



**SBE SUBCONTRACTING, AND EQUITY AND DEVELOPMENT PARTICIPATION,  
STATUTORY REQUIREMENTS ACKNOWLEDGEMENT FORM**

I, *Rob Fossi and Buwa Binitie* **[Name]**, Authorized Agents **[Title]** of *Park View Community Partners, LLC* **[Company Name of Prime Contractor/Developer]** acknowledge that the *Park Morton/Bruce Monroe* **[Project Name]** project, located at the following locations: *Park Morton, which is located at Lots 124-126 and 844 in Square 3040 and Lots 128-134 and 846 in Square 3039 and spans portions of and/or is bound by Morton Street, Park Road, Lamont Street, and Georgia Avenue, NW; and Bruce Monroe, which is located at Lot 849 in Square 2890 and bounded by Georgia Avenue, Columbia Road, and Irving Street, NW* **[Project Address]**, is subject to the SBE subcontracting requirements of the Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014 (the “Act”) (D.C. Law 20-108; D.C. Official Code § 2-218.01 et seq.). I further acknowledge that this form is just a summary of the Act, and that the project must comply with all relevant sections of the Act, and not just the provisions outlined below.

*These projects are pursuant to a Master Development Agreement (“MDA”) entered on [10/08/2015] between the Developer and the District of Columbia Housing Authority, and a Statement of Minimum Terms (“SOMT”) dated as 08/02/2016 and related to the pending Land Disposition and Development Agreement (“LDDA”) between the District of Columbia c/o the Office of the Deputy Mayor for Planning and Economic Development and Developer. Developer intends to provide for the redevelopment of both the Park Morton Public Housing Site and the Bruce Monroe Community Park Site, including, but not limited to: demolition of existing buildings, construction of new multifamily buildings, construction of new townhomes, development of a community park, and infrastructure improvements, such as reconnecting streets to the existing street network grid and introducing new streets where appropriate. The Park Morton Redevelopment Initiative is a comprehensive partnership between the District of Columbia’s Office of the Deputy Mayor for Planning and Economic Development (“DMPED”) and the District of Columbia Housing Authority (“DCHA”). As part of the District’s housing policy to promote mixed-income communities, the District identified Park Morton as a candidate site for the New Communities Initiative, a program centered on addressing the physical and human challenges of neighborhoods troubled by concentrations of violent crime and poverty.*

**SBE Subcontracting Requirements**

- Pursuant to section 2-218.46 of the Act, all construction & non-construction **Government-assisted projects** (agency issued contracts & private projects that received any type of District subsidy) over \$250,000, shall require 35%



subcontracting to Small Business Enterprises (SBE) certified by the Department of Small and Local Business Development (DSLBD), unless waived by DSLBD.

- Private Projects with District Subsidy – 35% of the total project costs (development costs) shall be subcontracted to SBEs. The 35% requirement is not limited to the amount of the District subsidy.
- If there are insufficient qualified SBEs to fulfill the 35% subcontracting requirement, the requirement may be satisfied by subcontracting 35% to other Certified Business Enterprises (CBE) certified by DSLBD; provided, that all reasonable efforts shall be made to ensure that qualified SBEs are significant participants in the overall subcontract work.
- Developer currently anticipates that this project will be performed in three phases (each, a “Phase”). The Project budget will be a compilation of budgets for each Phase of the Project (each a “**Phase Budget**”). For each Phase of the Project, Developer shall expend with CBEs an amount not less than thirty-five percent (35%) of the Phase Budget (each a “**Phase CBE Minimum Expenditure**”).

### **SBE Subcontracting Plan**

- An SBE Subcontracting Plan listing all subcontracts, between the **Beneficiary** and SBEs/CBEs; and between SBE/CBE and Non-CBE Subcontractors and all lower tier SBE/CBE Subcontractors must be submitted for this project.
  - For Private Projects - submit revised SBE Subcontracting Plans to DSLBD, agency project manager and Office of the District of Columbia Auditor (ODCA), with each quarterly report.
  - For Agency Contracts for Design-Build Projects - the SBE Subcontracting Plan is not required to be submitted for preconstruction services; however, a full SBE Subcontracting Plan (35% of the amount of the contract including total design and build costs) is required before entering into a guaranteed maximum price or contract authorizing construction.

### **Special Requirements**

- Each construction and non-construction Government-assisted project for which a CBE is selected as a Beneficiary, shall require the CBE perform at least 35% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with CBEs.

- Each construction and non-construction Government-assisted project for which a CBE is utilized to meet the 35% subcontracting requirement, shall require the CBE perform at least 35% of the contracting effort with its own organization and resources.
- Each construction and non-construction Government-assisted project of **\$1 million or less** for which a CBE is selected as a Beneficiary shall include a requirement that the CBE perform at least 50% of the on-site work with its own workforce.

### **Special Exemption**

- If the Beneficiary is a CBE and will perform the *ENTIRE* government-assisted project with its own organization and resources and NOT subcontract any portion of the government-assisted project, then the CBE is not required to subcontract 35% to SBEs.

### **Special Requirements for Certified Joint Venture Beneficiaries**

- Each construction and non-construction Government-assisted project for which a certified joint venture is selected as a Beneficiary shall include a requirement that the CBE member of the joint venture perform at least 50% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with CBEs.

### **Mandatory Meetings**

- The Beneficiary of a Government-assisted project **shall meet with DSLBD and ODCA within 10 days of the execution of this Acknowledgment Form.** A preliminary copy of the project budget (Attachment 1) should be submitted to DSLBD prior to the scheduled meeting.
- Thereafter, the Beneficiary of a Government-assisted project shall meet on an annual basis with DSLBD and ODCA to provide an update of the subcontracting plan for utilization of SBEs and CBEs.

### **Compliance Reporting Requirements**

- The Beneficiary of a Government-assisted project shall submit the following reports to DSLBD, the agency contracting officer, project manager, and ODCA:
  - SBE Subcontracting Plan;
  - Attachment 1 (Budget Document)
  - Completed SBE Expenditure Quarterly Reports;

- Completed Equity Participation and Development Participation Quarterly Reports
  - Completed Vendor Verification Forms; and
  - Each fully executed subcontract with each subcontractor listed on the SBE Subcontracting Plan (required to receive credit towards the 35% SBE subcontracting requirement).
- The Beneficiary can retrieve the vendor verification forms, and any other compliance forms on DSLBD's website. These forms will be reviewed and discussed at the initial meeting with DSLBD.
  - Based on the initial meeting with DSLBD, the first report(s) will be due 30 days after the conclusion of the next corresponding quarter.

### **Equity & Development Participation**

- In all development projects conducted pursuant to a disposition under D.C. Official Code § 10-801, authorizing the sale, conveyance, lease for greater than 20 years, exchange, or other disposition of certain real estate in the District of Columbia no longer required for public purposes, **Small Investors**, **Disadvantaged Investors**, or **Certified Equity Participants** shall invest a minimum of 20% of the total sponsor equity, excluding debt financing, mezzanine financing, or other equity contributions by limited or institutional investors.
- For each Government-assisted project involving development, in addition to complying with the general 35% SBE subcontracting requirements, at least 20% of the dollar volume of non-construction development goods and services shall be subcontracted to SBEs, and if there are insufficient qualified SBEs to completely fulfill this requirement, then the requirement may be satisfied by contracting 20% of that dollar volume to any qualified CBEs; provided, that all reasonable efforts shall be made to ensure that qualified small business enterprises are significant participants in the overall development goods and services work.
- Equity and development participation shall not apply if the entity that controls the development project is an entity tax-exempt under section 501(c) of the Internal Revenue Code of 1986, or other not-for-profit entity. And shall not apply to any development project for which a contract for purchase of one or more parcels of real property has been executed prior to the effective date of this Act.

### **Enforcement and Penalties**

- If a CBE Beneficiary that received points or a price reduction performs less than 35% of the total contracting effort with its own organization and resources, then the CBE shall be subject to the penalties and fines of section 2-218.63 of the Act.

- If the CBE member of a certified joint venture Beneficiary that received points or a price reduction, performs less than 50% of the total contracting effort with its own organization and resources, then the joint venture and the CBE shall be subject to the penalties and fines of section 2-218.63 of the Act.
- For any subcontracting plan required by law, the Beneficiary shall be deemed to have breached the subcontracting plan for utilization of SBEs or CBEs in the performance of a contract if the Beneficiary:
  - Fails to submit subcontracting plan monitoring or compliance reports or other required subcontracting information in a reasonably timely manner;
  - Submits a monitoring or compliance report, or other required subcontracting information containing a materially false statement; or
  - Fails to meet the subcontracting requirements of section 2-218.46 of the Act.
- A Beneficiary that is found to have breached a subcontracting plan for utilization of certified business enterprises shall be subject to the imposition of penalties, including monetary fines, pursuant to section 2-218.63 of the Act.
- A Beneficiary that fails to comply with the equity and development requirements of the Act shall be subject to the imposition of penalties, including monetary fines, pursuant to section 2-218.63 of the Act.
- If DSLBD determines that a Beneficiary has failed to use commercially reasonable best efforts to meet the subcontracting requirements of section 2-218.46 of the Act, DSLBD shall assess a civil penalty equal to 10% of the dollar volume of the contract that the Beneficiary was required but failed to subcontract. The civil penalty will be in addition to any other penalties or causes of action that may be available.

### **Pertinent DEFINITIONS in the Act**

**Agency** means: an agency, department, office, board, commission, authority, or other *instrumentality of the District government*, with or without legal existence separate from that of the District government.

**Beneficiary** means: a business enterprise that is the prime contractor or developer on a government-assisted project.

**Certified Equity Participant** means: a single-purpose legal entity created to participate in real estate development projects and includes members that are small investors or disadvantaged investors.

**Disadvantaged Investor** means:

- (A) A disadvantaged business enterprise pursuant to D.C. Official Code § 2-218.33; or



(B) A District-domiciled economically disadvantaged individual as determined by regulations promulgated by DSLBD.

**Government-assisted project** means:

(A) A *contract* executed by an agency on behalf of the District or pursuant to statutory authority that involves District funds or, to the extent not prohibited by federal law, funds that the District administers in accordance with a federal grant or otherwise;

(B) A *project* funded in whole or in part by District funds;

(C) A *project* that receives a loan or grant from a District agency;

(D) A *project* that receives bonds or notes or the proceeds thereof issued by a District agency, including tax increment financing or payment in lieu of tax bonds and notes;

(E) A *project* that receives District tax exemptions or abatements that are specific to the project and not to the nature of the entity undertaking the project, such as a religious institution or nonprofit corporation; or

(F) A *development project* conducted pursuant to a disposition under section 1 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801).

**Small Investor** means:

(A) A small business enterprise pursuant to D.C. Official Code § 2-218.32; or

(B) A District-domiciled individual with a net worth that does not exceed the limit set by DSLBD for investors.



I acknowledge receipt of this Acknowledgement Form, and understand that a Beneficiary, CBE, or Certified Joint Venture that fails to comply with all of the relevant requirements of the Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014 (D.C. Law 20-108) (the "Act"), which include, but are not limited to the provisions above, shall be subject to penalties as outlined in the Act. I further acknowledge that I am authorized to sign on behalf of the entity listed below.

Rob Fossi

Buwa Binitie

**Name (Print)**

**Name (Print)**

*Rob Fossi*

*Buwa Binitie*

**Signature**

**Signature**

Authorized Representative

Authorized Representative

**Title**

**Title**

Park View Community Partners, LLC, 1003 K St. NW, Suite 700, Washington, DC 20001

**Company**

9/2/2016

**Date**