordable units for households earning 80% AMI and below, and 49% of units for households earning above 80% AMI but below 120%.

15 points – Development includes 51% of the affordable units for households earning 80% AMI and below and a combination of units for households earning above 80% AMI at market rate.

### **S6. Applicant Proposed Development of Mixed Affordable Units: 15 possible points**

The City is seeking a Developer that will incorporate a Preliminary Site Design that demonstrates the total number of mixed single-family detached housing units (i.e., one story, two-story or three-story), to fully maximize the use of the 12.2 acreage. The housing mix should consist of a combination of two, three, and four-bedroom homes each with 2-bathrooms and a 2-car garage. Square footage shall range between 1,000 sq/ft. to 1,900 sq/ft.

15 points – Developer proposal includes a site design outline mixed income housing units equal to 21% or greater four-bedroom/ 2-bath units.

10 points – Developer proposal includes a site design outline mixed income housing units within 11% to 20% four-bedroom/2-bath units

5 points – Developer proposal includes a site design outlines mixed income housing units greater or equal to 5% to 10% four-bedroom/2-bath.

0 points – Developer proposal includes a site design with less than 5% of four-bedroom units. Maximum points will be awarded to the proposed design plan that has a mix of housing units with more three and four- bedroom units.

### **S7.Developer Marketing and Sales Timeline: 10 possible points**

The City will evaluate the Applicant’s detailed timeline and analysis of the proposed number of affordable homes to market and sell by the end of the last quarter in 2027.

10 points- Developer provided a proposed monthly timeline in detail to sell and market affordable homes before the end of the of the last quarter in 2027.

5 points- Developer provided a proposed monthly timeline without details to sell and market affordable homes to meet the City’s goal at the end of the last quarter in 2027.

0 points- Developer is unable to propose a timeline.

## **PART IV: APPLICATION PROCESS AND REQUIREMENTS**

### **Pre-Application Conference**

A Pre-Application Conference will be held at the date, time, and location indicated on the first page of the NOFA document. Interested Applicant(s) are encouraged to attend. It will be assumed that potential Applicant(s) attending this meeting have reviewed the NOFA in detail and are prepared to bring up any substantive questions not already addressed by the City.

### **Additional Information and NOFA Changes**

Requests for additional information and questions should be addressed to the Housing and Community Development Department, Procurement Compliance Division, Linsi Broom, telephone 832-393-0506, or e-mail (preferred method) [Linsi.Broom@houstontx.gov](mailto:Linsi.Broom@houstontx.gov) no later than 5PM, July 3, 2024, . The City of Houston shall provide written responses to all questions received in writing before the submittal deadline. Questions received from all Applicant(s) shall be answered and sent to all Applicant(s) who are listed as having obtained the NOFA. Applicant(s) shall be notified in writing of any changes in the NOFA.

### **Letter(s) of Clarification**

All Letters of Clarification and interpretations to this Solicitation shall be in writing. Any Letter of Clarification(s) or interpretation that is not in writing shall not legally bind the City. Only information supplied by the City in writing or in this NOFA should be used in preparing applications. The City does not assume responsibility for the receipt of any Letters of Clarification sent to Applicant(s).

### **Required Application Content**

Required Application forms and documents are located at <https://houstontx.gov/housing/funding.html#nofa>



## **Examination of Documents and Requirements**

Each Applicant shall carefully examine all NOFA documents and familiarize themselves with all requirements prior to submitting an application to ensure that the Applicant meets the intent of this NOFA.

Before applying, each Applicant shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and affecting the requirements of this NOFA. Failure to make such investigations and examinations shall not relieve the Applicant from obligation to comply, in every detail, with all provisions and requirements of the NOFA.

## **Post-Application Discussions with Applicant(s)**

It is the City's intent to commence final negotiation with the Applicant(s) deemed most advantageous to the City. The City reserves the right to conduct post-application discussions with any Application(s).

## **Instructions for Applications**

1. Application submission. Applications will only be received online through this hyperlink <https://bit.ly/NOFA-DocumentPortal> . Paper applications received in person or by email will not be accepted.
2. The City shall bear no responsibility for submitting applications on behalf of any Applicants. Applicant(s) may submit their Application through the hyperlink provided any time prior to the stated deadline.
3. Time for Applications. Applications shall be submitted no later than the date and time indicated for submission in this NOFA. Late applications will not be considered.
4. Format. Arial 12 font, double space should be used. Material should be submitted as directed in the hyperlink provided. Page limitations must be adhered to as outlined. Application materials will not be returned to Applicants.
5. Complete Application. Applicants are advised to carefully review all the requirements and submit all documents and information as indicated in this NOFA. Incomplete Applications may lead to an Application being deemed non-responsive. Non-responsive Applications will not be considered.
6. Timely Receipt of Application. Applicant remains responsible for ensuring that its Application is received at the time, date, and hyperlink specified. The City assumes no responsibility for any Application not received, regardless of whether the delay is caused by some other act or circumstance.

## **PART V: SPECIAL CONDITIONS**

### **No Contact Period**

Neither Applicant(s) nor any person acting on Applicant(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City, their families or staff members. All inquiries regarding the Application are to be directed to the designated City Representative identified on the first page of the NOFA.

With the exception of Applicant's formal response to the Application and written requests for clarification during the period officially designated for such purpose by the City Representative, neither Applicant(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City, their families, or staff through written or oral means in an attempt to persuade or attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Applicant from the time of issuance of the Application through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award. However, nothing in this paragraph shall prevent a Applicant from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the Application.

### **Appeals**

Appeals should be filed in accordance with HCDD's Complaints and Appeals Policy (HCDD Policy #21-038 and General Land Office Grants Citizen Complaint and Appeal Policy (HCDD Policy #23-038).

### **Cancellation**

The City has sole discretion and reserves the right to cancel this NOFA, or to reject any or all Applications received prior to contract award.

### **Executive Order 1-56 Zero Tolerance for Human Trafficking in City Service Contracts and Purchasing**

The City has a zero tolerance for human trafficking, and, per Executive Order 1-56, City funds shall not be used to promote human trafficking. the Applicant is expected to comply with this Executive Order and notify the City's Chief Procurement Officer of any information regarding possible violation by the Applicant or its subcontractors providing services or goods to the City. The Executive Order is available on the City's website: [www.houstontx.gov/execorders/1-56.pdf](http://www.houstontx.gov/execorders/1-56.pdf)

### **Preservation of Contracting Information**

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Application and the Applicant agrees that the contract can be terminated if the Applicant knowingly or intentionally fails to comply with a requirement of that subchapter.

### **Procurement Requirements**

Awarded applicants must provide a procurement policy that aligns with 2 CFR 200 procurement regulations prior to contract execution. (If applicable).

- **Pay or Play** - Applicant shall comply with the City's Pay or Play Program, as set out in Executive Order No. 1-7, the requirements, and terms of which are incorporated into this NOFA for all purposes. The Applicants have reviewed the requirements of Executive Order No. 1-7 at <http://www.houstontx.gov/obo/popforms.html>. The Applicants should demonstrate that they have the willingness and ability to comply with the City's Pay of Play Program.
- **Minority Business Enterprises/Women Business Enterprises** – It is the City of Houston's policy to ensure that Minority and Women Business Enterprises (MWBE) have full opportunity to compete for and participate in City Contracts. Applicant shall comply with the City's MWBE Program as set forth in Chapter 15, Article V of the City of Houston Code of Ordinances, as well as the Policies and Procedures of the Office of Business Opportunity (OBO) found on OBO's website at <https://www.houstontx.gov/obo/policies-procedures.html>.

Applicant shall make good faith efforts to award subcontracts and supply agreements in at least 29% (21%MBE, 8%WBE) of the HCD investment for all federally and non-federally funded construction contracts in excess of \$1,000,000 to certified MWBEs. MWBE Primes are allowed to meet advertised goals by self-performing up to 50% of the total contract goal(s). MWBE Primes will have to choose which goal they would like to receive credit for on construction projects (MBE or WBE). Once a goal type for participation is selected, the Primes participation credit will be capped at the proposed percentage or the approved goal, whichever is lower.

- The Prime Contractor shall make Good Faith Efforts to award subcontracts or supply agreements to MWSBEs to achieve goal requirements.
  - Only firms certified through the City of Houston, Office of Business Opportunity can be used to meet MWBE goal requirements.
- **Targeted Hiring And Section 3** - Section 3 is a provision of the Housing and Urban Development Act of 1968, created to direct training, employment, and contracting opportunities generated by certain HUD financial assistance to low- and very-low-income persons and business concerns which provide economic opportunities to low and very low-income persons. The requirements of Section 3 apply to Housing and community development assistance expended for housing rehabilitation, housing construction, or other public construction. All contractors or subcontractors that receive covered contracts more than \$100,000 under this NOFA are required to comply with the requirements of Section 3.

To ensure that activities generate significant opportunities for Section 3 Residents in Houston, HCDD strongly encourages contractors to exceed minimum Section 3 requirements for targeted hiring of Section 3 Residents. HCDD will specify levels of best efforts of targeting efforts.

Minimum requirements provide that any contractor or subcontractors with a covered contract more than \$100k are required to comply with the requirements of Section 3. Contractor responsibilities include, but are not limited to: recordkeeping, document submittals, monthly reporting, and providing documentation of efforts made to meet numerical performance goals.

The General Contractor is required to complete a Utilization Plan that demonstrates a commitment to meet Section 3 numerical goal requirements. Thereafter, any contractor with a contract more than \$100k will be required to comply with the same requirements that demonstrate efforts to meet Section 3 requirements.

To the greatest extent feasible, contractors/subcontractors with a need to hire new persons to complete covered contract activities or needs to subcontract portions of the work to another business, are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns. The minimum numerical goal(s) are as follows:

- 30% of the total number of new hires should meet Section 3 resident criteria.
- 10% of all construction contracts should be awarded to Section 3 Business Concerns: and
- 3% of all non-construction contracts should be awarded to Section 3 Business concerns.

Contractors Good Faith Efforts to provide training, employment, and contracting opportunities to Section 3 Residents and Section 3 Business Concerns should be demonstrated throughout the duration of the project. For additional information regarding Section 3 compliance requirements, you may visit: [link](#).

## **Drug Abuse Detection and Deterrence**

It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31.  
<https://www.houstontx.gov/execorders/1-31.pdf>

## **Compliance With Certain State Law Requirements**

*Anti-Boycott of Israel.* Applicant certifies that Applicant is not currently engaged in and agrees for the duration of this Agreement not to engage in, the boycott of Israel as defined by Section 808.001 of the Texas Government Code.

*Anti-Boycott of Energy Companies.* Applicant certifies that Vendor is not currently engaged in and agrees for the duration of this Agreement not to engage in, the boycott of energy companies as defined by Section 809.001 of the Texas Government Code.

*Anti-Boycott of Firearm Entities or Firearm Trade Associations.* Applicant certifies that Applicant does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or will not discriminate against a firearm entity or firearm trade association for the duration of this Agreement, as defined by Section 2274.001 of the Texas Government Code.

*Certification of No Business with Foreign Terrorist Organizations.* For purposes of Section 2252.152 of the Texas Government Code, Applicant certifies that, at the time of this Agreement neither Applicant nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Applicant, is a company listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201 of the Texas Government Code as a company known to have contracts with or provide supplies to a foreign terrorist organization.

## **Affirmatively Furthering Fair Housing (AFFH)**



Applicants will complete and submit an Affirmative Fair Housing Marketing Plan, found at <https://www.hud.gov/sites/documents/935-2A.PDF> in furtherance of the City's commitment to non-discrimination and equal opportunity in housing. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, gender, religion, familial status, or disability. The plan will provide detailed procedures and actions geared to attract eligible persons in the housing market area to the development.

Proposed plans must identify demographics of the area, including underrepresented populations least likely to have access or knowledge to the development. AFFH Marketing campaigns and staff training policies should be addressed in detail.

Beginning at lease-up, records will be maintained describing actions taken by the Applicant to affirmatively market its units. The City will assess the results of these actions annually, for the duration of the funding agreement. Documentation of compliance with the Affirmative Marketing requirements in the Fair Housing Act is required.

### **Uniform Relocation Act**

If existing tenants are required to move out of their units as a result of a project receiving federal funding, the Applicant must comply with both the Uniform Relocation Assistance Act and Real Property Acquisition Policies Act of 1970, as amended, (URA) as well as HCDD's Policies and Procedures for Relocation. The URA requires that the owner of the property receiving federal funding must provide notices and assistance to tenants impacted by acquisition, demolition, and/or rehabilitation/reconstruction.

HCDD staff will assist owners in complying with the URA. Applicants will be required to provide a Relocation Plan and budget for any Applications of developments that will require relocation of residents.

### **Environmental Review**

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

All properties assisted under this Program will be subject to an Environmental Review by the City prior to rehab, land acquisition, and/or new construction. CHDO Developers will be required to submit the project site address, and parcel identification number, which the City will conduct the environmental review in compliance with [24 CFR Part 58](#). If the project passes the Environmental Review, the city will issue a Notice to Proceed, and the Developer may move forward with the approved land acquisition and new construction activity.

A commitment of funds can occur only upon satisfactory completion of an environmental review to determine whether the project meets federal, state, and local environmental standards, and receipt by the City of a release of funds from HUD under 24 CFR Part 58.35(a) or 58.36. Developers must agree that the provision of any funds to their project(s) is conditioned on the HCDD's determination to proceed

with, modify or cancel the project based on the results of a subsequent environmental review. Developer's funding may be required to contract for environmental consulting services to provide the information required, which shall be an eligible project soft cost. In addition, the following regulations are applicable:

- Per 24 CFR 58.5(i)(2)(i), it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.
- Per 58.5(i)(2)(ii) the environmental review of Multifamily housing with five or more dwelling units (including leasing), or non-residential property, must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any of the hazards listed in paragraph (i)(2)(i) of this section.
- Lots to be acquired for selection cannot and will not undergo any development or other activity that constitutes a choice limiting action per 24 CFR 58.22, regardless of whether HUD or non-HUD funds are used. No HUD funds can or will be used prior to the issuance of the Release of Funds/Authority to Use Grant Funds (AUGF) and all necessary site-specific environmental review and clearance as required by 24 CFR 58.
- Regulations found at 24 CFR 58 also govern sound mitigation requirements if noise levels in a Normally Unacceptable Noise Zone (NUNZ, 65-75 decibels (dB)) or Unacceptable Noise Zone (UNZ, 75+ dB), and regulations found at 24 CFR 55 govern flood mitigation for any existing properties that reside in the 100-year floodplain.
- Hazardous materials described at 58.5(i)(2)(i) cover all forms of contamination, including but not limited to lead and asbestos that may be found in older buildings, particularly those built prior to 1978.

An ASTM E1527-13 Phase I Environmental Site Assessment (ESA), under 6 months of age, must accompany projects involving acquisition (rehab and new construction) as well as all new construction projects (with or without acquisition).

## **Floodplain and Floodway Development**

**Floodway development is prohibited.** Developments with improvements within 100-year floodplain will also be ineligible unless the applicant can demonstrate flood mitigation practices to avoid adverse impacts to residents. Sites not located within 100-year floodplain but reported flooding events within the past 10 years may be subject to these requirements.

Mitigation efforts to include Chapter 19 of the City's Code of Ordinances. Mitigation efforts may include, but not limited to, elevating building site out of the floodplain, elevated podium construction, restricting ground floor space for residential use, pier and beam foundations for single-family units, etc. Any mitigation efforts will be considered on a case-by-case basis by HCDD. Applicants are advised to check property addresses against the most recent flood maps which can be accessed on Harris County Flood Control District website at [www.hcfdc.org](http://www.hcfdc.org).

## **Applicability Of OMB Circulars**

Sub-recipient of CDBG funds must comply with the policies, guidelines, and requirements of 2 CFR 200, previously 24 CFR 84, which now codifies OMB Circular No. A-110; A-122; and A-133 as they relate to the acceptance and use of grant amounts by nonprofit organizations.

### **Conflicts Of Interest**

In addition to conflict of interest requirements in 2 CFR 200, previously 24 CFR 84, which now codifies OMB Circular A-110, no person who is an employee, agent, consultant, officer, or an elected or appointed official of the City, state recipient or nonprofit recipient (or any designated public agency) that receives CDBG grant amounts and who exercises or has exercised any functions or responsibilities with respect to assisted activities or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

Per HCD Policy 0140, Subrecipients of HCD are required to maintain their own Non-Procurement Conflict of Interest Policy (similar) and provide a copy of the document to HCD upon request. If a subrecipient detects a potential conflict of interest related to an HCD funded activity or program, it must disclose it to the City of Houston. Furthermore, there is an additional step that must be taken that include selection of one of the following options:

- 1) Waiver Request – If a subrecipient detects a potential conflict and decides it wants to pursue a waiver, the subrecipient must refer the file to HCD for review and approval of a waiver; or
- 2) Disclosure – If a subrecipient detects a potential conflict of interest and decides it does not want to pursue a waiver, it must disclose the occurrence to HCD.

### **Applicable laws**

An Applicant selected to receive CDBG funds must comply with all applicable state and federal laws and regulations, including but not limited to the requirements set out the specified Exhibit, and the City Charter and Code of Ordinances in its performance under this Agreement.

## PART VI: FEDERAL PROVISIONS

Contractor must comply with the following federal provisions, as applicable, as a condition of this City of Houston (“City”) Agreement. For purposes of this **Exhibit**, the following terms have the meanings set forth in this **Exhibit**.

- “Agreement” means the Agreement, to which this **Exhibit** is attached.
- “Contractor” means Contractor, Vendor, Developer, or Subrecipient as defined in the Agreement to which this **Exhibit** is attached.
- “Federal Agency” means any relevant federal agency overseeing or administering the funding set forth in the Agreement to which this **Exhibit** is attached as a source of funding, including but not limited to the Department of Housing and Urban Development (HUD).

Contractor also acknowledges that the City is using federal funds, including but not limited to Community Development Block Grant Funds, for all or a portion of this Agreement.

Contractor also shall provide for compliance with the federal laws, rules, regulations, interpretive guidance and other materials set forth in this **Exhibit** in any agreements it enters into with other parties relating to the federal funds.

1. Contractor shall comply with all applicable federal law, regulations, executive orders, federal policies, procedures, and directives, including without limitation 2 C.F.R. part 200, including, without limitation, the following:
  - a. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
  - b. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
  - c. Generally, applicable federal environmental laws and regulations.
2. Contractor acknowledges that the Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the City, Contractor, or any other party pertaining to any matter resulting from this Agreement.
3. Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to Contractor’s actions pertaining to this Agreement. False statements or claims may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
4. Contractor shall not use the Department of Homeland Security (DHS) or any Federal Government or Federal Agency seal(s), logos, crests, or reproductions of flags or likenesses of DHS or any Federal Government or Federal Agency officials without specific DHS or any Federal Government or Federal Agency pre-approval.

5. Use of Funds. Use of Funds. Contractor understands and agrees that the funds disbursed under this Agreement may only be used in compliance with the program/Act/funding requirements.
  - a. Contractor may only use the funds to carry out the HCD at Stella Link. Contractor ~~is~~ expected to develop and implement effective internal controls, policies and procedures, and record retention requirements, to determine and monitor implementation of criteria for determining the eligibility of beneficiaries under the HCD at Stella Link.
  - b. Contractor shall not engage in any project using this assistance unless it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.
6. Access to Records. The following access to records requirements **applies** to this Agreement:
  - a. Contractor agrees to provide the City, any Federal Agency Administrator, the Texas Department of Emergency Management, the Texas General Land Office, the Comptroller General of the United States, Department of Housing and Urban Development or any of their authorized representatives access to any books, documents, papers, and records of Contractor which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Contractor shall keep its books, documents, papers, and records available for this purpose for at least seven years after this Agreement terminates or expires. This provision does not limit the applicable statute of limitations.
  - b. Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
  - c. Contractor agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under this Agreement.
  - d. In compliance with the Disaster Recovery Act of 2018, the City and Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the Federal Agency or its authorized representatives ~~or~~ the Comptroller General of the United States.
  - e. Within ten days of written request by the City, Contractor agrees to provide the City all relevant documentation pertaining to the program to confirm compliance with Federal requirements, ensure program is achieving its purpose, and to respond to audits, as necessary.
7. Environmental Compliance – Applicable only to Agreements over \$150,000.
  - a. Contractor shall comply with all applicable standards, ordered, or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251 et seq.).
  - b. Contractor shall report all violations to the Director of HCDD or designee (Director), and understands and agrees that the City, through its designated representative, will, in turn, report each violation as required to assure notification to the Federal Agency, and the appropriate Environmental Protection Agency Regional Office.
  - c. Contractor shall include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.
8. Contract Work Hours and Safety Standards Act – Applicable only to Agreements over \$100,000.

- a. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
  - b. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (a) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a) of this section.
  - c. Withholding for unpaid wages and liquidated damages. The federal agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b) of this section.
  - d. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a) through (d) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a) through (d) of this section.
9. Equal Employment Opportunity. During the performance of this Agreement, Contractor agrees as follows:
- a. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. "Contractor" will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
    - i. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in



conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- b. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c. Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- d. Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Contractor will take such action with

respect to any subcontract or purchase order as the Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

- i. Provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- i. Contractor further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the Contractor so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
- j. Contractor agrees that it will assist and cooperate actively with the City, the Federal Agency, and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the City, Federal Agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the City, the administering Federal Agency in the discharge of the City or Federal Agency's primary responsibility for securing compliance.
- k. Contractor further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, Contractor agrees that if it fails or refuses to comply with these undertakings, the Federal Agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

#### 10. Procurement of Recovered Materials.

- a. In the performance of this Agreement, Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
  - i. Competitively within a timeframe providing for compliance with the Agreement performance schedule.
  - ii. Meeting Agreement performance requirements; or
  - iii. At a reasonable price.

- b. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- c. Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

#### 11. Domestic Preference Requirements

- a. As appropriate and to the extent consistent with law, Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this paragraph must be included in all subcontracts and purchase orders for work or products under this Agreement. For purposes of this paragraph:
  - i. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
  - ii. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

#### 12. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

- a. As used in this paragraph, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy, #405-143-1 Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services.
- b. Prohibitions
  - i. Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after August 13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.
  - ii. Unless an exception in this paragraph applies, Contractor and its Subcontractors shall not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Agency to:
    - 1. Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
    - 2. Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

3. Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
4. Provide, as part of its performance of this Agreement, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

c. Exceptions

- i. This paragraph does not prohibit contractors, such as Contractor, from providing—
  1. A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
  2. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.
- ii. By necessary implication and regulation, the prohibitions also do not apply to:
  1. Covered telecommunications equipment or services that:
    - a. Are not used as a substantial or essential component of any system; and
    - b. Are not used as critical technology of any system.
  2. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.
  3. That which 2 C.F.R. Section 200.216 does not apply.

d. Reporting requirement

- i. In the event Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during performance of the Services set forth in this Agreement, or Contractor is notified of such by a Subcontractor at any tier or by any other source, Contractor shall report the information in the manner stated below to the recipient or Contractor, unless elsewhere in this Agreement are established procedures for reporting the information.
- ii. Contractor shall report the following information pursuant to paragraph (e):
  1. Within one business day from the date of such identification or notification: The Contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.
  2. Within 10 business days of submitting the information above: Any further available information about mitigation actions undertaken or recommended. In addition, Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any

additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

- e. Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

13. Remedies. If any work performed and/or goods delivered by Contractor fails to meet the requirements of the Agreement, any other applicable standards, codes or laws, or otherwise breaches the terms of the Agreement, the Director of HCDD may in his or her sole discretion:
- a. elect to have Contractor re-perform or cause to be re-performed, at Contractor's sole expense, any of the work which failed to meet the requirements of the contract;
  - b. in the case of goods, reject the goods and require Contractor to provide replacement goods that meet the needs of the City and the terms of the Agreement;
  - c. hire another contractor to perform the work and deduct any additional costs incurred by the City as a result of substituting contractors from any amounts due to Contractor; or
  - d. pursue and obtain any and all other available legal or equitable remedies.

This Section shall in no way be interpreted to limit the City's right to pursue and obtain any and all other available legal or equitable remedies against Contractor.

#### 14. Suspension and Debarment.

- a. Federal regulations restrict the City from contracting with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs and activities, where the contract is funded in whole or in part with federal funds. Accordingly, a contract or subcontract must not be made with any parties listed on the SAM Exclusions list. SAM Exclusions is the list maintained by the General Services Administration that contains the name of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under certain statutory or regulatory authority. Contractor can verify its status and the status of its principals, affiliates, and subcontractors at [www.SAM.gov](http://www.SAM.gov).
- b. This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000 and, if applicable, 45 C.F.R. § 75.213. As such, Contractor is required to verify that none of its principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- c. Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and, if applicable, 45 C.F.R. § 75.213, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- d. This certification, found in **Exhibit 1**, is a material representation of fact relied upon by the State of Texas and the City. If it is later determined that Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and, if applicable, 45 C.F.R. § 75.213, in addition to remedies available to the State of Texas and the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- e. Contractor agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and, if applicable, 45 C.F.R. § 75.213, while this offer is valid

and throughout the period of this Agreement. Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

15. Byrd Anti-Lobbying Amendment.

- a. A contractor who applies or bids for an award or receives a Contract of \$100,000 or more shall submit to the Director of HCDD or designee the required certification as set out in **Exhibit 2** of this Agreement. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

16. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms.

- a. If Contractor intends to subcontract any portion of the work covered by this Agreement, Contractor must take all necessary affirmative steps to assure that small and minority businesses, women’s business enterprises and labor surplus area firms are solicited and used when possible. Affirmative steps must include:
  - i. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
  - ii. Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
  - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
  - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises; and
  - v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

17. Davis-Bacon Act – Applicable to Contracts/Purchase Orders for construction work in excess of \$2,000.00 and not funded by FEMA-PA Program.

- a. All transactions regarding this Contract/Purchase Order shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. Contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
- b. Contractor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- c. Additionally, Contractor is required to pay wages not less than once a week.

18. Copeland “Anti-Kickback” Act – Applicable to Contracts/Purchase Orders for construction work in excess of \$2,000.0 and when the Davis-Bacon Act also applies.



- a. Contractor. Contractor shall comply with 18 U.S.C. §874, 40 U.S.C. §3145 and the requirements of 29 C.F.R. part 3 as may be applicable, which are incorporated by reference to this Agreement.
  - b. Subcontracts. Contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as the City or the Federal Agency may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
  - c. Breach. A breach of the contract clauses above may be grounds for termination of this Agreement, and for debarment as a contractor and subcontractor as provided in 29 U.S.C. § 5.12.
19. Changes. The Director of HCDD or designee may modify the scope of services or quantity and type of goods by giving written notification to Contractor, subject to the funds allocated by the City to this Agreement. The notice takes effect immediately upon receipt by Contractor.
20. Protections For Whistleblowers
- a. In accordance with 41 U.S.C. § 4712, Contractor may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
  - b. The list of persons and entities referenced in the paragraph above includes the following:
    - i. A member of Congress or a representative of a committee of Congress;
    - ii. An Inspector General;
    - iii. The Government Accountability Office;
    - iv. A Treasury employee responsible for contract or grant oversight or management;
    - v. An authorized official of the Department of Justice or other law enforcement agency;
    - vi. A court or grand jury; or
    - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
  - c. Contractor shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.
21. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is encouraged to adopt and enforce on-the-job seat belt policies and programs for its employees when operating Contractor-owned, rented, or personally owned vehicles.
22. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Contractor is encouraged to adopt and enforce policies that ban text messaging while driving.
23. Publications. Any publications produced with funds from this award must display the following language noting the funds for the project came from federal funds.

- a. Any publications produced with funds from this award or pertaining to projects or programs administered with funds from this award must be approved by the City prior to publication.
24. Debts Owed to the City.
- a. Any funds paid to Contractor (1) in excess of the amount to which Contractor is finally determined to be authorized to retain under the terms of its award from the Federal Agency; (2) that are determined by the Federal Agency Office of Inspector General to have been misused; or (3) that are determined by the Federal Agency to be subject to a repayment obligation and have not been repaid by the Contractor shall constitute a debt to the City and to the Federal government.
  - b. Any debts determined to be owed the City must be paid promptly by Contractor for repayment to the federal government.
  - c. A debt is delinquent if it has not been paid by the date specified in the City's initial written demand for payment, unless other satisfactory arrangements have been made or if the Contractor knowingly or improperly retains funds that are a debt as defined in this paragraph. The City will take any actions available to it to collect such a debt.
25. Contractor understands that the City's obligation for payment under this Agreement is limited in its entirety by the provisions of this Agreement for the performance of services under this Agreement; unless additional funds are approved by City Council through supplemental allocations to pay for the services, the City shall have no obligation to pay Contractor. Contractor must look to these designated funds only and to no other funds for the City's payment under this Agreement, and that the City is permanently excused from making payments due under this Agreement if, for whatever reason, there is a lack of funds.

**ADDITIONAL REQUIREMENTS IF AGREEMENT IS FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS:**

In addition to the General Federal Requirements listed above, if this Agreement is funded using funds from the Community Development Block Grant ("CDBG") Program of U.S. Department of Housing and Urban Development ("HUD"), Contractor shall comply with all procurement requirements, laws, regulations, and interpretative guidance relating to the CDBG Program, including but not limited to program requirements found in 24 C.F.R. Part 570 (CDBG), 24 C.F.R. 92 (HOME), 24 C.F.R. Part 574 (HOPWA), 24 C.F.R. Part 576 (Emergency Solutions Grant) and the requirements listed below, and flow down these requirements in any agreements Contractor enters into with other parties relating to these funds.

1. Civil Rights Compliance. Contractor shall not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 C.F.R. part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations

at 31 C.F.R. part 23. Contractor is deemed to have read and understands the requirements of each of the following, if applicable to the project under this Agreement:

- a. Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d et seq.); 24 C.F.R. Part I, “Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964”;
- b. Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, et seq.);
- c. Title VIII of the Civil Rights Act of 1968, “The Fair Housing Act of 1968” (42 U.S.C. § 3601, et seq.), as amended;
- d. Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, “Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063”; The failure or refusal of Contractor to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;
- e. The Age Discrimination Act of 1975 (42 U.S.C. § 6101, et seq.); and
- f. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794.) and
- g. “Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development”, 24 C.F.R. Part 8.
- h. The Americans with Disabilities Act (42 U.S.C. §12131; 47 U.S.C. §§155, 201, 218, and 225);
- i. By signing this Agreement, Contractor understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, et seq.), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system

2. National Flood Insurance Program.

- a. If applicable, this Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234) for areas identified by HUD as having special flood hazards. The use of any funds provided for acquisition or construction in identified areas shall be subject to the Mandatory Purchase of Flood Insurance requirements of section 102(a) of said act.
- b. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this Agreement shall contain, if the land is located in an area identified by HUD as having a special flood hazard, provisions which obligate the transferee and its successors or assigns to obtain and maintain, during the life of the project, flood insurance as required under section 102(a) of the Flood Disaster Protection Act of 1973, as amended. These provisions shall be required notwithstanding the fact that the construction on the land is not itself funded with funds provided under this Agreement.

3. Displacement, Relocation, Acquisition and Replacement of Housing

- a. Contractor understands that projects funded hereunder may be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. §4601-4655), as applicable; and those individuals or businesses that are required to move from real property, permanently or involuntarily as a direct result of rehabilitation,

demolition, or acquisition for the project assisted hereunder must be compensated pursuant to the URA.

4. Section 3 of the Housing and Urban Development Act of 1968

- a. The work to be performed under this Agreement is on a project assisted under a program providing federal financial assistance from the Department of Housing and Urban Development (HUD). Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. §1701u, "Section 3") and implementing regulations at 24 C.F.R. Part 135 apply to the Agreement. Under Section 3, to the greatest extent feasible, for any contract award more than \$100,000, Contractor shall give opportunities for training and employment to lower-income residents of the City and shall award contracts for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.
- b. Contractor will comply with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Agreement. Contractor certifies and agrees that there is no contractual or other disability which would prevent compliance with these requirements.
- c. Contractor shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of the commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- d. Contractor will include or have included a Section 3 clause in every subcontract for work in connection with the project. Contractor shall, at the direction of the City, take appropriate action pursuant to any subcontract upon a finding that the subcontractor is in violation of this Section 3 clause. Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135. Contractor shall not let any subcontract unless the subcontractor has provided Contractor with a preliminary statement of ability to comply with the requirements of this Section 3 clause.
- e. Compliance with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the project. These provisions are binding upon the City, its contractors and subcontractors, their successors and assigns. Failure to fulfill these requirements shall subject the City, its contractors and subcontractors, their successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided.
- f. Contractor shall have completed, signed and delivered a Voluntary Compliance Form (provided by the City) to the Director prior to the execution of this Agreement.

5. Lead-Based Paint Poisoning Prevention Act. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and the implementing regulations at 24 C.F.R. Part 35, Subparts A, B, J, K and R may apply to activities under the Contract.

6. Uniform Administrative Requirements, Cost Principles and Audit Requirements. Contractor shall comply with "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" as set forth under 2 C.F.R. Part 200, as applicable.
7. Conflict of Interest
  - a. In the procurement of supplies, equipment, construction, and services by the City or a subrecipient, the conflict-of-interest provisions in 2 C.F.R. Part 200, Subpart B - General Provisions, shall apply.
  - b. In all cases not governed by 2 C.F.R. Part 200, Subpart B, the provisions of this section shall apply. Such cases include, but may not be limited to, the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities).
    - i. No persons described in paragraph (ii) (below) who exercise or have exercised any functions or responsibilities with respect to federal activities or who are in a position to participate in a decision-making process or gain inside information with regard to federal assisted activities, may obtain a personal or financial interest or benefit from, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter with respect to the federal assisted activity, or with respect to the proceeds of the federal assisted activity.
    - ii. The requirements of paragraph (i) apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, of any designated public agency, contractor, or subrecipient which receives funds under the federal grant.
8. Eligibility of Aliens Not Lawfully Present in U.S. Contractor understands that aliens not lawfully present in the U.S., as described in 49 C.F.R. §24.208, are not eligible to apply for benefits under certain federal activities.
9. Architectural Barriers Act. The Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. §40.2 or the definition of "building" as defined in 41 C.F.R. §101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 C.F.R. Part 40 for residential structures, and Appendix A to 41 C.F.R. Part 101-19, Subpart 10119.6, for general type buildings).
10. Records for Audit Purposes. Without limitation to any other provision of the foregoing Agreement/Contract, Contractor shall maintain all records concerning the program or project financed under this Agreement which the City reasonably requires from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the

Federal awarding agency or pass-through entity in the case of a subrecipient pursuant to 2 C.F.R. §200.333. Contractor shall maintain records required by 24 C.F.R. §135.92 for the period required under 2 C.F.R. §200.333. Contractor will give the City, HUD, the Comptroller General of United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the acquisition and construction of the project and the operation of the program or project. The right to access shall continue as long as the records are required to be maintained under 2 C.F.R. §200.336.

11. Audit Requirements.

- a. Limited Scope Audit - Contractor understands that Non-Federal entities that expend less than \$750,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review and audit as described hereinabove at Section 17. Contractor further understands that limited scope audits can and may be required by the City for non-Federal entities that expend less than \$750,000. If the City requires such limited scope audits, same shall be performed in accordance with 2 C.F.R. Part 200, Subpart F - Audit Requirements.
- b. Single Audit - Single Audit - Contractor further understands that non-Federal entities that expend \$750,000 or more a year in Federal awards shall have a single audit conducted pursuant to 2 C.F.R. Part 200, Subpart F - Audit Requirements, except when an election is made to have a program specific audit pursuant to and described in 2 C.F.R. Part 200, Subpart F - Audit Requirements. Once the Contract is executed, Contractor understands that it is barred from considering such audit and must have a single audit conducted as described hereinabove.

12. Rights to Inventions made under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 C.F.R. §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

13. Energy Policy and Conservation Act. Contractor must comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. §6201).

14. Procurement of Recovered Materials. See 2 C.F.R. §200.322.

**ADDITIONAL REQUIREMENTS IF THIS IS A SUBRECIPIENT AGREEMENT:**

In addition to the General Federal Requirements and the CDBG Requirements listed above, if this Agreement is a Subrecipient Agreement, the Contractor shall comply with the requirements listed below, and flow down these requirements in any agreements Contractor enters into with other parties relating to these funds.



1. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
2. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
3. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
4. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
5. New Restrictions on Lobbying, 31 C.F.R. Part 21.
6. Award Amount. The amount of funding dedicated to the HCD at Stella Link is limited to \$11,590,957.00 unless otherwise agreed to by the Parties, in writing.
7. Reporting. Contractor agrees to comply with all reporting requirements established by HUD and the City as they relate to this award, including financial, performance, and compliance reporting
  - a. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied.
  - b. Reporting must be consistent with the definition of expenditures in 2 C.F.R. § 200.1.
  - c. Contractor must appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with the appropriate accounting standards and principles.
  - d. Contractor must establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting.
  - e. Contractor must provide the City with the information necessary for the City to produce and submit a quarterly Project and Expenditure Report to HUD.
    - i. Contractor shall provide reports in intervals specified by the HCDD Director.
    - ii. Contractor identifying and demographic information (e.g., DUNS number and location).
    - iii. Award number (e.g., Agreement number, Loan number).
    - iv. Award date, type, amount, and description.
    - v. Award payment method (reimbursable or lump sum payment(s)).
    - vi. For loans, expiration date (date when loan expected to be paid in full).
    - vii. Primary place of performance.
    - viii. Related project name(s).
    - ix. Related project identification number(s) (created by the City).
    - x. Period of performance start date.
    - xi. Period of performance end date.
    - xii. Quarterly obligation amount.
    - xiii. Quarterly expenditure amount.
    - xiv. Project Name and Description (projects should be defined to include only closely related activities directed toward a common purpose; project descriptions must

describe the project in sufficient detail to provide understanding of the major activities that will occur and will be required to be between 50 and 250 words).

- xv. Contractor is responsible for providing any additional information as might be required under future changes to CDBG reporting requirements or subsequently issued policy adopted by the HUD, or as is required by the City, in its sole discretion.
8. Hatch Act. Contractor agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
9. Pre-Award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding under this Agreement.
10. Conflicts of Interest. Contractor understands and agrees it must maintain a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict-of-interest policy is applicable to each activity funded under this award. Contractor must disclose in writing to the City any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112, and the City will, in turn, disclose such conflicts to the Treasury Department, as appropriate.
11. Audits and Monitoring. In accounting for the receipt and expenditure of funds under this Agreement, the Contractor must follow Generally Accepted Accounting Principles (“GAAP”). As defined by 2 C.F.R. § 200.49, “GAAP has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).”
12. Any audit of the Contractor’s performance under this Agreement will use Generally Accepted Government Auditing Standards (“GAGAS”). As defined by 2 C.F.R. § 200.50, “GAGAS, also known as the Yellow Book, means generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.”
  - a. If an audit shows that all or any portion of the funds disbursed under this Agreement were not spent in accordance with the conditions of and strict compliance with this Agreement, the Contractor will be liable for reimbursement to the City of all such funds within 30 days after the City has notified the Contractor of such non-compliance.
  - b. The Contractor must have all audits completed by an independent auditor. The audits must be received by the City no later than nine months from the end of the Contractor’s fiscal year.
  - c. Fund payments are considered to be federal financial assistance subject to the Single Audit Act and the related provisions of the Uniform Guidance (2 C.F.R. Part 200).
  - d. In addition to reviews of audits conducted in accordance with subparagraphs A-E above, monitoring procedures may include, but not be limited to, on-site visits by City staff, limited scope audits, or other procedures. The Contractor agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the City. In the event that the City determines that a limited scope audit of the Contractor is appropriate, the Contractor agrees to comply with any additional instructions provided by the City to the Contractor regarding such audit.



**EXHIBIT 1**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER**  
**RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

This Agreement is a covered transaction for purposes of the debarment and suspension regulations implementing Executive Order 12549, *Debarment and Suspension* (1986) and Executive Order 12689, *Debarment and Suspension* (1989) at 2 C.F.R. Part 3000 (Non- procurement Debarment and Suspension) and, if applicable, 45 C.F.R. § 75.213. As such, Contractor is required to confirm that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

**INSTRUCTIONS FOR CERTIFICATION**

- 1) By signing this Agreement, Contractor, also sometimes referred to herein as a prospective primary participant, is providing the certification set out below.
- 2) The inability of a contractor to provide the certification required below will not necessarily result in denial of participation in the covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the City's determination whether to enter this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- 3) The certification in this clause is a material representation of fact upon which reliance was placed when the City determined to enter this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the City, the City may terminate this transaction for cause or default.
- 4) The prospective primary participant shall provide immediate written notice to the City if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, applicant and voluntarily excluded, as used in this certification, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549.
- 6) The prospective primary participant agrees by signing the Agreement that it shall not knowingly enter any lower tier covered transactions with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction. If it is later determined that the prospective primary participant knowingly entered such a transaction, in addition to other remedies available to the City, the City may terminate this transaction for cause or default.
- 7) The prospective primary participant further agrees by signing this Agreement that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier

Covered Transaction,” as available through the United States Department of Homeland Security, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

- 8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- 9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

**CERTIFICATION**

- 1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any Federal department or agency.
  - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
  - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- 2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this application.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**EXHIBIT 2**  
**CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Contractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, \_\_\_\_\_, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31.U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

\_\_\_\_\_  
Name of Contractor

\_\_\_\_\_  
NOFA, ITB, EPO or PO No., or Project Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date