014:15:SK:DB:fs:LH:LP:KP

Certified Business Enterprise Expenditures of Public-Private Development Construction Projects for Fiscal Year 2014

February 20, 2014

Audit Team:
Sophie Kamal, Auditor-in-Charge
David Brewer, Auditor

A Report by the Office of the District of Columbia Auditor
Kathleen Patterson, District of Columbia Auditor

Office of the District of Columbia Auditor

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, D.C. 20004

Letter Report: Certified Business Enterprise Expenditures of Public-Private Development Construction Projects for Fiscal Year 2014

Dear Chairman Mendelson:

The Office of the District of Columbia Auditor conducted an examination of the compliance of public-private developers with the minimum requirements set forth in Certified Business Enterprise Agreements (CBEAs) executed by the Department of Small and Local Business Development (DSLBD) with each developer at the outset of each construction project.

Objectives, Scope and Methodology

The objectives of this examination were to:

1. Determine whether developers complied with the requirements of CBEAs for fiscal year (FY) 2014 (October 1, 2013 to September 30, 2014); and
2. Report on the progress of developers in reaching the CBE goal established in CBEAs.

In conducting our examination, we reviewed available CBEAs executed by DSLBD with each developer. We also reviewed the Certified Business Enterprise (CBE) expenditure reports submitted by developers of public-private development construction projects.

The examination covered each developer's construction project through the end of FY 2014. We did not conduct the examination as an audit as defined by the Government Accountability Office's Government Auditing Standards.

Background

The Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005 (the Act), as amended, states that "it shall be the goal and responsibility of the Department [of Small and Local Business Development] to stimulate and foster the economic growth and development of businesses based in the District of Columbia, particularly certified business enterprises, with the intended goals of:

(A) Stimulating and expanding the local tax base of the District of Columbia;

(B) Increasing the number of viable employment opportunities for District residents; and

(C) Extending economic prosperity to local business owners, their employees, and the communities they serve."

The Act tasks DSLBD with providing "advocacy, business development programs, and technical assistance offerings" that will "maximize opportunities for certified business enterprises to participate in:

(A) The District's contracting and procurement process;

(B) The District's economic development activities; and

(C) Federal and private sector business opportunities."[1]

Starting July 1, 2007, DSLBD began executing CBEAs with developers that received financial assistance from the District government. The CBEAs required developers to meet specified CBE expenditure goals, typically about 35 percent of the adjusted project budget.[2] The CBEA for each public-private development construction project sets the CBE expenditure goal for the life of that project. Therefore, compliance with CBE goals can only be fully assessed when the project has been completed. Developers are required to submit quarterly CBE expenditure data directly to the Office of the District of Columbia Auditor (ODCA) and DSLBD. An example of a CBEA is included as Appendix I.

As of September 30, 2014, we are aware of 218 public-private development construction projects with CBEAs. Of the 218 projects:

- 10 met or exceeded their CBE expenditure goal in FY 2014;
- 36 submitted expenditure reports during FY 2014 and are still working toward their CBE expenditure goal as of September 30, 2014. The 36 construction projects are listed in Appendix II; and
- 172 did not submit expenditure reports in FY 2014. In a previous report issued on September 27, 2013[3], we found that 13 of the 172 projects did not report meeting CBE

[1] *See* D.C. Official Code §2-218.13(a).

[2] The adjusted project budget represents the total project budget less taxes, fees, utilities, and other costs that cannot reasonably be expected to be expended with CBEs.

[3] *See* ODCA Letter Report: Update on Non-Reporting Public-Private Development Construction Projects, September 27, 2013.

expenditure goals as required and may be subject to penalties by DSLBD. For the remaining 159 projects, and as of September, 2014, we were not able to determine whether the developers simply failed to submit expenditure reports or whether the construction projects ended. In previous ODCA letter reports issued on November 5, 2010[4], March 21, 2011[5], April 5, 2012[6], January 17, 2013[7], and January 9, 2014[8], we recommended that DSLBD verify the status of the projects and establish standard procedures for notifying ODCA of the status of construction projects. DSLBD has not implemented the recommendation. A listing of the 172 construction projects that did not submit expenditure reports in FY 2014 is found in Appendix III.

[4] *See* ODCA Letter Report: Public-Private Development Project Compliance with Certified Business Enterprise Goals through the 2nd Quarter of Fiscal Year 2010, November 5, 2010.
[5] *See* ODCA Letter Report: Public-Private Development Project Compliance with Certified Business Enterprise Goals through Fiscal Year 2010, March 21, 2011.
[6] *See* ODCA Letter Report: Certified Business Enterprise Expenditures of Public-Private Development Construction Projects for Fiscal Year 2011, April 5, 2012.
[7] *See* ODCA Letter Report: Certified Business Enterprise Expenditures of Public-Private Development Construction Projects for Fiscal Year 2012, January 17, 2013
[8] *See* ODCA Letter Report: Certified Business Enterprise Expenditures of Public-Private Development Construction Projects for Fiscal Year 2013, January 9, 2014

Results of the Auditor's Examination

10 Public-Private Development Projects Met or Exceeded Their CBE Expenditure Goal in Fiscal Year 2014

Based on the CBE goals contained in CBEAs or in DSLBD's QuickBase database system, we found that 10 projects met or exceeded their CBE expenditure goals in FY 2014. Figure 1 presents the detailed compliance status of the 10 projects that met or exceeded their CBE expenditure goal.

Figure 1
Development Projects that Met or Exceeded CBE Expenditure Goal

	Project Title	CBEA Execution Date	CBE Goal	CBE Cumulative Expenditures as of 9/30/2014	% To CBE Goal
1	907 47th Place NE	2/24/2014	$16,722	$21,563	129%
2	Buxton Condominium	12/14/2010	$967,413	$1,056,482	109%
3	Endocrine Society - Series 2013 Bond	10/9/2013	$1,419,018	$1,599,837	113%
4	KIPP DC - Webb Campus Ground Lease & Renovations - 2013A Bond	6/25/2013	$9,456,915	$12,377,396	131%
5	MAPCS- Bruce Evans Renovation	12/18/2013	$4,088,227	$4,159,031	102%
6	MM Washington Redevelopment Partners LLC	6/4/2010	$5,700,664	$6,877,565	121%
7	Provident Group - Howard Properties LLC	2/13/2013	$29,963,991	$32,958,298	110%
8	Trinidad Scattered Sites	12/12/2013	$765,107	$1,085,493	142%
9	Villages at Dakota Crossing	12/16/2010	$21,194,075	$24,388,566	115%
10	Washington Nationals Youth Baseball Academy	12/1/2010	$4,107,600	$5,071,265	123%

As noted previously, DSLBD has not developed a standard operating procedure to determine whether a construction project is completed. Until DSLBD begins tracking the status of construction projects and notifying ODCA when a construction project is completed, ODCA is unable to identify completed projects that have not met their CBE expenditure goal. DSLBD's failure to track the status of construction projects results in a loss of potential revenue for the District because DSLBD has not assessed any penalties for developers that have not met CBE expenditure goals. Prospective penalties vary amongCBEAs but they are often up to 25 percent of the total CBE expenditure goal, which in some cases amounts to possible penalties of over $1 million.

Recommendation:

1. The DSLBD Director should develop and implement a standard operating procedure to track the status of every public-private development construction project. The DSLBD Director should notify ODCA within 10 days of the receipt of notice of the initiation or completion of the public-private construction project.

Two Public-Private Developers Did Not Meet With ODCA as Required

All CBEAs that DSLBD executed in FY 2014 contained a requirement for developers to meet with ODCA within 10 days of the date of execution of the CBEA. Of the 47 developers who signed CBEAs with DSLBD in FY 2014, we found that 45 met with ODCA as required. Two developers did not meet with ODCA. Figure 2 presents the developers that did not meet with ODCA and Figure 3 presents the developers that met with ODCA.

Figure 2
Developers That Met with ODCA in FY 2014

	Project Title	CBEA Execution Date	ODCA Compliance Meeting
1	Gonzaga College High School	6/9/2014	Did not meet
2	Hill East District Redevelopment All Phases	6/9/2014	Did not meet

Figure 3
Developers That Met with ODCA in FY 2014

	Project Title	CBEA Execution Date	ODCA Compliance Meeting[9]
1	1300 H Street NE	11/26/2013	12/11/2013
2	1417 N Street Cooperative	9/18/2014	10/6/2014
3	1919 Calvert Street NW	9/29/2014	10/28/2014
4	323 62nd Street NE - East Brooke Apartments	6/5/2014	6/30/2014
5	903 Franklin Street NE - Morgans Inc.	11/7/2013	11/13/2013
6	907 47th Place NE	2/24/2014	3/11/2014
7	AEDC 2013 Façade - Anacostia Economic Development Corporation	5/13/2014	5/20/2014
8	AEDC 2015 Façade Project	9/30/2014	10/22/2014
9	Brightwood Apartment Project	9/18/2014	9/29/2014
10	BRMS Storefront Improvements FY15	9/30/2014	10/22/2014
11	Building Futures Construction Pre- Apprenticeship Program - Community Services Agency DC WIC Construction Pre-Apprenticeship	9/22/2014	10/3/2014
12	Capitol Place Project - FB Strategic Partners DC LLC	10/2/2013	10/17/2013
13	Children's Defense Fund	6/9/2014	6/24/2014

[9] Any delay in holding the meeting was the result of scheduling difficulties.

	Project Title	CBEA Execution Date	ODCA Compliance Meeting[9]
14	DC CENTRAL Kitchen - WIC Culinary Arts Training	2/25/2014	3/10/2014
15	DevICE LLC - Franklin School Redevelopment	9/30/2014	10/15/2014
16	Endocrine Society - Series 2013 Bond	10/9/2013	10/16/2013
17	Highland Terrace Apartments - Vesta D.C. III	9/30/2014	10/14/2014
18	Ingleside at Rock Creek	5/20/2014	7/1/2014
19	KIPP DC Hamilton Project	9/22/2014	10/1/2014
20	LEDC Small Business Assistance Program	9/30/2014	10/27/2014
21	MAPCS- Bruce Evans Renovation	12/18/2013	1/8/2014
22	Master McMillan Project	9/30/2014	10/14/2014
23	Mundo Verde at John F. Cook School	1/13/2014	1/28/2014
24	National Children's Center Inc	12/19/2013	1/24/2014
25	National Presbyterian School	6/6/2014	6/27/2014
26	North Capitol Commons	3/13/2014	3/24/2014
27	Owen House Project	8/26/2014	9/9/2014
28	Paul PCS Renovation Addition	11/14/2013	12/19/2013
29	Phyllis Wheatley YWCA	9/30/2014	10/16/2014
30	Pleasant Park Cooperative	9/18/2014	9/29/2014
31	Residences at Hayes - Deanwood Hills, LLC	5/29/2014	7/21/2014
32	Shaed Incubator Redevelopment - Shaed School	6/9/2014	6/25/2014
33	Shaw 42 Developers, LLC.	4/14/2014	4/28/2014
34	Sierra Cooperative, Inc.	6/4/2014	6/26/2014
35	South Capitol Shopping Center- Community of Hope Health Center and Garage Project	9/29/2014	10/15/2014
36	Stevens School Redevelopment	5/15/2014	5/22/2014
37	The Crescent @ Half Moon Place NE - 30th Street Crescent LLC	11/26/2013	12/12/2013
38	The Grove at Parkside	6/9/2014	6/30/2014
39	The Harry and Jeanette Weinberg Commons	9/30/2014	10/15/2014
40	Tobias Henson Project	9/2/2014	9/22/2014
41	Trinidad Scattered Sites	12/12/2013	12/23/2013

	Project Title	CBEA Execution Date	ODCA Compliance Meeting[9]
42	Trinity College	5/29/2014	6/4/2014
43	UGA Student Housing Facility	6/6/2014	6/11/2014
44	WDC Greenhouse	7/24/2014	8/6/2014
45	WIC Hospitality Training Program- UDC-CC	4/18/2014	4/23/2014

Conclusion

As of September 30, 2014, we are aware of 218 public-private development construction projects with CBEAs. Of the 218 projects, we found that 10 public-private developers met or exceeded their CBE expenditure goals in FY 2014 and 36 developers, who submitted CBE expenditure reports in FY 2014, are still working toward their CBE expenditure goals, which cannot be assessed until their projects are completed.

There were 172 construction projects that did not submit expenditure reports in FY 2014. In a previous report, we found that 13 of the 172 projects did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD. For the remaining 159 projects, we could not determine whether the developers simply failed to submit expenditure reports or whether the construction projects ended. Until DSLBD is able to determine the current status of those projects and assess the business opportunities provided, DSLBD will be unable to determine the impact the construction projects had on the economic growth and stability of the impacted communities. In addition, DSLBD has not notified ODCA of any penalties assessed to developers for failure to meet CBE expenditure goals, nor has DSLBD determined whether the projects contributed to any growth in CBE capability or capacity to compete in varied markets.

Given the potential for significant economic benefits to the District resulting from developers' compliance with CBE expenditure goals, we urge DSLBD to continue to improve the oversight of CBE participation in public-private development construction projects. We anticipate working with new leadership at the agency and with the Council in the context of its ongoing oversight of DSLBD to improve both reporting and meeting goals set out in the legislation. We will continue to monitor the implementation and maintenance of our recommendations to ensure that DSLBD's efforts facilitate meeting the goals of the Act.

Sincerely yours,

Kathy Patterson

Kathleen Patterson
District of Columbia Auditor

Appendices

Appendix I

CERTIFIED BUSINESS ENTERPRISE UTILIZATION AGREEMENT

THIS CERTIFIED BUSINESS ENTERPRISE UTILIZATION AGREEMENT (this "Agreement") is made by and between the DISTRICT OF COLUMBIA (the "District"), a municipal corporation acting by and through the DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT ("DSLBD") and Hampstead Brightwood Partners, L.P. a District of Columbia or its designees, successors or assigns ("Borrower").

RECITALS

Pursuant to the Loan Agreement to be signed between the Borrower and the District, through the District of Columbia Department of Housing and Community Development, the District intends to provide a loan to the Borrower in the aggregate principal amount of **$8,672,334** from Housing Production Trust Funds (the "Loan"). Borrower intends to use the loan proceeds to provide permanent financing for the acquisition and renovation of 130 units of affordable housing located at the following addresses: 5807 14th Street, NW, 5922 13th Street, NW and 1388 Tuckerman Street, NW in Washington, D.C. (the "Project").

In consideration of the Loan, Borrower covenants that it will comply in all respects with this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the receipt and adequacy of which is hereby acknowledged by both parties hereto, DSLBD and Borrower agree, as follows:

ARTICLE I
UTILIZATION OF CERTIFIED BUSINESS ENTERPRISES

Section 1.1 CBE Utilization Requirements. Borrower, on its behalf and/or on behalf of its successors and assigns (if any), shall hire and contract with Certified Business Enterprises certified pursuant to the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended (the "Act") (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*) (each a "CBE") in connection with the predevelopment and development phases of the Project including, but not limited to, the design, professional and technical services, construction management and trade work, development, renovation and suppliers. Borrower shall expend funds contracting and procuring goods and services from CBEs in an amount equivalent to <u>*no less than*</u> thirty-five percent (35%) of the adjusted development budget ("Adjusted Development Budget" or "Adjusted Budget") detailed in <u>Attachment 1</u> (the "CBE Minimum Expenditure"). The Adjusted Development Budget is **$12,140,439**. The CBE Minimum Expenditure is therefore **$4,249,154**.

Section 1.2 Time Period. Borrower shall achieve its CBE Minimum Expenditure no later than thirty (30) days after the issuance of a final Certificate of Occupancy by the District ("Expenditure Period"). If within three (3) years of the execution of this Agreement the Borrower has not achieved the CBE Minimum Expenditure and has not obtained a final Certificate of Occupancy, the Borrower shall meet with DSLBD to provide a status of the Project as related to this Agreement.

Section 1.3 Adjustments to the Total Development Budget or CBE Minimum Expenditure. If the Total Development Budget or the CBE Minimum Expenditure increases or decreases by an amount greater than 5%, within ten (10) business days Borrower shall submit to DSLBD to review and determine if there is a greater than 5% adjustment to the Adjusted Development Budget or the CBE Minimum Expenditure ("Adjustment"). The CBE Minimum Expenditure and Contingent Contributions (if applicable as defined herein) shall be automatically increased in the case of an increase or decreased in the case of a decrease, by an identical percentage of the Adjustment. A modified Attachment 1, approved by DSLBD, shall become a part of this Agreement and be provided to the Borrower and ODCA.

Section 1.4 Capacity Building Incentives. Borrower acknowledges that a priority of the District of Columbia is to assist local businesses in developing greater capacity, technical capabilities and valuable experience, especially in areas of development and construction related services. To that end, the parties agree that Borrower will have the right to earn and receive certain incentives for engaging in activities that are likely to create opportunities for CBEs generally, and, in particular, to facilitate capacity building for Disadvantaged Business Enterprises (each a "DBE"), as defined in the Act. Such incentives when earned by Borrower will be applied by DSLBD to reduce Borrower's CBE utilization requirements set forth in Section 1.1 of this Agreement.

(a) The Borrower may devise a list of professional services, trade specialties, or other vocational areas in which CBEs either lack capacity, lack depth, or in which such firms traditionally do not participate as prime contractors in construction projects of this nature and size (each, a "Target Sector"), and submit the list to DSLBD for approval before the execution of this Agreement. CBEs identified on the list shall not be eligible for a bonus, as described in paragraphs (1) and (2) below ("Reporting Bonus"), unless the list is approved by DSLBD. Any such list submitted and approved by DSLBD shall be attached hereto as Attachment 2 and made a part of this Agreement.

(1) For every dollar expended with a *DBE* for services that fall *within* a Target Sector, Borrower shall receive credit for $1.50 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a DBE for services that fall within a Target Sector would be counted as $150,000 by DSLBD when measuring Borrower's performance against the CBE Minimum Expenditure.

(2) For every dollar expended with a *CBE* that is not a DBE for services that fall *within* a Target Sector, Borrower shall receive credit for $1.25 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a CBE for services that fall within a Target Sector would be counted as $125,000 by DSLBD when measuring Borrower's performance against the CBE Minimum Expenditure.

(3) For every dollar expended with a *DBE* for services *not* included in a Target Sector, Borrower shall receive a credit for $1.25 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a DBE for services not included in a Target Sector would be counted as $125,000 by

DSLBD when measuring Borrower's performance against the CBE Minimum Expenditure.

(b) Every contract, purchase or task order (as applicable) issued by Borrower to CBE firms, either directly or indirectly, which Borrower believes should qualify for the Reporting Bonus shall be subject to review and approval by the Director of DSLBD (the "Director") to ensure that the scope of work is properly characterized within a Target Sector. The Reporting Bonus will not be credited to Borrower unless the Director approves the specific contract or procurement, provided, however, that a negative determination will not preclude Borrower from receiving credit (either 1:1 or 1.25:1, as applicable) for the expenditure.

(c) The parties may mutually agree in writing to additional incentives that may be earned by Borrower for instituting additional capacity building initiatives for CBEs (*e.g.*, pay without delay programs, establishment of strategic partnerships, or mentor-protégé initiatives). In particular, Borrower is encouraged to work with its general contractors and/or construction managers to develop more flexible criteria for pre-qualifying CBEs for the Project. The modified pre-qualification criteria should consider the size and economic wherewithal usually present in small contractors as well as insurance and bonding requirements. Borrower is also highly encouraged to establish CBE set-asides for certain procurements that will restrict bidders to those bid packages.

ARTICLE II
CBE OUTREACH AND RECRUITMENT EFFORTS

Section 2.1 Identification of CBEs and Outreach Efforts. Borrower shall utilize the resources of DSLBD, including the *CBE Business Center* found on DSLBD's website (http://dslbd.dc.gov). In particular, Borrower shall publish all contracting opportunities within the CBE Business Center's Business Opportunities area. Borrower shall use the CBE Company Directory as the primary source for identifying CBEs. The primary contact regarding CBE referrals shall be the Director or such other DSLBD representative as the Director may designate. Borrower may use other resources to identify individuals or businesses that could qualify as CBEs and is encouraged to refer any such firms to DSLBD's Certification unit for certification. Throughout the Expenditure Period, Borrower or its general contractor/construction manager may (as set forth in Section 4.1) periodically publish notices in any one of the following newspapers primarily serving the District of Columbia: *The Current Newspapers, The Washington Informer,* the *Washington Afro-American, Common Denominator, Washington Blade, Asian Fortune* and *El Tiempo Latino* (or if any of them should cease to exist, their successor, and if there is no successor, in another newspaper of general circulation) to inform CBEs, and entities that could qualify as CBEs, about the business opportunities in connection with the Project. In the event that Borrower currently uses or develops a website for its contracting and procurement activities, such website shall (i) advertise upcoming bid packages; (ii) present instructions on how to bid; and (iii) directly link to DSLBD website.

ARTICLE III
INFORMATION SUBMISSIONS AND REPORTING

Section 3.1 CBE Utilization Plans. Borrower shall submit or require its general contractor to submit a CBE utilization plan to DSLBD for approval before the execution of this Agreement, which plans shall be automatically incorporated and made a part of this Agreement as Attachment 3 following approval by DSLBD (each, a "Utilization Plan"). The Utilization Plan shall list all of the projected procurement items, quantities and estimated costs, bid opening and closing dates, and start-up and completion dates. This plan should indicate whether any items will be bid without restriction in the open market, or limited to CBEs. Borrower may not deviate materially from the steps and actions set forth in each Utilization Plan without notifying the Director. For ease of monitoring, Borrower agrees to work with DSLBD to implement procedures for it or its general contractor to submit Utilization Plans electronically through the DSLBD compliance administration database, as applicable and to the Office of the District of Columbia Auditor ("ODCA").

Section 3.2 Quarterly Reports.

(a) Throughout the Expenditure Period, regardless of whether the CBE Minimum Expenditure is achieved before the end of the Expenditure Period, Borrower will submit quarterly contracting and subcontracting expenditure reports ("Quarterly Reports") for the Project which identify:

(i) those contracts where the party providing services, goods or materials was a CBE, including the name of the company and the amount of the contract;

(ii) the nature of the contract including a description of the goods procured or the services contracted for;

(iii) the amount actually paid by Borrower to the CBE under such contract that quarter and to date;

(iv) the CBE certification number issued by DSLBD;

(v) the work performed by vendors/contractors in Target Sector(s) and relevant multipliers; and

(vi) the percentage of overall development expenditures which were to CBEs.

(b) The Quarterly Reports shall be submitted to DSLBD and ODCA no later than thirty (30) days after the end of each calendar-year quarter. The Quarterly Reports shall be submitted on a form provided by DSLBD (a prototype of this form is included as Attachment 4). However, DSLBD reserves the right to amend this form.

(c) Companies that may be eligible for certification, but are not yet certified, or whose certification is pending before DSLBD **shall not be included in the Quarterly Reports unless and until the company is certified by DSLBD as a CBE**.

(i) In order to obtain credit towards the CBE Minimum Expenditure requirement, a contractor/ subcontractor that is utilized by the Borrower must have an active CBE certification **at the time the goods or services are provided (contract/ subcontract performed) and at the time payment is made to the contractor/ subcontractor.**

(ii) The Borrower will **not** receive credit towards the CBE Minimum Expenditure if the Borrower's utilized contractor/ subcontractor:

(1) is not certified by DSLBD as a CBE at the time the goods or services are provided (contract/ subcontract performed) and at the time payment is made to the contractor/ subcontractor;

(2) has a pending application before DSLBD seeking CBE certification;

(3) has an expired CBE certification;

(4) has a CBE certification application that DSLBD denied; or

(5) has a CBE certification that has been revoked by DSLBD.

(iii) CBE certification is valid for **two years**. If not renewed, the CBE certification will expire. To determine whether a contractor/ subcontractor has a valid and/or current CBE certification, before goods/ services are provided and payment made, Borrower may check the DSLBD website: http://lsdbe.dslbd.dc.gov/public/certification/search.aspx

(d) Borrower must require every CBE that it contracts or subcontracts with to maintain its CBE certification through the term of and final payment of the contract/ subcontract. If Borrower pays a contractor/ subcontractor that is not certified as a CBE for goods/ services provided when the contractor/ subcontractor was not a CBE, those payments will **not** be applied towards the CBE Minimum Expenditure requirement and the expenditures shall **not** be included on the Quarterly Report.

(e) Concurrently with the submission of the Quarterly Reports, Borrower shall also submit vendor verification forms (each, a "Vendor Verification Form") substantially in the form of Attachment 5 for each expenditure listed in the Quarterly Report.

(f) Once the CBE Minimum Expenditure has been achieved, the subsequent Quarterly Reports shall contain the caption "CBE MINIMUM EXPENDITURE ACHIEVED." Additionally, the final Quarterly Report shall contain the caption "FINAL QUARTERLY REPORT" and be accompanied by a copy of the final Certificate of Occupancy issued by the District.

Section 3.3 Mandatory Reporting Requirements Meeting. Within ten (10) business days of executing this Agreement, the Borrower and the ODCA shall meet to discuss the reporting requirements during the Expenditure Period. In the event ODCA is unavailable to meet within 10 business days, Borrower and ODCA shall meet on the earliest mutually agreeable day. The individuals identified below respectively are the reporting point of contacts for the Borrower and ODCA.

Hampstead Brightwood Partners, L.P.
4411 Sheridan Street
University Park, MD 20782
301-830-3732
raymond@nixdevco.com

Sophie Kamal
Financial Auditor
Office of the District of Columbia Auditor
717 14th ST NW, Suite 900
Washington, DC 20005
202- 727- 8998
Sophie.Kamal@dc.gov

ARTICLE IV
GENERAL CONTRACTORS AND CONSTRUCTION MANAGERS

Section 4.1 Adherence to CBE Minimum Expenditure. For each construction component of the Project, Borrower shall require in its contractual agreement with the general contractor and/or construction manager for the Project as applicable (the "General Contractor"), that the General Contractor comply with the relevant obligations and responsibilities of Borrower contained in this Agreement with respect to achieving the CBE Minimum Expenditure. In the event that the Borrower and General Contractor have already entered a contractual agreement prior to the execution of this Agreement, the Borrower shall work with the General Contractor to assure that the General Contractor will assist the Borrower in achieving the applicable CBE Minimum Expenditure. Borrower further agrees to inform the General Contractor and subcontractors of the other obligations and requirements applicable to Borrower under this Agreement. Borrower shall inform the General Contractor about the implications of non-compliance with this Agreement that may negatively impact future opportunities for the Borrower and the General Contractor respectively. Specifically, Borrower will require in its contractual agreement with its General Contractor ("GC"), or if the Borrower and GC have already entered a contractual agreement prior to the execution of this Agreement work with its GC, to achieve the following actions in any employment or contracting efforts, in connection with the Project, undertaken after the effective date of this Agreement:

(i) The GC may publish a public notice in one newspaper whose primary circulation is in the District of Columbia (*e.g. Afro American, Washington Informer, El Tiempo Latino, Asian Fortune, the Current Newspapers,* etc.) for the purpose of soliciting bids for products or services being sought for construction and renovation projects and will allow a reasonable time (*e.g.,* no less than 20 business days) for all bidders to respond to the invitations or requests for bids.

(ii) The GC will contact DSLBD to obtain a current listing of all CBEs qualified to bid on procurements as they arise and will make full use of the CBE Business

Center found at http://dslbd.dc.gov for listing opportunities and for subcontracting compliance monitoring.

(iii) The GC will provide a CBE bidder, that is not the low bidder, an opportunity to provide its final best offer before contract award provided the CBE bid price is among the top 3 bidders.

(iv) The GC will not require that CBEs provide bonding on contracts with a dollar value less than $100,000, provided that in lieu of bonding the GC may accept a job specific certificate of insurance.

(v) The GC will include in all contracts and subcontracts to CBEs, a process for alternative dispute resolution. This process shall afford an opportunity for CBEs to submit documentation of work performed and invoices regarding requests for payments. Included in the contract shall be a mutually agreed upon provision for mediation (to be conducted by DSLBD) or arbitration in accordance with the rules of the American Arbitration Association.

(vi) The GC and subcontractors shall strictly adhere to their contractual obligations to pay all subcontractors in accordance with the contractually agreed upon schedule for payments. In the event that there is a delay in payment to the general contractor, the GC is to immediately notify the subcontractor and advise as to the date on which payment can be expected.

(vii) The GC commits to pay all CBEs, within fifteen (15) days following the GC's receipt of a payment which includes funds for such subcontractors, from Borrower. Borrower also agrees to establish a procedure for giving notice to the subcontractors of Borrower's payment to the GC.

(viii) The GC commits to verify a contractor/ subcontractor's CBE certification status prior to entering a contract/ subcontract with, accepting goods or services from, and making payment to a contractor/ subcontractor, in accordance with Article III of this Agreement.

ARTICLE V
CONTINGENT CONTRIBUTION

Section 5.1 Contingent Contribution for Failure to Meet CBE Minimum Expenditure. At the end of the Expenditure Period as defined in Section 1.2, DSLBD shall measure the percentage difference between the CBE Minimum Expenditure and Purchaser's actual CBE expenditures. If Purchaser's actual CBE expenditures are less than the CBE Minimum Expenditure, DSLBD shall identify the percentage difference (the "Shortfall"). If Purchaser fails to meet its CBE Minimum Expenditure as provided in Section 1.2 herein, Purchaser shall make a payment ("Contingent Contribution"), which shall be paid to the District of Columbia at a time and in a manner to be determined by DSLBD. The Contingent Contribution shall be based on twenty-five percent (25%) of the CBE Minimum Expenditure (the "Contribution Fund"). The Contribution Fund is therefore $1,062,288.

(i) If the Shortfall is more than 50% of the CBE Minimum Expenditure, Purchaser shall make a Contingent Contribution of one hundred percent (100%) of the Contribution Fund. For example, if at the conclusion of the Project, the Shortfall is 60%, Purchaser shall make a Contingent Contribution of $1,062,288.

(ii) If the Shortfall is between 10% and 50% of the CBE Minimum Expenditure, Purchaser shall make a Contingent Contribution that is the percentage of the Contribution Fund that is equal to the Shortfall. For example, if the Shortfall is 20%, the Purchaser shall make a Contingent Contribution of 20% of the Contribution Fund, *i.e.,* $212,458.

(iii) If the Shortfall is less than 10% of the CBE Minimum Expenditure, and Purchaser has taken all actions reasonably necessary (as reasonably determined by DSLBD based on Purchaser's reports and other verifiable evidence) to achieve the CBE Minimum Expenditure, the Purchaser shall not be required to make a Contingent Contribution. The Purchaser may meet its burden to demonstrate it has taken all actions reasonably necessary to achieve its CBE Minimum Expenditure by (1) fulfilling all CBE outreach and recruitment efforts identified in Article II of this Agreement; (2) complying with Article IV of this Agreement; (3) providing evidence of the General Contractors' compliance with the commitments set forth in Article IV of this Agreement, and (4) by taking the following actions, among other things[1]:

a. In connection with the preparation of future bid packages, if any, develop a list of media outlets that target CBEs and *potential* CBEs hereafter referred to as "Target Audience" based on D.C. certification criteria;

b. During the initial construction of the Project, place advertisements in media outlets that address the Target Audience on a regular basis (i.e., each time a new bid package is sent out) and advertise the programmatic activities established pursuant to the Agreement on an as needed basis;

c. Fax and/or email new procurement opportunity alerts to targeted CBEs according to trade category;

d. In connection with the preparation of future bid packages, if any, develop a list of academic institutions, business and community organizations that represent the Target Audience so that they may provide updated information on available opportunities to their constituents;

[1] See Attachment 6 for a list of suggested outreach activities.

e. Make presentations and conduct pre-bid conferences advising of contracting opportunities for the Target Audience either one-on-one or through targeted business organizations;

f. Provide up to ten (10) sets, in the aggregate, of free plans and specifications related to the particular bid for business organizations representing Target Audiences upon request;

g. Commit to promoting opportunities for joint ventures between non-CBE and CBE firms to further grow CBEs and increase contract participation.

(iv) If the Shortfall is less than 10% of the CBE Minimum Expenditure, but Purchaser has *not* taken all actions reasonably necessary (as reasonably determined by DSLBD based on Purchaser's reports and other verifiable evidence) to achieve the CBE Minimum Expenditure, Purchaser shall make a Contingent Contribution that is the percentage of the Contribution Fund that is equal to the Shortfall. For example, if the Shortfall is 5%, the Purchaser shall make a Contingent Contribution of 5% of the Contribution Fund, *i.e.*, $53,114.

In the event a CBE hired as part of the Project goes out of business or otherwise cannot perform in accordance with customary and acceptable standards for the relevant industry, the Borrower may identify and hire a substitute CBE capable of performing in accordance with customary and acceptable standards for the relevant industry. If the Borrower cannot identify and hire a substitute CBE, the Borrower may request in writing that the Director identify a list of substitute CBEs capable of performing in accordance with customary and acceptable standards for the relevant industry ("Request"). Only if, within ten (10) business days after receiving the Request, the Director fails to send written notice to the Borrower identifying a list of substitute CBEs to perform the work (and the Borrower determines for an amount no greater than 5% above the remaining balance of the original CBE contracted amount) may the Borrower contract with a non-CBE to perform the work, provided that the non-CBE contracted amount shall not exceed the balance of the original CBE contracted amount by greater than 5% ("Approved Deduction"), and the Approved Deduction shall be deducted from the CBE Minimum Expenditure.

Section 5.2 Other Remedies. Failure to make any required Contingent Contribution in the time and manner specified by DSLBD shall be a material breach of this Agreement. In the event that the Purchaser breaches any of its obligations under this Agreement, in addition to the remedies stated herein, DSLBD does not waive its right to seek any other remedy against the Purchaser, the general contractor of the Project and any manager of the Project that might otherwise be available at law or in equity, including specific performance.

Section 5.3 Waiver of Contingent Contribution. Any Contingent Contribution required under this Section may be rescinded or modified by the Director upon consideration of the totality of the circumstances affecting such noncompliance.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Primary Contact. The Director, or his or her designee, shall be Borrower's primary point of contact for the purposes of collecting or providing information or carrying out any of the activities under this Agreement. The Director and a representative of Borrower with contracting and/or procurement authority shall meet regularly.

Section 6.2 Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone or email and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To DSLBD:

Department of Small and Local Business Development
441 4th Street, N.W., Suite 850 North
Washington, DC 20001
Attention: Director
Tel: (202) 727-3900
Fax: (202) 724-3786

and

Office of the Deputy Mayor for Planning and Economic
Development Government of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 317
Washington, DC 20004
Attention: Deputy Mayor for Planning and Economic Development
Tel: (202) 727-6365
Fax: (202) 727-6703

With a copy to:

Office of the Attorney General
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 407
Washington, DC 20004
Attention: Attorney General
Tel: (202) 724-3400
Fax: (202) 347-8922

To ODCA:

Office of the District of Columbia Auditor
717 14th ST NW, Suite 900
Washington, DC 20005
Attention: District of Columbia Auditor
202-727-3600

To Borrower: Hampstead Brightwood Partners, L.P.
1350 Columbia Street, Suite 802
San Diego, CA 92101
Attention: Greg Gossard
Tel: 619-543-4204
Fax: 619-543-4220

Each party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

Section 6.3 Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 6.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of any permitted successors and assigns of the parties hereto. This Agreement shall not be assigned by Borrower without prior written notice to DSLBD.

Section 6.5 Amendment; Waiver. This Agreement may be amended from time to time by written supplement hereto and executed by both DSLBD and Borrower. Any obligations hereunder may not be waived, except by written instrument signed by the party to be bound by such waiver. No failure or delay of either party in the exercise of any right given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right, or satisfaction of such condition, has expired) shall constitute a waiver of any other or further right nor shall any single or partial exercise of any right preclude other or further exercise thereof or any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

Section 6.6 Governing Law. This Agreement shall be governed by the laws of the District of Columbia.

Section 6.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 6.8 Entire Agreement. All previous negotiations and understandings between the parties hereto or their respective agents and employees with respect to the transactions set forth herein are merged into this Agreement, and this Agreement alone fully and completely expresses the parties' rights, duties and obligations with respect to its subject matter.

Section 6.9 Captions, Gender, Number and Language of Inclusion. The captions are inserted in this Agreement only for convenience of reference and do not define, limit or describe the scope or intent of any provisions of this Agreement. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine and neuter adjectives include one another. As used in this Agreement, the word "including" shall mean "including but not limited to".

Section 6.10 Attachments. The following exhibits shall be deemed incorporated into this Agreement in their entirety:

Attachment 1:	CBE Minimum Expenditure
Attachment 2:	Target Sector List
Attachment 3:	Utilization Plans
Attachment 4:	Quarterly CBE Reports
Attachment 5:	Vendor Verification Form
Attachment 6:	Suggested Outreach Activities

Section 6.11 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and personal representatives.

Section 6.12 Recitals. The Recitals set forth on the first page are incorporated by reference and made a part of this Agreement.

Signatures to follow

Approved as to legal sufficiency for the District of Columbia Department of Small and Local Business Development:

By: Malik Edwards
Malik K. Edwards
Deputy General Counsel, DSLBD

AGREED TO AND EXECUTED THIS 18th DAY OF September 2014

DISTRICT OF COLUMBIA DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

By: Robert M. Summers
Robert Summers
Director

BORROWER,
HAMPSTEAD BRIGHTWOOD PARTNERS, L.P.
a District of Columbia limited liability company

By: Hampstead Nix Development, LLC,
a District of Columbia limited liability company

By: The Hampstead Group, a California corporation
Its: General Partner

By: ______________________ By: ______________________(Seal)

Gregory E.Gossard
Secretary

Approved as to legal sufficiency for the District of Columbia Department of Small and Local Business Development:

By: ____________________________
Malik K. Edwards
Deputy General Counsel, DSLBD

AGREED TO AND EXECUTED THIS ______ DAY OF ________________ 2014

DISTRICT OF COLUMBIA DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

By: ____________________________
Robert Summers
Director

BORROWER,
HAMPSTEAD BRIGHTWOOD PARTNERS, L.P.
a District of Columbia limited liability company

By: Hampstead Nix Development, LLC,
a District of Columbia limited liability company

By: The Hampstead Group, a California corporation
Its: General Partner

By: ______________________ By: ______________________(Seal)

Gregory E.Gossard
Secretary

Appendix II

APPENDIX II

Public-Private Development Construction Projects That Submitted CBE Expenditure Reports in FY 2014 and Are Still Working Toward Their CBE Expenditure Goal as of September 30, 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2014	% To CBE Goal
1	2 M Street Redevelopment LLC - NorthWest One	8/19/2009	$28,713,411	$28,486,982	99%
2	2201 M Street, NW - Hilton Garden Inn	2/24/2009	$11,779,898	$10,840,375	92%
3	6925 Georgia Avenue NW	11/5/2010	$2,215,860	$462,195	21%
4	AAMC Headquarters Project (7 & K Street NW)	8/25/2011	$30,556,798	$5,960,304	20%
5	Airspace Above I-395 Project	3/2/2012	$65,107,350	$3,210,161	5%
6	American Association for the Advancement of Science - AAAS	12/31/2007	$12,449,500	$5,369,799	43%
7	American Immigration Lawyers Association	12/3/2007	$3,417,670	$1,153,255	34%
8	Bass Circle Apartments	8/14/2012	$4,834,324	$4,732,535	98%
9	Brightwood Apartment Project	9/18/2014	$4,249,154	$0	0%
10	Capitol Place Project - FB Strategic Partners DC LLC	10/2/2013	$33,754,365	$20,743,714	61%
11	Center for Global Development (Series 2013)	5/30/2013	$1,702,960	$903,759	53%
12	Council on Foreign Relations - CFR	8/13/2007	$7,655,742	$7,135,909	93%
13	Crestwood Cooperative	6/25/2013	$705,480	$556,887	79%
14	DC Prep Benning Road Project	6/21/2013	$9,406,465	$8,471,921	90%
15	DC Wheel Productions Inc. - dba Dance Place (Renovation Project)	2/9/2011	$777,844	$671,333	86%
16	Forest City SEFC, LLC - The Yards - S E F C Waterfront	8/10/2007	$399,096,997	$37,234,802	9%
17	Friendship Technology Preparatory Academy - 2705 Martin Luther King Ave SE	11/19/2012	$8,431,840	$7,313,363	87%
18	Gallaudet University	12/3/2010	$9,545,847	$7,672,120	80%
19	Gonzaga College High School	6/9/2014	$6,600,648	$29,068	0%
20	Highland Terrace Apartments - Vesta D.C. III	9/30/2014	$2,994,617	$0	0%

APPENDIX II

Public-Private Development Construction Projects That Submitted CBE Expenditure Reports in FY 2014 and Are Still Working Toward Their CBE Expenditure Goal as of September 30, 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2014	% To CBE Goal
21	Hine Junior High School - Stanton EastBanc, LLC	6/4/2010	$43,818,972	$6,211,632	14%
22	Hoffman Struever Waterfront LLC- SouthWest Waterfront, LLC	7/11/2008	$250,600,000	$29,348,213	12%
23	Howard University 2011 Financing	4/26/2011	$40,325,080	$21,579,411	54%
24	Lowell School (2013) Parkside Renovation	3/28/2013	$3,838,170	$2,900,480	76%
25	Monsignor Romero Apartments - National Housing Trust -NHT	12/29/2010	$3,567,804	$1,511,335	42%
26	National Presbyterian School	6/6/2014	$1,778,051	$1,068,839	60%
27	Paul PCS Renovation Addition	11/14/2013	$5,841,082	$1,082,181	19%
28	Pollin Memorial Community Development, LLC - Parkside Additions	12/27/2010	$9,643,141	$7,438,705	77%
29	SeVerna Phase II (Mixed Use Project) - Golden Rule Apartments, Inc.	12/21/2010	$9,905,055	$7,075,728	71%
30	Sheridan Terrace Hope VI	3/5/2010	$27,958,648	$16,303,206	58%
31	Shops at Dakota Crossing	11/28/2011	$12,977,010	$4,751,420	37%
32	Sierra Cooperative, Inc.	6/4/2014	$426,729	$187,491	44%
33	SOME Scattered Site II	4/18/2013	$4,707,811	$3,939,264	84%
34	Trinity Plaza LLC.	7/2/2013	$4,455,223	$1,072,437	24%
35	Washington Center for Internships and Academic Seminars 2009	1/27/2009	$12,234,515	$2,287,128	19%
36	WestEnd Parcels -Library- Fire Station EastBank WDC	6/4/2010	$37,716,683	$5,075,346	13%

Appendix III

APPENDIX III
Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
1	100 Bryant Street NW[10]	4/20/2009	$36,190	$0	0%
2	1000 Connecticut Avenue, N.W.	7/1/2011	$21,289,132	$4,287,256	20%
3	1001 Quebec St - Massoud Mamassani	5/4/2009	$15,050	$0	0%
4	1031 4th Street Northwest	4/2/2012	$274,575	$0	0%
5	105 Galveston Place, SW - Designed Services, Inc.	10/22/2010	$16,617	$0	0%
6	1113-1117 H Street NE - 1115 H Street Partners LLC	11/5/2010	$976,813	$0	0%
7	1300 H Street NE	11/26/2013	$2,529,064	$0	0%
8	1319 Harvard Street, N.W. - The Crimsom, LLC	6/30/2011	$255,640	$0	0%
9	1335 R Street, LLC (Equity)	10/21/2010	$72,315	$0	0%
10	1417 N Street Cooperative	9/18/2014	$1,189,805	$0	0%
11	1421 Euclid Street, NW - Justice Park - Euclid Community Partners	10/28/2010	$2,560,302	$1,350	0%
12	1504 6th St, NW - United General Contractors	4/1/2009	$80,500	$0	0%
13	1780 Columbia Rd, N.W - Adams Morgan Historic Hotel - Adams Morgan Church Hotel LLC	7/29/2011	$21,571,937	$0	0%
14	1800 M St. NE - Sandra McDonald Spence and Kayla McDonald	5/4/2009	$8,400	$0	0%
15	1818 6th Street, NW	11/3/2010	$95,743	$79,202	83%
16	1919 Calvert Street NW	9/29/2014	$179,638	$0	0%
17	22nd Street Parkside - 1406 22nd Street, SE	3/28/2012	$822,395	$0	0%
18	2495 Alabama Avenue, S.E. - Alabama Avenue Education	7/1/2011	$138,250	$0	0%
19	25 Kennedy Street, N.W.	3/7/2012	$616,194	$0	0%

[10] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III

Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
20	2801 Sherman Avenue, N.W.	3/1/2012	$103,454	$0	0%
21	3004 13th Street LLC	6/18/2009	$110,425	$98,318	89%
22	3050 R Street Partners, LLC - Hurt Home	6/2/2010	$2,768,856	$0	0%
23	315 I Street, N.E. - South Side Productions	8/15/2012	$229,548	$0	0%
24	323 62nd Street NE - East Brooke Apartments	6/5/2014	$2,779,728	$298,982	11%
25	3232 Georgia Ave NW - The Heights on Georgia Ave	9/3/2009	$5,087,314	$4,187,816	82%
26	333 K Street NE - Morgan Kelleher	4/29/2009	$7,875	$703	9%
27	35 Forrester Street, SW-Jones Electric Company, Inc[11]	2/29/2012	$18,620	$0	0%
28	401 M Street, SW (Waterfront Development) Waterfront Associates, LLC	7/11/2008	$162,140,594	$88,823,627	55%
29	4010 Third Street Partners, LLC	2/8/2008	$904,750	$0	0%
30	4100 Georgia Ave., LP	12/30/2007	$6,331,227	$0	0%
31	445 S Street, N.W.	3/21/2012	$100,308	$0	0%
32	460 Ridge Street, N.W.	4/2/2012	$126,987	$0	0%
33	463 I Street, NW - 5th & I	11/26/2012	$18,368,511	$0	0%
34	4925 Nash Street, LLC - North Capitol Collaborative, Inc.	4/28/2009	$200,900	$0	0%
35	501 Rhode Island Avenue, NW - Paramount Development, LLC	12/1/2010	$16,800	$0	0%
36	5019 H Street SE[12]	5/24/2012	$40,600	$0	0%
37	5940-5950 Piney Branch Acquisition &Renovation - Piney Branch Cooperative Association	6/27/2011	$90,630	$0	0%

[11] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

[12] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III

Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
38	627 14th Place - J. Michael Hager	5/21/2009	$19,070	$0	0%
39	646 I Street, NW - United General Contractors	1/30/2009	$49,000	$0	0%
40	756 Park Road - Consys, Inc.	2/29/2012	$168,493	$0	0%
41	903 Franklin Street NE - Morgans Inc.	11/7/2013	$24,055	$0	0%
42	910-912 S Street NW[13]	5/3/2012	$395,521	$0	0%
43	917 T Street, NW - Siyamak Sadeghi	12/20/2010	$7,000	$0	0%
44	AEDC 2013 Façade - Anacostia Economic Development Corporation	5/13/2014	$185,891	$0	0%
45	AEDC 2015 Façade Project	9/30/2014	$196,000	$0	0%
46	African Community Center	10/31/2011	$31,010	$0	0%
47	Alabama Avenue Senior Housing - Vision of Victory Community Development Corporation	6/20/2011	$3,948,748	$0	0%
48	American Society of Hematology - ASH	1/15/2009	$4,117,163	$1,655,161	40%
49	American Sociological Association - ASA	11/28/2007	$577,500	$477,351	83%
50	AppleTree Early Learning PCS - New NE/SE Campuses	11/22/2010	$1,191,510	$557,942	47%
51	Arena Stage - Washington Drama Society	2/20/2008	$36,767,613	$33,572,302	91%
52	Barbara Chambers Children's Center	12/30/2007	$595,000	$184,511	31%
53	Barrack Row Main Street	8/8/2012	$168,939	$0	0%
54	Beacon Center Project - Emory Beacon of light, Inc.	8/4/2011	$145,250	$0	0%
55	Brandywine Street Association - Brandywine Community Empowerment Center	3/25/2011	$742,350	$0	0%
56	BRMS Storefront Improvements FY15	9/30/2014	$212,251	$0	0%

[13] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III

Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
57	Broadcast Center One - Progression Place Garage	2/27/2012	$26,805,997	$24,820,490	93%
58	Bruke G. Siraga and Genet H. Mamo - 3620 Rock Creek[14]	7/27/2009	$83,803	$0	0%
59	Building Futures Construction Pre-Apprenticeship Program - Community Services Agency DC WIC Construction Pre-Apprenticeship	9/22/2014	$329	$0	0%
60	Capitol Hill Properties - Argos CH, LLC	4/28/2010	$818,533	$0	0%
61	Capitol Quarter Project -EYA Construction Inc.- Capper -Carrollsburg Venture, LLC-Hope VI Funding Project	5/26/2008	$22,085,813	$8,425,275	38%
62	CEMI-MINI Highlands, LLC	11/1/2007	$9,320,371	$0	0%
63	Center for Strategic & International Studies, Inc. - Rhode Island Ave	3/20/2008	$18,516,456	$0	0%
64	Cesar Chavez - PCS -Public Charter Schools for Public Policy[15]	1/9/2008	$2,703,610	$865,225	32%
65	Children's Defense Fund	6/9/2014	$2,504,250	$0	0%
66	Children's National Medical Center - Children's Hospital	5/1/2008	$62,761,187	$23,104,661	37%
67	Congressional Hispanic Caucus Institute, Inc.	6/15/2010	$80,255	$0	0%
68	Dance Institute of Washington	11/22/2011	$16,150	$0	0%
69	DC Arena L.P. - Verizon Center	12/20/2007	$9,161,250	$5,831,063	64%
70	DC CENTRAL Kitchen - WIC Culinary Arts Training	2/25/2014	$41,414	$0	0%
71	DevICE LLC - Franklin School Redevelopment	9/30/2014	$4,210,150	$0	0%
72	Dilargachew Belay - 1644 Gales St, NE	5/4/2009	$1,995	$0	0%
73	Dix Eastern - Eden Place	7/14/2009	$4,080,832	$1,910,356	47%

[14] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.
[15] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III
Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
74	E Street Development Group	10/19/2009	$40,469,600	$0	0%
75	E.L. Haynes High School Expansion (4501 Kansas Avenue, NW)	2/21/2012	$3,478,111	$0	0%
76	Eagle Center - An Integrated Community Services School	10/31/2011	$6,801,307	$0	0%
77	East of the River Community Development Corp. - Jasper Place & T Apartments	12/31/2008	$3,292,893	$0	0%
78	Eckington One - NOMA West Residential I, LLC	7/7/2009	$23,746,732	$10,373,082	44%
79	EDC Headquarters - Sigma Investments, LLC	3/5/2009	$244,784	$36,205	15%
80	Empower House on 4609 & 4613 Gault Place, N.E.	9/1/2011	$44,350	$0	0%
81	Euphemia L. Haynes Public Charter School, Inc.	8/4/2008	$3,822,134	$2,382,263	62%
82	Field School (Series 2013 IRB)	3/15/2013	$5,571,146	$0	0%
83	Franklin Parking Lot projects[16]	7/13/2009	$117,424	$0	0%
84	Georgetown University Science Center & Renovations	12/21/2010	$35,111,855	$23,800,376	68%
85	German Marshall Fund of the United States	4/20/2011	$3,660,374	$3,381,453	92%
86	Habitat for Humanity of Washington D.C.- Ivy City III	6/25/2013	$1,228,732	$0	0%
87	High Street Development - Keystone Plus Construction	5/20/2009	$41,388	$0	0%
88	Hill East District Redevelopment All Phases	6/9/2014	$35,980,000	$0	0%
89	Howard Theatre Development Group, LLC (Restoration)[17]	5/23/2008	$5,917,749	$2,378,560	40%
90	Hyde Leadership Public Charter School - Taft Middle School	5/11/2010	$5,629,939	$1,422,949	25%
91	Ideal Academy - Public Charter School	12/18/2007	$724,333	$0	0%
92	Ingleside at Rock Creek	5/20/2014	$3,359,540	$0	0%

[16] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.
[17] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III

Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
93	Israel Manor Life Learning Center Project	3/29/2012	$4,043,415	$0	0%
94	Israel Senior Residences LLC.	7/2/2013	$3,096,276	$0	0%
95	Ivy City Rehabs	1/10/2013	$317,672	$0	0%
96	Jobs Partnership Inc. - Lower Georgia Avenue Job Training Center	1/19/2010	$1,708,071	$0	0%
97	Jubilee Housing Reentry Housing	6/4/2013	$1,006,635	$844,138	84%
98	Kelsey Gardens Property Company, LLC - Addison Square at Kelsey Gardens[18]	12/10/2009	$17,757,824	$0	0%
99	Kennedy Row Residential, LLC - Comstock East Capitol LLC	12/3/2007	$6,107,500	$0	0%
100	Kingsbury Center, Inc.	3/30/2012	$776,899	$0	0%
101	KIPP DC- Douglass Road - Douglas School	6/5/2009	$6,465,085	$2,767,695	43%
102	KIPP DC Hamilton Project	9/22/2014	$16,692,633	$0	0%
103	Knox Hill Village - Anacostia Economic Development Corporation	1/30/2009	$225,581	$0	0%
104	Latin American Youth Center Inc.	8/26/2007	$387,465	$0	0%
105	LEDC Small Business Assistance Program	9/30/2014	$1,204	$0	0%
106	Logan Circle Heritage Trail - Logan Circle Community Association, Inc.	7/1/2011	$179,442	$0	0%
107	MADAME TUSSAUDS Washington DC	12/20/2007	$2,726,850	$287,167	11%
108	Marriott Marquis Convention Center Hotel - HQ Hotel, LLC	5/1/2009	$109,466,172	$25,245,601	23%
109	Master McMillan Project	9/30/2014	$189,169,647	$0	0%
110	Matthews Memorial Terrace LP c/o Creative Opportunity Ventures	7/1/2010	$5,658,596	$0	0%
111	Maycroft Apartment - Jubilee Housing, Inc	11/22/2011	$3,571,031	$0	0%
112	Mayfair Mansions III - MM Property LLC -	10/12/2011	$6,142,298	$0	0%

[18] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III
Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
113	Mentors of Minorities in Education Inc. (d/b/a M.O.M.I.E) Ego-Green Children's Learning Center (2616 Georgia Ave, NW)	6/20/2011	$447,845	$0	0%
114	Methodist Home of DC	12/15/2009	$3,655,393	$2,188,885	60%
115	Mi Casa - Ivy City -1302,1304 Galludet NE & 1917 Capitol AV NE	9/10/2009	$322,060	$145,929	45%
116	Mi Casa's Ivy City - Phase II	12/14/2010	$737,231	$397,289	54%
117	Minnesota-Benning - Park 7 GP LLC	5/27/2009	$23,551,568	$4,429,682	19%
118	MissionFirst Ivy City LLC - Ivy City II	2/14/2011	$266,624	$134,481	50%
119	Mundo Verde at John F. Cook School	1/13/2014	$4,645,081	$0	0%
120	N Street Village, Inc. Predevelopment Project	5/25/2011	$65,975	$0	0%
121	National Association of Student Personnel Administrators - NASPA	4/29/2010	$276,308	$0	0%
122	National Child Research Center - NCRC	4/22/2008	$2,004,218	$643,188	32%
123	National Children's Center Inc	12/19/2013	$2,393,744	$0	0%
124	National Community Reinvestment Coalition Challenge Grant	7/2/2013	$26,460	$0	0%
125	National Law Enforcement Museum	6/21/2013	$25,904,040	$0	0%
126	NC Firehouse LLC	3/13/2008	$578,900	$0	0%
127	North Capitol Commons	3/13/2014	$11,111,951	$0	0%
128	Old Naval Hospital Foundation[19]	7/1/2010	$2,969,050	$2,881,583	97%
129	Owen House Project	8/26/2014	$187,747	$0	0%
130	Parcel 39 - T & 8th Streets, LLC	11/5/2010	$452,115	$0	0%
131	Phyllis Wheatley YWCA	9/30/2014	$3,269,930	$0	0%

[19] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III
Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
132	Pleasant Park Cooperative	9/18/2014	$1,898,087	$0	0%
133	Population Services International - PSI	11/15/2007	$785,584	$237,429	30%
134	Progressive Life Center, Inc.	12/10/2008	$558,500	$0	0%
135	R&R LLC - 1205 Delafield Place NW	7/7/2009	$33,924	$0	0%
136	Residences at Hayes - Deanwood Hills, LLC	5/29/2014	$9,185,745	$0	0%
137	Reyes LLC - 2305 1st Street[20]	7/7/2009	$41,983	$0	0%
138	Rhode Island Avenue Metro, LLC - Rhode Island Station	6/19/2008	$21,758,879	$16,081,521	74%
139	SeVerna, LLC	6/16/2010	$4,340,664	$4,120,846	95%
140	Shaed Incubator Redevelopment - Shaed School	6/9/2014	$3,797,940	$0	0%
141	Shaw 42 Developers, LLC.	4/14/2014	$9,971,051	$0	0%
142	Shaw Dog Park Improvement -MidCity Residents Association	2/8/2011	$29,750	$0	0%
143	Sibley Memorial Hospital - Lucy Webb Hayes National - 2009	7/15/2009	$7,500,000	$6,825,653	91%
144	Skyland Town Center	7/2/2013	$57,867,702	$0	0%
145	SOME Scattered Sites - Supportive Housing Opportunities LLC	6/24/2010	$5,409,831	$4,542,446	84%
146	South Capitol Shopping Center- Community of Hope Health Center and Garage Project	9/29/2014	$7,256,360	$0	0%
147	Sports Collaborative	12/14/2009	$156,726	$0	0%
148	Square 54	8/3/2009	$49,899,092	$49,601,965	99%
149	St. Martin's Apartments, L.P.	8/27/2008	$11,440,791	$10,764,166	94%
150	Stevens School Redevelopment	5/15/2014	$23,017,442	$0	0%
151	Taja Investments, LLC	2/29/2012	$66,458	$0	0%

[20] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III
Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
152	TCB Fairlawn Marshall Housing, LP	1/9/2009	$3,117,126	$0	0%
153	The Avenue - Park Morton Development Partners, LLC	4/5/2010	$6,555,075	$4,552,980	69%
154	The Covenant Full Potential Development Center	12/5/2011	$3,147,983	$0	0%
155	The Crescent @ Half Moon Place NE - 30th Street Crescent LLC	11/26/2013	$2,818,162	$0	0%
156	The Grove at Parkside	6/9/2014	$10,758,695	$0	0%
157	The Harry and Jeanette Weinberg Commons	9/30/2014	$2,054,792	$0	0%
158	The Nannie Helen at 4800 - A Wash and Associates, Inc.[21]	5/25/2010	$6,760,167	$0	0%
159	Tobias Henson Project	9/2/2014	$1,173,918	$0	0%
160	Trinity College	5/29/2014	$13,632,122	$0	0%
161	UGA Student Housing Facility	6/6/2014	$1,862,992	$0	0%
162	VIDA Brightwood Associates Limited Partnership - Vida Senior Residences - 1330 Missouri Ave NW	7/2/2010	$2,260,643	$1,565,928	69%
163	W Street SE 38-42-43 - W Street Condos	12/29/2010	$660,500	$0	0%
164	Washington Area Bicyclist Association (WABA)	2/27/2012	$1,680	$0	0%
165	Washington International School - 2013	6/28/2013	$3,634,113	$0	0%
166	Washington Mathematics Science & Technology Public Charter School, Inc. - PSC	7/8/2008	$23,503	$0	0%
167	WDC Greenhouse	7/24/2014	$705,163	$0	0%
168	Wesley Theological Seminary of the United Methodist Church	12/10/2008	$2,077,654	$159,600	8%
169	WestEnd25[22]	9/10/2009	$24,048,442	$0	0%

[21] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.
[22] In a report issued on September 27, 2013, ODCA found that this developer did not report meeting CBE expenditure goals as required and may be subject to penalties by DSLBD.

APPENDIX III

Public-Private Development Construction Projects That Did Not Submit CBE Expenditure Reports in FY 2014

	Project Title	CBEA Execution Date	CBE Expenditure Goal	Cumulative CBE Expenditures as of 9/30/2013	% To CBE Goal
170	WIC Hospitality Training Program- UDC-CC	4/18/2014	$4,521	$0	0%
171	Willowbrook Condominium - Manna, Inc.	4/26/2010	$267,000	$86,711	32%
172	Zagami House	3/20/2008	$507,086.30	$0.00	0%