



City of San Antonio  
Department of Planning & Community Development  
**Division of Grants Monitoring and Administration**

**REQUEST FOR APPLICATION  
("RFA")**

for

**MULTI-FAMILY RENTAL HOUSING FUNDING**

Release Date: JUNE 10, 2014

Applications Due: JULY 8, 2014

*UPDATED: June 25, 2014*

**This solicitation has been identified as High Profile.**

**Notice Regarding Prohibition on Campaign or Officeholder Contributions for Individuals and Entities Seeking High-Profile Contracts.** Under Section 2-309 of the Municipal Campaign Finance Code, the following are prohibited from making a campaign or officeholder contribution to any member of City Council, candidate for City Council or political action committee that contributes to City Council elections from the 10<sup>th</sup> business day after a contract solicitation had been released until 30 calendar days after the contract has been awarded ("black out" period):

1. legal signatory of a high-profile contract;
2. any individual seeking a high-profile contract;
3. any owner or officer of an entity seeking a high-profile contract;
4. the spouse of any of these individuals;
5. any attorney, lobbyist, or consultant retained to assist in seeking contract.

**A high-profile contract cannot be awarded to the individual or entity if a prohibited contribution has been made by any of these individuals during the "black out" period.**

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### 003 – HOME PROGRAM REQUIREMENTS

The City of San Antonio’s, Department of Planning and Community Development – Division of Grants Monitoring and Administration (the “City”) is requesting applications from developers to provide a specific multi-family residential new construction or rental rehabilitation development project on one specific site, for which the developer has site control, and for which the developer has secured (at least conditionally) all non-HOME funding.

Developers will provide applications addressing the following information:

#### Minimum and Maximum Project Size

Projects must have at least 5 residential rental units. There is no maximum project size.

#### Project Defined

Proposed projects must fully satisfy the HOME Program definition requirements for a “project”. Project means “a site or sites together with any building or buildings located on the site(s) under common ownership, management and financing, to be assisted with HOME funds as a single undertaking.” Mixed use developments projects are allowed however, the development must be primarily residential.

#### Maximum HOME Award

The maximum HOME award for housing unit in a multi-family development is:

Efficiency	1BR	2BR	3BR+
\$9,500	\$12,500	\$15,000	\$17,500

#### HOME Leverage Requirement

HOME funding cannot comprise more than 50% of the total uses of funds. Additionally, the project must meet a 25% HOME matching requirement of contributions made from non-federal resources and may be in the form of one or more of the following:

- Cash contributions from nonfederal sources.
- Forbearance of fees
- Donated real property
- Cost, not paid with federal resources, of on-site and off-site infrastructure that the participating jurisdiction documents are directly required for HOME-assisted projects
- Proceeds from multifamily affordable housing project bond financing
- Reasonable value of donated site-preparation and construction materials, not acquired with federal resources
- Reasonable rental value of the donated use of site preparation or construction equipment

- Value of donated or voluntary labor or professional services in connection with the provision of affordable housing

### **Income Targeting**

Not less than 90 percent of the units will be utilized for families whose annual incomes do not exceed 60 percent of the area median income (“AMI”) for the area, as determined and made available by HUD at the time of initial occupancy.

All HOME eligible units affordable at or below 80% of area median income adjusted for household size (with rents and tenant-paid utilities at or below 30% AMI), and reserved for occupancy by, households with incomes at or below 80% AMI.

Developers should note that AMI’s are published annually and accordingly that the maximum rents will be adjusted up or down annually in accordance with the new AMIs.

### **Award Acceptance**

The City will issue an award letter to Respondents of awarded applications. The award letter requires contract closing within three months after issuance of the award letter (a two month extension is available for good cause). Funding will be reserved for the awarded project for the time period allowed in the award letter. Respondent should provide a response to the commitment of award within ten (10) business days.

If the Respondent does not respond to the award letter within the ten day period, or if the Respondent does not comply with the terms of the award letter, or if the respondent relinquishes its award, the City may reverse the funding reservation and may restore the funding to the program.

### **GAP Funding**

For purposes of structuring the HOME application, Respondents should assume that HOME funds will close any funding gap and that the amount of HOME funding will be limited to that funding gap. The gap financing will be in the form of a repayable loan and a proposed loan structure should be proposed as part of the application. The City will underwrite the transaction and negotiate the final terms of the loan. The loan will have either (a) first lien position or (b) be in a position behind the lien of financing acceptable to the City. Regardless of the lien position, the City will underwrite the transaction with the expectation that there will be an annual payment of interest and principal due on the anniversary date of the loan. However, the City may be willing to consider a loan agreement containing a mechanism for allowing the borrower to annually petition the City for a partial to full deferral of the annual interest and principal payment. In making an Application for Payment Deferral, the borrower will need to clearly demonstrate to the City that the annual net operating income is insufficient to fully cover allowed operating expenses, allowed reserves, debt service superior to the City’s lien position, and the debt service associated with the City’s loan. The Borrower’s Application for Annual Payment Deferral will require the submittal of an independently audited financial statement that provides financial information exclusive to the subject project.

### *HOME Funding Limited to Funding Gap*

For purposes of structuring the HOME application, Respondents should assume that HOME funds will close any funding gap and that the amount of HOME funding will be limited to that funding gap.

### *Subsidy Layering Review*

Respondents should note that City will perform a post-construction-completion subsidy layering analysis to verify that HOME funding does not exceed the amount needed to develop the project. The Respondent will be required to submit a signed development cost certification as a precedent to closing, or in the case of combined interim and permanent financing loan, at conversion from interim financing to permanent financing.

### *Use of HOME*

The City generally will require that HOME funding be used for the hard costs of rehabilitation / construction. Respondents who wish to use HOME for any other purpose must obtain the written approval of the City prior to submitting the application.

## **Responsible Costs**

The Respondent will be responsible for all costs related to closing the loan, whether or not closing occurs, including all title costs, recording costs, legal fees (including fees for the City's counsel), abstract fees, appraisal costs, environmental and historic property review, and site and progress inspection fees (including fees for City's inspector), survey costs, or such other costs associated with the funding. These costs will include the City's expenses, (if any) that may be incurred subsequent to the closing. Expenses provided under this paragraph and incurred subsequent to the closing but not escrowed at the time of closing shall be the responsibility of the Respondent.

## **Underwriting Requirements**

The City will employ the following criteria when evaluating applications. Whether or not projects include LIHTCs, the City generally adopts the underwriting criteria used by Texas Department of Housing and Community Affairs (TDHCA), except as noted here-within. In addition, the City will utilize the underwriting services of a third party underwriter. A sample underwriting checklist is found in ATTACHMENT VII.

### *Rents*

**Rents for 60% AMI Units.** Not less than 90% and not more than 100% of the maximum 60% AMI rent, but not to exceed 90% of the comparable market rent identified in the market study.

**Rents for 80% AMI Units.** Not less than 90% and not more than 100% of the maximum 80% AMI rent, but not to exceed 90% of the comparable market rent identified in the market study.

**Rents for Market Rent Units.** Not to exceed 100% of the comparable market rent identified in the market study.

### *Vacancy and Collection Loss*

7.0% of gross potential rents (for vacancy loss, bad debt loss, and concession loss). If the project involves acquisition of an existing project that has experienced rent loss in excess of 7.0%, the application must include an exhibit discussing how the proposed project will overcome the factors that led to the higher historical rent loss.

**Projects that are expected to incur rent loss in excess of 10.0% are not eligible to be funded.**

### *Operating Expenses*

Describe the basis of proposed operating expenses. The application must include an exhibit providing adequate support for the amount proposed per expense category for example, real estate taxes, property insurance, paid utilities, management fees, and other operating expenses.

### *Replacement Reserve Deposit*

The proposed replacement reserve deposit must be \$250 per unit per year for new construction and reconstruction projects and \$300 per year for rehabilitation projects. Respondents seeking higher replacement reserves must submit a twenty-year replacement reserve and utilization analysis considering all major building systems and components. Applications calling for replacement reserves in excess of \$500 per unit per year will not be accepted.

### *Inflation*

The described cash flow must reflect the following trending (inflation) rates: 2% annually for revenue and 3% annually for expenses.

### *First Mortgage Terms*

The application must include a commitment from a lender, containing the same business terms as those the Respondent included in its electronic application.

**1. Debt Service Coverage Ratio (on 1<sup>st</sup> Mortgage).**

a. The debt service coverage ratio identified in the Pro Forma attached to the application must be not less than 1.15:1 and not more than 1.30:1.

b. If a Respondent determines that an initial debt service coverage ratio above 1.30:1 is necessary, the application must include an exhibit that supports the need for the higher initial debt service coverage ratio ("DSCR") (for example, a long term cash flow projection showing that the higher initial DSCR is needed in order to maintain an acceptable minimum DSCR over 20 year period).

2. **First Mortgage Amount.** The actual amount of the first mortgage loan may not exceed the amount specified in the HOME application.

#### *Operating Expense Cushion*

In projects where the scheduled debt is less than twenty-five percent (25%) of the total development cost, the operating expense cushion must be at least 10% of stabilized operating expenses. In projects where the scheduled debt is 25% or more of the total development cost, the operating expense cushion must be at least seven percent (7%) of stabilized operating expenses plus debt service.

#### *Developer Fee*

1. The proposed developer fee in the HOME application cannot exceed 15% of the following amount: total uses of funds, minus developer fee, minus acquisition costs. This amount includes interest, if any, on any deferred portion of the developer fee.
2. Certain proposed soft costs (such as consultant fees and soft cost contingency fees) will be treated as part of the proposed developer fee.
3. The actual developer fee is limited to the proposed developer fee specified in the HOME application, even if actual development costs are higher than estimated development costs.
4. If the proposed project utilizes LIHTCs and more than 20% of the proposed developer fee is proposed to be deferred, the application must include an exhibit demonstrating whether the proposed deferred portion is reasonably likely to be repaid during the first 15 years of project operations post-construction-completion, from the portion of Surplus Cash that is distributable to the owner (i.e., after deducting the payment toward the Gap Financing Loan).
5. If the *pari passu* funding option is selected for a Gap Financing Loan, no more than 17.5% of the cash portion of the developer fee may be drawn (from any funding source) at initial closing and no more than 35% (cumulative) may be drawn (from any funding source) prior to completion of construction.

#### *Initial Reserves*

If a HOME award is issued, the award will require the funding of any initial reserves that are specified in the HOME application.

1. The HOME application may include an initial deposit to the Reserve for Replacements. The total amount of any initial deposit requests will be subject to further evaluation and negotiation.
2. The HOME application may include other initial reserves (such as a debt service reserve, lease-up reserve, or operating deficit reserve), subject to the HOME program limits on initial operating reserves. If any such additional reserves are proposed:

- a. During the term of the Gap Financing Loan, funds may be withdrawn only for (i) project operating expenses approved by Grantee and (ii) to repay the Gap Financing Loan.
- b. Withdrawals may be replenished only from the portion of Surplus Cash that is distributed to the project owner.
- c. Funds in any such reserve may be used to satisfy obligations under the City's Operating Deficit Guaranty.

When the City performs its post-construction subsidy layering analysis, any initial reserves in excess of amounts specified in the HOME application will not be considered eligible project costs (i.e., such excess reserves must be funded through deferral of developer fee, or by increases in non-HOME sources of funds).

*Development Team Capacity and Development Plan*

The Respondent will be evaluated on their overall capacity and the capacity of their Development Team. Toward this end, the Respondent will submit as part of their application:

1. Background information on the Owner-Developer, including
  - a. In the case of a For-profit business enterprise or individual:
    - i. The "corporate resume" of the Owner-Developer or General Partner;
    - ii. The individual resumes of any principal, partner or shareholder owning and/or controlling a twenty percent or greater interest in the Owner-Developer
    - iii. A minimum of three credit references for the Owner-Developer
    - iv. An executed Consent to Release Information for each individual identified under 1. b. of this section
  - b. In the case of a nonprofit corporation:
    - i. A statement indicating the mission, goals, objectives and recent accomplishments of the organization
    - ii. A list identifying the Officers and Directors of the nonprofit corporation and their respective terms
    - iii. The resumes of the Officers and the biographies of the other Directors
    - iv. Audited financial statements for the three most recent years available and unaudited, reconciled interim financial statements for the current period.
2. Background information on the proposed limited partner(s), when applicable
3. Background information on the design team
  - a. Resume of the principal or lead design architect
  - b. Resume of the construction period architectural project manager, when different from the design architect

- c. Background, contact and registration information on the civil engineer
- d. Background and contact information on the landscape architect, when applicable
- 4. Background information on the property management firm and the property management agreement
  - a. Corporate resume of the firm
  - b. Resumes of key property management staff associated with the project
  - c. A copy of the executed management agreement, or if not executed, a copy of the anticipated management agreement
  - d. A statement from the property manager regarding their level of experience in managing federally assisted, income restricted, affordable housing projects
- 5. Information on the General Contractor
  - a. Corporate resume
  - b. License number
  - c. Listing of comparable multi-family projects constructed or rehabilitated during past ten years
  - d. References:
    - i. Five trade references, including name of contact person, phone number and address
    - ii. Bank reference (s), including name of contact person, phone number and address
  - e. Name and contact information of the Bonding Company

### **Subsidy Layering Review**

Respondents should note that the City will perform a post-construction-completion subsidy layering analysis to verify that HOME funding does not exceed the amount needed to develop the project. The City reserves the right to make and revise reservations in accordance with published federal regulations, rulings, guidelines and notices. **The City will not close a Gap Financing Loan until environmental clearance has been issued.**

### **Existing LIHTC Reservations**

The City assumes that projects with existing LIHTC reservations will require re-processing by Texas Department of Housing and Community Affairs (TDHCA). For any projects that requires re-processing:

1. If TDHCA determines that the proposed project has excess sources of funds, TDHCA and the City will determine how to reduce project funding to the level required to develop the project.
2. If TDHCA determines that the proposed project does not have sufficient sources of funds, Grantee will not be under any obligation to increase the HOME award.

### **Appraisal Requirements**

Property must be appraised in conformance with established and generally recognized appraisal practice and procedures in common use by professional appraisers. Opinions of value must be based on the best available data properly analyzed and interpreted. The appraisal of land and structures must be performed by an independent, certified appraiser, instructed by a regulated financial institution

### **Acquisition and Readiness Requirements**

A Respondent must not undertake any involuntary acquisition of property in connection with an eligible project. The buyer must send a “Notice to Seller” regarding voluntary acquisition and current market value. Property will be subject to tenant protections under the Uniform Relocation Act and Section 104(d). Respondents not familiar with the Uniform Relocation Act and Section 104(d) are strongly encouraged to do so in advance of submitting a response to this RFA. *See HUD Handbook 1378 for detailed information on the requirements at [www.sanantonio.gov/gma/resources/documents.aspx](http://www.sanantonio.gov/gma/resources/documents.aspx) (scroll to bottom of page)*

The Respondent must demonstrate, to the satisfaction of the City of San Antonio in its sole discretion that site control in the form of either an ownership or ground lease (executed prior to the publication date of this RFA).

If a property will be acquired after the submission of this request for application, developer must provide adequate option to purchase or lease that is acceptable to City of San Antonio in its sole discretion.

### **Commitment of Funds**

All commitments must be provided as part of this RFA. Commitments (acceptable to Grantee) for all non-HOME sources of funding must be dated no more than 30 days prior to the date on which the application is received by the City and must extend at least 30 days past the anticipated funding date indicated by the Respondent in its application. The City reserves the right to require updated commitments as it deems necessary.

Conditions contained in commitments shall be subject to determination by the City as to reasonableness. The city may reject any commitment (and deem the application deficient) if, in the sole discretion of the City, any condition is outside of market requirements and/or is unlikely to be satisfied.

Each commitment from a lender must acknowledge and permit the Gap Financing Loan, must consent to the form of, execution and delivery of the HOME Legal Documents, and must agree that the loan will be made subject to the HOME agreement.

Projects that will utilize 9% LIHTCs must have a LIHTC reservation.

Projects that will utilize 4% LIHTCs need not have a LIHTC reservation but must have a syndication / investor commitment acceptable to the City.

### **Choice Limiting Actions and Environmental Clearance**

PROJECTS FOR WHICH CONSTRUCTION HAS STARTED ARE NOT ELIGIBLE. Respondents should note that HOME environmental requirements include a requirement that no choice limiting actions may occur until the City has issued environmental clearance as required in 24 CFR Part 58. Preparation of the Environmental NEPA Review Records and the cost associated with preparing the documents are the responsibility of the Respondent and must be submitted in the City's acceptable format for review and approval. A successfully completed ERR will then require a 30 day public comment period prior to Release of Funds. Prior to receipt of environmental clearance from Grantee, the Respondent MAY NOT UNDERTAKE, OR COMMIT ANY FUNDS TO, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair or construction. Violations of this provision may result in the denial of any funds under this program. Respondents are encouraged to ensure that site control exists for sufficient period of time to allow environmental clearance process to be completed before purchase must occur.

### **Other Compliance Requirements**

In addition to requirements discussed in this Section, all awardees must meet the HOME regulatory compliance requirements contained in the HOME Legal Documents. These requirements include (without limitation):

#### *Davis-Bacon Prevailing Wage Requirements*

Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act

#### *Section 504 Accessibility Requirements*

Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973.

#### *Section 3 Program Requirements*

The City's Office of Grants Monitoring and Administration is committed to compliance with the HUD Section 3 regulations 24 CFR Part 135. It is our desire to ensure compliance with the City's Section 3 goals, to the greatest extent feasible, through the awarding of contracts to Section 3 business concerns and through the employment and training of Section 3 residents. In general, Section 3 requires outreach, prior to awarding contracts and subcontracts to construct a project under the program. Respondents must conduct outreach to low-income individuals living in the area where the project is located and to certain businesses located in the area in which the project is located. The intent of the Section 3 requirements is to encourage employment of such

individuals and businesses in connection with the construction of the project. These requirements apply to any construction/rehab contract or subcontract in excess of \$100,000.

Respondents are required to complete and submit the attached Section 3 Utilization Plan.

Section 3 Goals:

1. 30% of the aggregate number of new hires shall be Section 3 Residents
2. 10% of all covered contracts shall be awarded to Section 3 Businesses
3. 3% of all covered non-construction contracts shall be awarded to Section 3 Business

*Lead Based Paint (Rehabilitation or Reconstruction Projects)*

HUD's lead based paint regulations at 24 CFR Part 35 will apply. Respondents should be aware that neither compliance with the requirements of the State nor compliance with the requirements of OSHA, is sufficient to meet HUD's Part 35 requirements. The HUD regulations require, among other things, that lead hazard evaluation and reduction activities be carried out for buildings originally constructed before 1978 and receiving HOME assistance. Capitalized terms in this paragraph are as defined in 24 CFR Part 35. Below assumes that HOME assistance will be at least \$25,000 per residential unit.

1. For any project that includes an existing building that was completed prior to January 1, 1978, the application must include a discussion that establishes whether each such building is Target Housing (as defined in Part 35).
2. For any proposed project that includes Target Housing:
  - a. Prior to commencement of construction, a Risk Assessment (to determine the existence of lead paint hazards, and to design a lead hazard control plan) must be completed by State-accredited inspection personnel. The Risk Assessment must be prepared in accordance with HUD's regulations at 24 CFR Part 35. The Risk Assessment must also identify any lead paint Hazards.
  - b. An Inspection (to determine the location of any lead-based paint) is also required. The Inspection must identify the components that contain lead paint in sufficient detail to permit construction personnel to formulate a hazard control plan.
  - c. During the rehab, any Lead Hazards (that were identified in the Risk Assessment) must be Abated, and this Abatement work must be performed by State-licensed Abatement Contractors.
  - d. A lead hazard clearance report, based on Dust Testing by a State-accredited Risk Assessor or Inspector, is required after completion

- of construction. Dust Testing must be carried out, and evaluated, in accordance with HUD's regulations at 24 CFR Part 35.
- e. The application must include a line item for the costs of lead hazard abatement and control, with an explanation that adequately supports the estimated cost, based on the risk assessment and inspection.
  - f. A copy of the Risk Assessment and Inspection must be included in the application.
  - g. Respondent must determine whether compliance with the requirements of the City will be sufficient to satisfy any applicable lead-based paint requirements of the State and/or OSHA.

#### *Uniform Relocation Act ("URA")*

HOME requires protections for each in-place tenant with a bona fide lease. The tenant must be given at least 90 days advance notice to move, or until the lease expires, whichever is longer. *The Respondent must describe URA requirements for compensation.* Because acquisition is presumed to be voluntary for most HOME acquisitions, the buyer must send an appropriate "Notice to Seller".

#### *Section 104(d)*

The one for one replacement provisions of Section 104(d) of the Housing and Community Project Act of 1974 as amended are not applicable. The remaining requirements of Section 104(d) are applicable. If the grantee does not include a prohibition against permanent displacement such as appears in subparagraph 3 below, describe URA requirements for compensation.

#### *Affirmative Fair Housing Marketing Plan*

The Affirmative Fair Housing Marketing (AFHM) Plan is a marketing strategy designed to attract renters that would be least likely to apply to assisted multi-family developments. The City of San Antonio requires that all recipients of HOME funds, resulting in five (5) or more assisted housing units, implement affirmative marketing approaches as part of the overall marketing strategy. See attached HUD Form 935.2A.

#### *Additional Requirement*

If a project site is occupied at the time the HOME application is made, the application must include an exhibit explaining either that no relocation of tenants will result, or that such relocation will be temporary (supported by an adequately documented estimate of relocation costs).

#### *HOME reporting requirements*

Respondent will be subject to additional reporting requirements as deemed necessary by City to ensure full compliance with HOME program requirements.

### **Non-Compliance in Federal or Other Agency Programs**

Respondents cited for non-compliance in federal housing programs or in a project/program administered by the City shall not receive a reservation of HOME funds unless or until such non-compliance is cleared to the satisfaction of City's sole discretion.

### **Duration of Requirements**

All requirements will be applicable for the duration of the HOME Agreement.

### **Loan Documents**

Gap Financing Loans will be documented using the City's legal documents. The summary below is provided for the convenience of Respondents. If the summary below differs from the HOME legal documents, the HOME legal documents will prevail.

#### *HOME Program Agreement*

The HOME Program Agreement will be subject to only those liens and encumbrances specifically agreed to by the City. The lien of any permanent mortgage will be subject to the HOME Program Agreement.

#### *Mortgage*

The Gap Financing Loan will have either (a) first lien position or (b) second lien position behind the lien of permanent financing acceptable to the City. If the first lien lender so requests, the City agrees to execute City's standard form of Subordination Agreement.

#### *Guaranties*

Respondents should note that the City will require the project owner and a credit-worthy guarantor(s) to guarantee certain personal obligations ("non-recourse carve-outs") under the Note, Mortgage and Loan Agreement. Respondents should note that the City will require a credit-worthy guarantor(s) to give an Operating Deficit Guaranty to the City.

Respondents should note that if a Respondent requests HOME funding during construction, the City will require a credit-worthy guarantor(s) to give a Guaranty of Completion to the City.

The City's requirements for guarantors, for financial statements that all proposed guarantors must submit prior to closing, and the City's template forms for the guaranties, are included with the HOME Legal Documents.

#### *Transaction Costs/Expenses*

The Respondent will be responsible for all costs related to closing the loan, whether or not closing occurs, including all title costs, recording costs, legal fees (including fees for City's counsel), abstract fees, appraisal costs, environmental and historic property review, and site and progress inspection fees (including fees for City's inspector), survey

costs, or such other costs associated with the funding. These costs will include the City's expenses, (if any) that may be incurred subsequent to the closing. Expenses provided under this paragraph and incurred subsequent to the closing but not escrowed at the time of closing shall be the responsibility of the Respondent.

#### *Conflicts*

Conflicts between the HOME Legal Documents and any other documents executed in connection with the project will be resolved in favor of the HOME Legal Documents. Respondents should note that the City will not be a party to "operating agreements" and other agreements between the Respondent and its investor(s). In particular, Respondents should note that no agreements can be made between the Respondent and its investors and lenders regarding cash distributions, except as regards the share of Surplus Cash that is distributed to the project owner in accordance with the HOME Legal Documents.

#### *Representations and Warranties*

Respondents should note that the HOME Legal Documents contain representations and warranties that are ongoing. Accordingly it is possible (for example, because of subsequent non-compliance or other circumstances that prevent the Respondent from making the required representations and warranties) that a Respondent may receive an Award Letter but be ineligible to close.

#### *Interest Rate*

The interest rate for multi-family rental properties can be provided in the form of a low-interest 3% to 5% interest rate. A repayable loan at less than 3% may be considered for projects owned by for-profit developers participating in the San Antonio Housing Trust Public Facilities Corporation and for a non-profit housing provider.

#### *Loan Term*

1. The maximum loan term is 30 years unless the senior debt is HUD 224(d) insured or the recipient of other direct HUD subsidy. In this instance, the maximum loan term is 42 years. The loan balance, if any, is due and payable at this time.
2. Loans will be due on sale, refinancing, or if accelerated pursuant to the terms of the HOME legal documents.

#### *Timing for Funding*

Respondents may request funding either:

1. At completion of construction; or
2. During construction, reimbursements are limited to actual eligible costs that have been incurred. The final disbursement will be at least 10% of the loan amount for the HOME portion of any construction contract retainage; or

3. During construction (*pari passu*). Requests for *pari passu* funding are subject to the following requirements:
  - *Pari passu* funding requires a construction lender or bridge lender, on whose inspection and oversight capabilities the City, in its sole discretion, is willing to rely. In the event the City determines it requires independent inspection(s), the City shall select a qualified and independent inspector, and the fees and costs associated with the inspection shall be the responsibility of the respondent.
  - *Pari passu* funding is subject to the City reaching an agreement with the other construction period funder(s) on a mutually acceptable inter-creditor agreement.
  - The final disbursement will be at least 10% of the loan amount for the HOME portion of any construction contract retainage.

#### *Required Payments*

Gap Financing Loans will be payable from rental property operations. The City will underwrite the transaction with the expectation that there will be an annual payment of interest and principal due on the anniversary date of the loan. However, the City may be willing to consider a loan agreement containing a mechanism for allowing the borrower to annually petition the City for a partial to full deferral of the annual interest and principal payment, In making an Application for Payment Deferral, the borrower will need to clearly demonstrate to the City that the annual net operating income is insufficient to fully cover allowed operating expenses, allowed reserves, debt service superior to the City's lien position, and the debt service associated with the City's loan. The Borrower's Application for Annual Payment Deferral will require the submittal of an independently audited financial statement that provides financial information exclusive to the subject project.

### **004 – ADDITIONAL REQUIREMENTS**

#### Intellectual Property

If selected, Respondent agrees to abide by the following regarding intellectual property rights:

Respondent shall pay all royalties and licensing fees. Respondent shall hold the City harmless and indemnify the City from the payment of any royalties, damages, losses or expenses including attorney's fees for suits, claims or otherwise, growing out of infringement or alleged infringement of copyrights, patents, materials and methods used in the project. It shall defend all suits for infringement of any Intellectual Property rights. Further, if Respondent has reason to believe that the design, service, process or product specified is an infringement of an Intellectual Property right, it shall promptly give such information to the City.

Upon receipt of notification that a third party claims that the program(s), hardware or both the program(s) and the hardware infringe upon any United States patent or copyright, Respondent will immediately:

Either:

obtain, at Respondent's sole expense, the necessary license(s) or rights that would allow the City to continue using the programs, hardware, or both the programs and hardware, as the case may be, or,

alter the programs, hardware, or both the programs and hardware so that the alleged infringement is eliminated, and

reimburse the City for any expenses incurred by the City to implement emergency backup measures if the City is prevented from using the programs, hardware, or both the programs and hardware while the dispute is pending.

Respondent further agrees to:

assume the defense of any claim, suit, or proceeding brought against the City for infringement of any United States patent or copyright arising from the use and/or sale of the equipment or software under this Agreement,

assume the expense of such defense, including costs of investigations, reasonable attorneys' fees, expert witness fees, damages, and any other litigation-related expenses, and

indemnify the City against any monetary damages and/or costs awarded in such suit;

Provided that:

Respondent is given sole and exclusive control of all negotiations relative to the settlement thereof, but that Respondent agrees to consult with the City Attorney of the City during such defense or negotiations and make good faith effort to avoid any position adverse to the interest of the City,

the Software or the equipment is used by the City in the form, state, or condition as delivered by Respondent or as modified without the permission of Respondent, so long as such modification is not the source of the infringement claim,

the liability claimed shall not have arisen out of the City's negligent act or omission, and the City promptly provide Respondent with written notice within 15 days following the formal assertion of any claim with respect to which the City asserts that Respondent assumes responsibility under this section.

### Ownership and Licenses

In accordance with Texas law, Respondent acknowledges and agrees that all local government records created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, no such local government records produced by or on the behalf of Respondent pursuant to this Contract shall be the subject of any copyright or proprietary claim by Respondent.

The term “local government record” as used herein shall mean any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by local government or any of its officials or employees pursuant to law including an ordinance, or in the transaction of official business.

Respondent acknowledges and agrees that all local government records, as described in herein, produced in the course of the work required by any contract awarded pursuant to this RFP, will belong to and be the property of City. Respondent, if awarded this contract, will be required to turn over to City, all such records as required by said contract. Respondent, if awarded this contract, shall not, under any circumstances, release any records created during the course of performance of the contract to any entity without City’s written permission, unless required to do so by a Court of competent jurisdiction.

In accordance herewith, Respondent, if selected, agrees to comply with all applicable federal, state and local laws, rules and regulations governing documents and ownership, access and retention thereof.

### **005 - TERM OF CONTRACT**

A letter of award will be provided to the selected Respondent. The Respondent will have two (2) weeks to provide written acknowledgement. The terms of the agreement with the City will be performance driven based on the requested closing date, construction timeline, and amortization schedule.

### **006 - PRE-SUBMITTAL CONFERENCE**

A Pre-Submittal Conference will be held at 1400 S. Flores, Department of Planning & Community Development’s Division of Grants Monitoring and Administration Conference Room, at 1:00 p.m. Central Time, on Thursday, June 19, 2014. City’s responses to questions

received by this due date may be distributed at the Pre-Submittal Conference and posted with this solicitation. Attendance at the Pre-Submittal Conference is optional, but highly encouraged.

This meeting place is accessible to disabled persons. The Department of Planning & Community Development's Division of Grants Monitoring and Administration Conference Room is wheelchair accessible. The accessible entrance is located at 1400 S. Flores. Accessible parking spaces are located at 1400 S. Flores. Auxiliary aids and services are available upon request. Interpreters for the Deaf must be requested at least 48 hours prior to the meeting. For assistance, call (210) 207-7245 Voice/TTY.

Any oral response given at the Pre-Submittal Conference that is not confirmed in writing and posted with this solicitation shall not be official or binding on the City. Only written responses shall be official and all other forms of communication with any officer, employee or agent of the City shall not be binding on the City. Respondents are encouraged to resubmit their questions in writing, to the City Staff person identified in the Restrictions on Communication section, after the conclusion of the Pre-Submittal Conference.

### **007 - APPLICATION AND SUBMITTAL REQUIREMENTS**

Respondent's submission shall include the Application (ATTACHMENT II), Exhibit items listed in the Checklist (ATTACHMENT I), and all required attachments to this RFA, noted with the appropriate heading. If Respondent is proposing as a team or joint venture, provide the same information for each member of the team or joint venture.

Respondent is expected to examine this RFA carefully, understand the terms and conditions for providing the services listed herein and respond completely. FAILURE TO COMPLETE AND PROVIDE ANY OF THESE APPLICATION REQUIREMENTS MAY RESULT IN THE RESPONDENT'S APPLICATION BEING DEEMED NON-RESPONSIVE AND THEREFORE DISQUALIFIED FROM CONSIDERATION.

Respondent shall submit one original, signed in ink, five (5) hard copies and one copy of the application on compact disk (CD) containing an Adobe PDF version of the entire application in a sealed package clearly marked with the project name, "Multi-Family Rental Housing Funding" on the front of the package.

Applications must be received in the City Clerk's Office no later than 2:00 p.m., Central Time, on Tuesday, July 8, 2014 at the address below. Any application or modification received after this time shall not be considered, and will be returned, unopened to the Respondent. Respondents should note that delivery to the P.O. Box address in a timely manner does not guarantee its receipt in the City Clerk's Office by the deadline for submission. Therefore, Respondents should strive for early submission to avoid the possibility of rejection for late arrival.

Mailing Address:

City Clerk's Office

Attn: Planning and Community Development – Division of Grants Monitoring and Administration

P.O. Box 839966

San Antonio, Texas 78283-3966

Physical Address:

City Clerk's Office

Attn: Planning and Community Development – Division of Grants Monitoring and Administration

100 Military Plaza

2nd Floor, City Hall San Antonio, Texas 78205

Applications sent by facsimile or email will NOT be accepted.

Application Format

Each application shall be typewritten, single spaced and submitted on 8 ½" x 11" white paper. The application should be placed inside a three ring binder. The use of recycled paper and materials is encouraged. Unnecessarily elaborate brochures, artwork, bindings, visual aids, expensive paper or other materials beyond that sufficient to present a complete and effective submission are not required. Font size shall be no less than 12-point type. All pages shall be numbered and printed one-sided. Margins shall be no less than 1" around the perimeter of each page. Websites, or URLs shall not be submitted in lieu of the printed application. Each application must include the sections and attachments in the sequence listed in the RFA Section - Application and Submittal Requirements, and each section and attachment must be indexed and divided by tabs and indexed in a Table of Contents page. Failure to meet the above conditions may result in disqualification of the application or may negatively affect scoring.

Modified Applications

Applications may be modified provided such modifications are received prior to the due date for submission of applications and submitted in the same manner as original application. It should include a cover letter with the application, indicating it is a modified application and that the Original application is being withdrawn.

Correct Legal Name

Respondents who submit applications to this RFA shall correctly state the true and correct name of the individual, proprietorship, corporation, and /or partnership (clearly identifying the responsible general partner and all other partners who would be associated with the contract, if any). No nicknames, abbreviations (unless part of the legal title), shortened or short-hand, or local "handles" will be accepted in lieu of the full, true and correct legal name of the entity. These names shall comport exactly with the corporate and franchise records of the Texas Secretary of State and Texas Comptroller of Public Accounts. Individuals and proprietorships, if operating under other than an individual name, shall match with exact Assumed Name filings.

Corporate Respondents and limited liability company Respondents shall include the 11-digit Comptroller's Taxpayer Number on the Application found in this RFA as ATTACHMENT II.

If an entity is found to have incorrectly or incompletely stated its name or failed to fully reveal its identity on the General Information form, the Director of Planning and Community Development shall have the discretion, at any point in the contracting process, to suspend consideration of the application.

#### Firm Offer

All provisions in Respondent's application, including any estimated or projected costs, shall remain valid for one hundred and eighty (180) days following the deadline date for submissions or, if a application is accepted, throughout the entire term of the contract.

#### Confidential or Proprietary Information

All applications become the property of the City upon receipt and will not be returned. Any information deemed to be confidential by Respondent should be clearly noted; however, City cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Respondent may not be considered confidential under Texas law, or pursuant to a Court order.

#### Cost of Application

Any cost or expense incurred by the Respondent that is associated with the preparation of the Application, the Pre-Submittal conference, if any, or during any phase of the selection process, shall be borne solely by Respondent.

### **008 - CHANGES TO RFA**

Changes to the RFA, made prior to the due date for applications shall be made directly to the original RFA. Changes are captured by creating a replacement version each time the RFA is changed. It is Respondent's responsibility to check for new versions until the application due date. City will assume that all applications received are based on the final version of the RFA as it exists on the day applications are due.

No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the RFA.

Changes to the RFA, made prior to the due date for applications shall be made directly to the original RFA. Changes are captured by creating a replacement version each time the RFA is changed. It is Respondent's responsibility to check for new versions until the application due date. City will assume that all applications received are based on the final version of the RFA as it exists on the day applications are due.

No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the RFA.

### **009 – RESTRICTIONS ON COMMUNICATION**

Respondents are prohibited from communicating with: 1) elected City officials and their staff regarding the RFA or applications from the time the RFA has been released until the contract is posted as a City Council agenda item; and 2) City employees from the time the RFA has been released until the contract is awarded. These restrictions extend to “thank you” letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the RFA and/or application submitted by respondent. Violation of this provision by Respondent and/or its agent may lead to disqualification of Respondent’s application from consideration.

Exceptions to the Restrictions on Communication with City employees include the following:

- Respondents may ask verbal questions concerning this RFA at the Pre-Submittal Conference.
- Respondents may submit questions concerning this RFA to the Staff Contact Person listed below until 2:00pm, Central Standard Time, on Monday, June 23, 2014. Questions received after the stated deadline will not be answered. All questions shall be sent by e-mail to:  
    Laura L. Salinas-Martinez  
    Contract Manager, Department of Planning and Community Development,  
    Division of Grants Monitoring and Administration  
    [laura.salinas@sanantonio.gov](mailto:laura.salinas@sanantonio.gov)
- Respondents may provide responses to questions asked of them by the Staff Contact Person after responses are received and opened. During interviews, if any, verbal questions and explanations will be permitted. If interviews are conducted, Respondents shall not bring lobbyists. The City reserves the right to exclude any persons from interviews as it deems in its best interests.
- Upon completion of the evaluation process, Respondents shall receive a notification letter indicating the recommended firm and anticipated City Council agenda date. Respondents desiring a review of the solicitation process may submit a written request no later than seven calendar days from the date letter was sent. The letter will indicate the name and address for submission of requests for review.

City reserves the right to contact any Respondent to negotiate if such is deemed desirable by City. Such negotiations initiated by City staff persons, shall not be considered in violation by Respondent of this section.

## 010 - EVALUATION OF CRITERIA

The City will conduct a comprehensive, fair and impartial evaluation of all Applications received in response to this RFA. The City may appoint a selection committee to perform the evaluation. Each Application will be analyzed to determine overall responsiveness and qualifications under the RFA. Criteria to be evaluated may include the items listed below. The selection committee may select all, some or none of the Respondents for interviews. If the City elects to conduct interviews, Respondents may be interviewed and re-scored based upon the same criteria. The City may also request additional information from Respondents at any time prior to final approval of a selected Respondent. The City reserves the right to select one, or more, or none of the Respondents to provide services. Final approval of a selected Respondent is subject to the action of the City Council.

The following criteria and scoring methodology is used by the City in the evaluation and selection of multi-family rental housing development and rehabilitation applications seeking gap financing assistance. These criteria are in addition to any threshold requirements of the City of San Antonio Housing Policy and the applicable multi-family rental housing funding source(s), including but not limited to, Federal program requirements found at 24 CFR Part 92 (HOME Investment Partnerships Act), 24 CFR 570 (Community Development Block Grant), the Federal Neighborhood Stabilization Program (NSP), and any other multi-family housing finance programs administered by the Department. A total of 154 points are possible.

1. Experience of the Owner and Property Manager – *No more than 20 points can be awarded in this category and no floor on the accrual of negative point reductions.*
  - Owner, general partner and developer experience
  - Property management company experience
  - Negative points (10 points each, no floor on the accrual of negative points) for any of the below failures in the operation of projects previously assisted by COSA:
    - Failure to submit annual audited financial statements to COSA within the required time period throughout the loan term of a previously assisted project.
    - Failure to make timely loan payments, including surplus cash loan payments, in accordance with the terms of a COSA loan.
    - Failure to correct serious noncompliance with COSA loan requirements after notice and cure period within an existing COSA assisted project.
    - Failure to submit required compliance documentation to COSA within the required period on a COSA assisted project.
    - Failure to perform tenant income certification prior to move-in and annual tenant recertification during the COSA defined affordability period.
    - Failure to correctly calculate annual household income in accordance with the HUD Part 5 definition and requirements.
    - Failure to notify COSA and obtain prior approval of any ownership changes, including general or limited partner changes, during the term of the COSA loan.

- Failure to notify COSA and obtain prior approval of any change in the property manager during the term of the COSA loan.
  - Failure to provide service or physical amenity receiving a scoring preference (points) on a previously assisted COSA project.
  - Failure to maintain a COSA assisted property to COSA property maintenance standards and/or Federal housing quality standards.
  - Failure to set aside operating and replacement reserves in accordance with the project proposal of a previously funded.
- 2. Efficient Use of HOME or other public funds – *Up to 20 total points***
- Amount of HOME subsidy per HOME assisted unit
  - Leveraging ratio (ratio of HOME/public dollars to other sources of project financing)
  - First mortgage debt coverage ratio of 1.30 or less
- 3. Project Feasibility - *No more than 25 points can be awarded in this category and no floor on negative point reductions***
- Evidence of housing need and market demand
  - Proposed rent schedule consistent with program rent limits on rent-restricted units and no rents in excess of market rents for the applicable sub-market
  - Appropriate vacancy and collection loss assumptions in the project pro forma
  - Operating expense assumptions in the pro forma consistent with operating expenses on similar projects
  - Adequate operating reserves identified in the pro forma
  - Adequate replacement reserves identified in the pro forma
  - Minimum 1.15 to 1 debt coverage ratio for all loans with scheduled debt service payments
  - Negative Points for:
    - Excess operating reserves
    - Excess replacement reserves
    - Excess first mortgage debt coverage ratio
- 4. COSA Loan Maturity – *No more than 20 points can be awarded in this category***
- Loan maturity cannot exceed the HUD 221(d)(3) or (4) maximum loan maturity, which is currently 42 years (*2 year maximum construction period + 40 year maximum post construction maturity*)
  - One point awarded for each year the proposed loan maturity is less than 42 years
- 5. Project Site Characteristics and Transit Amenities – *5 point each, no more than 25 points can be awarded in this category***
- Project meets land use density requirements at time of application
  - Project meets zoning requirements at time of application
  - Project consistent with target area, neighborhood and/or sector plan at time of application
  - Project is located in target areas designated in the Annual Action Plan

- Project is located in the IC/RIP area, as defined at the time of application
  - NEW Project is located within a census tract that has a poverty rate below 15 percent for Individuals based on poverty rate data from the most recent American Community Survey
  - NEW Project is located in the attendance zones of: 1) an elementary school and 2) either a middle school or high school that have achieved a 77 or greater (on a scale of 100 on index 1 of the performance index, related to student achievement, by the Texas Education Agency
  - NEW Project is located in a census tract with a median income in the top quartile of the median household income for the San Antonio MSA
  - NEW Project is located within one quarter (1/4) mile of a bus station or stop
  - NEW Project is located within a 20 minute bus commute of a major employment center
  - Project is located within one quarter (1/4) mile of a public park
  - Project is located within one quarter (1/4) mile of a book-lending library
  - Project is located within one quarter (1/4) mile of a full scale grocery store of 25,000 square feet or more where staples, fresh produce and fresh meats are sold.
  - Project is located within one quarter (1/4) mile of a community, senior or other similar center or facility that serves populations similar to those residing in the project
  - Project is located within one-half (1/2) mile of a hospital or a qualifying medical clinic (a qualifying medical clinic must have a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week and accept Medicare and Medicaid payments)
6. Project Readiness – *10 points each; no more than 20 points*
- All entitlements secured
  - Property acquired (closed)
  - Other sources of financing committed
  - Phase I (and Phase II if recommended by Phase I) Environmental Report (s) completed and submitted with application
7. Resident Services – *5 points each; no more than 10 points can be awarded in this category*
- The equivalent of one (1) FTE resident service coordinator for every 600 project bedrooms.
  - Project provides or has agreements with third party service providers to provide on-site educational, wellness and/or skill building classes
  - Project provides on-site, licensed child care or after school program that operates at least 20 hours per week
8. Section 3 Utilization Plan – *No more than 14 points can be awarded in this category*

## **011 - AWARD OF CONTRACT AND RESERVATION OF RIGHTS**

City reserves the right to award one, more than one or no contract(s) in response to this RFA.

The Contract, if awarded, will be awarded to the Respondent(s) whose Application(s) is deemed most advantageous to City, as determined by the selection committee, upon approval of the City Council.

City may accept any Application in whole or in part. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFA on the part of City. However, final selection of a Respondent is subject to City Council approval.

City reserves the right to accept one or more applications or reject any or all applications received in response to this RFA, and to waive informalities and irregularities in the applications received. City also reserves the right to terminate this RFA, and reissue a subsequent solicitation, and/or remedy technical errors in the RFA process.

No work shall commence until City signs the contract document(s) and Respondent provides the necessary evidence of insurance as required in this RFA and the Contract. Contract documents are not binding on City until approved by the City Attorney. In the event the parties cannot negotiate and execute a contract within the time specified, City reserves the right to terminate negotiations with the selected Respondent and commence negotiations with another Respondent.

This RFA does not commit City to enter into a Contract, award any services related to this RFA, nor does it obligate City to pay any costs incurred in preparation or submission of a application or in anticipation of a contract.

If selected, Respondent will be required to comply with the Insurance and Indemnification Requirements established herein.

The successful Respondent must be able to formally invoice the City for services rendered, incorporating the SAP-generated contract and purchase order numbers that shall be provided by the City.

### **Conflicts of Interest**

Respondent acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics Code, from having a financial interest in any contract with City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with City or in the sale to City of land materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: the City officer or employee; his parent, child or spouse; a business entity in which he or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair

market value of the business entity; or a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Respondent is required to warrant and certify that it, its officers, employees and agents are neither officials nor employees of the City, as defined in Section 2-42 of the City's Ethics Code. (Discretionary Contracts Disclosure – form may be found online at <https://www.sanantonio.gov/eforms/atty/ContractsDisclosureForm.pdf>)

#### Independent Contractor

Respondent agrees and understands that, if selected, it and all persons designated by it to provide services in connection with a contract, are and shall be deemed to be an independent contractors, responsible for their respective acts or omissions, and that City shall in no way be responsible for Respondent's actions, and that none of the parties hereto will have authority to bind the others or to hold out to third parties, that it has such authority.

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that persons, or their agents, who seek to contract for the sale or purchase of property, goods, or services with the City, shall file a completed conflict of interest questionnaire with the City Clerk not later than the 7th business day after the date the person: (1) begins contract discussions or negotiations with the City; or (2) submits to the City an application, response to a request for applications or bids, correspondence, or another writing related to a potential agreement with the City. The conflict of interest questionnaire form is available from the Texas Ethics Commission at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. The completed conflict of interest questionnaire may be mailed or delivered by hand to the Office of the City Clerk. If mailing a completed conflict of interest questionnaire, mail to: Office of the City Clerk, P.O. Box 839966, San Antonio, TX 78283-3966. If delivering a completed conflict of interest questionnaire, deliver to: Office of the City Clerk, City Hall, 2nd floor, 100 Military Plaza, San Antonio, TX 78205. Respondent should consult its own legal advisor for answers to questions regarding the statute or form.

### **012 - SCHEDULE OF EVENTS**

Following is a list of **projected dates/times** with respect to this RFA:

RFA Release Date	Tuesday, June 10, 2014
Pre-Submittal Conference	Thursday, June 19, 2014 at 1:00 p.m.
Final Questions Accepted	Monday, June 23, 2014 at 2:00 p.m.
Application Due	Tuesday, July 8, 2014 at 2:00 p.m.

**013 - ATTACHMENT I**

**FY 2014 HOME Multi-Family Rental Housing Program  
CHECKLIST**

Please attach all applicable items listed on this Checklist.

<input type="checkbox"/>	<b>FY 2014 HOME Investment Partnership Program Application Form</b>
<input type="checkbox"/>	<b>Environmental Acknowledgement*</b>
<input type="checkbox"/>	<b>Signature Page*</b>
<b>Exhibit A – Applicant Information Attachments</b>	
<input type="checkbox"/>	<b>A-1 Nonprofit Determination Letter (if Applicable)</b>
<input type="checkbox"/>	<b>A-2 Articles of Incorporation or Partnership Agreement or Articles of Organization</b>
<input type="checkbox"/>	<b>A-3 By-Laws or Operating Agreement</b>
<input type="checkbox"/>	<b>A-4 List of Board of Directors or Partners or Members</b>
<input type="checkbox"/>	<b>A-5 Current Financial Statements</b>
<input type="checkbox"/>	<b>A-6 Tax Return</b>
<input type="checkbox"/>	<b>A-7 Resumes of Development Team (Owner, Developer, Designer, Builder, Property Manager, and Etc.)</b>
<input type="checkbox"/>	<b>A-8 Organizational Chart</b>
<b>Exhibit B – Project/Program Specific Information Attachments</b>	
<input type="checkbox"/>	<b>B-1 Marketing Plan</b>
<input type="checkbox"/>	<b>B-2 Program/Project Brochure or Other Marketing Materials</b>
<input type="checkbox"/>	<b>B-3 Affirmative Marketing Plan</b>
<input type="checkbox"/>	<b>B-4 Site/Target Area Map</b>
<input type="checkbox"/>	<b>B-5 Letters of Community Support</b>
<input type="checkbox"/>	<b>B-6 Participant Eligibility Requirements/Guidelines</b>
<input type="checkbox"/>	<b>B-7 Property Management Agreement (Actual or Forming, if Actual not Available)</b>
<b>Exhibit C – Budget/Funding Information Attachments</b>	
<input type="checkbox"/>	<b>C-1 Funding Commitment Letters</b>
<input type="checkbox"/>	<b>C-2 Detailed Development Budget **</b>
<input type="checkbox"/>	<b>C-3 Operating Pro Forma **</b>
<input type="checkbox"/>	<b>C-4 Schedule of Rents **</b>
<input type="checkbox"/>	<b>C-5 Copy of TDHCA LIHTC Application on CD (if applicable)</b>

\*Documents marked with an asterisk on this list require a signature.

\*\*TDHCA Forms are acceptable.

**014 - ATTACHMENT II**

**FY 2014 HOME Multi-Family Rental Housing Program  
APPLICATION**

**Organizational Information**

Provide the requested information for the Owner with whom the City should address correspondence and/or direct questions regarding this Application.

Name of Owner	
Street Address	
City, State, Zip Code	
Phone	
Fax	
Contact Person	
Email	
Authorized Signatory	
Authorized Signatory	

Provide the requested information for the Developer with whom the City should address correspondence and/or direct questions regarding this Application.

Name of Developer	
Street Address	
City, State, Zip Code	
Phone	
Fax	
Contact Person	
Email	
Authorized Signatory	
Authorized Signatory	

Owner Type:

- Non-Profit   
  For-Profit   
  Other   
 Please specify: \_\_\_\_\_  
 Partnership   
  Limited Liability Corporation

If Non-Profit, check source of exemption:

- IRS Section 501(a)                     
  IRS Section 501(c) (3)  
 IRS Section 501(c) (4)                     
  IRS 456



Ownership and Development Team Structure	
Identify all Ownership Organizations:	
Organization:	
Contact Person/title:	
Role/Responsibility:	
Years of Experience:	
Organization:	
Contact Person/title:	
Role/Responsibility:	
Years of Experience:	
Organization:	
Contact Person/title:	
Role/Responsibility:	
Years of Experience:	
Organization:	
Contact Person/title:	
Role/Responsibility:	
Years of Experience:	
Organization:	
Contact Person/title:	
Role/Responsibility:	
Years of Experience:	

Background	
Number of years agency in operation?	
How many years has agency been successfully performing the <u>specific activities related to this RFA?</u>	
How many years experience does agency have with HOME/CDBG funds?	
How many years experience with other federal funds?	

**Prior Funding**

Provide requested information for any federal funds received through the City of San Antonio, State of Texas or any other entity for the last FIVE years. You may add additional lines.

YEAR	PROJECT NAME	FUND TYPE	BUDGETED AMOUNT	AMOUNT EXPENDED TO DATE	TOTAL CLIENTS or UNITS COMPLETED
2012	Sample Project	HOME	\$13,000,000	\$12,999,000	250 units
			\$	\$	
			\$	\$	
			\$	\$	
			\$	\$	
			\$	\$	
			\$	\$	
			\$	\$	
			\$	\$	

**Policies and Procedures**

Please check the appropriate box/boxes for any written policies/procedures currently in place that address compliance with the following Federal and Local requirements.

<input type="checkbox"/>	Affirmative Fair Housing Marketing Plan
<input type="checkbox"/>	Small/Minority/Women-Owned Business Enterprise / Historically Underutilized Businesses
<input type="checkbox"/>	Procurement Method
<input type="checkbox"/>	Section 3 (contract opportunities for low-income individuals/businesses)

**Project Description and Community Need**

Name of Project	
Street Address	
City, State, Zip Code	
Legal Description	
Census Tract and Block Group	

**Target Areas**

City Council District	
Is the project located in one of the REnewSA target areas? Use the link below to search the project address. <a href="http://www.renewsa.com/">http://www.renewsa.com/</a>	<input type="checkbox"/> Collins Gardens <input type="checkbox"/> University Park <input type="checkbox"/> Edgewood <input type="checkbox"/> Wheatley <input type="checkbox"/> Harlandale
Is the project located in the Inner City Reinvestment/Infill Policy (ICR/IP) area? <a href="http://www.sanantonio.gov/Portals/0/Files/CCDO/ICRIP%20Map.pdf">http://www.sanantonio.gov/Portals/0/Files/CCDO/ICRIP%20Map.pdf</a>	

Please provide target area information to include street boundaries, names of neighborhoods, cardinal directions, etc.

**Type of Project**

Please note: A portion of the FY 2014 HOME allocation may be set aside for rental new construction projects. Consideration and awarding of HOME funds for individual projects may take place after Texas Department of Housing and Community Affairs (TDHCA) announces Tax credit awards.

<input type="checkbox"/>	New Construction
<input type="checkbox"/>	Rehabilitation
<input type="checkbox"/>	Reconstruction

**Consolidated Plan Goals**

Please review the City's Consolidated Five Year Plan at the following link and identify the Goal or Goals the project/program will fulfill.

<http://www.sanantonio.gov/Portals/0/Files/GMA/plans%20and%20performances/2010-2014%20Consolidated%20Plan.pdf>

**Local Plans/Policies**

Please describe how this project addresses any local strategic plans and policies, such as the Eastside CHOICE Neighborhood Transformation Plan.

<https://webapps1.sanantonio.gov/agendabuilder/RFCAMemo.aspx?RId=10468>

Additional strategic plans can be found in the Planning Library link below.

<http://www.sanantonio.gov/planning/npud/library.aspx>

### Project Description

Provide a brief description of project. The response must include the following: a brief history, goals, objectives, project beneficiaries, number of persons/families being served, and community impact or need/problem being addressed. Also describe community support, neighborhood coordination efforts and local partnerships. Limit the response to the space in the text box below.

**Use of HOME Funds/Scope of Work**

If awarded, describe how HOME funds will be used. Provide information regarding the specific work to be performed and activities to be completed with the use of HOME funds. If the project entails new construction, describe any use of Green Building standards and principles.

--

**Funding and Leveraging**

Funding Information	
Amount of HOME Funding Requested	\$
Total Project Cost	\$
Percent HOME Funds Requested to Total Project Cost (HOME Funds/Total Project Cost)	%
Total Number of Units	
Total Number of HOME-assisted Units	
Estimated Total Project Cost per Unit (Total Project Cost/Total Units)	\$
Estimated HOME Cost per Unit (HOME Funding Request/HOME Units)	\$

Project Funding Sources		
Funding Source	Funding Amount	Funding Status (Enter either "Pending" or "Committed")
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
TOTAL	\$	

Project Budget			
Identify all expenditures related to the proposed project. A more detailed budget may be attached if necessary.			
Expenditure Categories	HOME Funding Request	Other Project Funding	Total Project Funding
Land Acquisition	\$	\$	\$
Site Improvements	\$	\$	\$
Construction	\$	\$	\$
Soft Costs	\$	\$	\$
<b>TOTAL COSTS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**\*Provide detailed development budget as part of Exhibit C-2 in ATTACHMENT I.**



Performance Indicators and Beneficiaries	
Total Number of Proposed Units	
<b>Of those:</b>	
Number of affordable units	
Number Section 504 accessible	
Number qualified as Energy Star	
<b>Of the affordable units:</b>	
Number occupied by elderly	
Number subsidized with project-based rental assistance	
Number specifically designated for persons with HIV/AIDS	
Number specifically designated for homeless	
Based on the number of affordable units proposed, identify the proposed number of units/households served at each income level of the Area Median Income (AMI):	
	30% or below of AMI
	31%-50% of AMI
	51%-60% of AMI
	61%-80% of AMI
	Market Rate

Efficiency						
Identify the number of proposed <u>units</u> for each of the following:						
Number of Units	HOME only Units at LOW Rent	HOME only Units at HIGH Rent	LIHTC only Units	HOME and LIHTC Units	Market Rate Units	Total Units
1 bedroom						
2 bedroom						
3 bedroom						
4 bedroom						
Other:						
<b>TOTAL:</b>						

Indicate if proposed HOME units will be designated as:

Fixed

Floating

Has Respondent applied for Low-Income Housing Tax Credits, in the current round, through the Texas Department of Housing and Community Affairs?

Yes

No

Proposed Unit Rents										
Unit Type	LOW HOME Rents			HIGH HOME Unit			LIHTC Unit			Market Rate Unit
Unit Size	Unit Rent	Utility Allow.	Total Tenant Payment	Unit Rent	Utility Allow.	Total Tenant Payment	Unit Rent	Utility Allow.	Total Tenant Payment	Unit Rent
1 Bedroom	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2 Bedroom	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3 Bedroom	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4 Bedroom	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

\*May substitute TDHCA Proposed Unit Rents Schedule.

Proposed Loan Terms for Funding Request	
Total Amount of HOME Loan Request	\$
Interest Rate	%
Length of Loan Repayment (Number of Years)	
Period of Affordability	
Is this a tax credit project that will be seeking terms of analysis based on Pro Forma? Are there any other proposed loan terms (Period of deferment, repayment schedule, lien position, etc.)?	

## Environmental Acknowledgement

<b>Organization</b>	
<b>Project Name</b>	

The Respondent acknowledges that prior to release of funds for this project the Respondent must complete an environmental assessment, whichever is required. The Respondent also agrees to comply with all requirements and conditions resulting from, or identified by, the environmental review/assessment to complete the project. Contracts may not be executed until an environmental review/assessment is complete and the Release of Funds has been received from the U.S. Department of Housing and Urban Development (HUD).

This Acknowledgement is submitted under the authority of:

\_\_\_\_\_  
Signature of Chairperson or Executive Director

\_\_\_\_\_  
Typed Name of Certifying Official

\_\_\_\_\_  
Date Signed

**Signature Page**

The undersigned certifies that (s)he is \_\_\_\_\_ (title) of the entity named below; that (s)he is designated to sign this Application Form (if a Corporation or not-for-profit Corporation, then by resolution with Certified Copy of resolution attached) for and on behalf of the Respondent entity named below, and that (s)he is authorized to execute same for and on behalf of and bind said entity to the terms and conditions provided for and has the requisite authority to execute an Agreement on behalf of Respondent, if awarded:

\_\_\_\_\_ Organization Name  
\_\_\_\_\_ DBA Name (Required if Respondent is an Individual  
or Proprietorship)

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title:

\_\_\_\_\_  
Date: \_\_\_\_\_

By signature above, Respondent agrees/certifies that:

1. If this Application is approved for funding, Respondent will be able and willing to comply with the City's insurance and indemnification requirements.
2. If this Application is approved for funding, Respondent will adhere to all relevant Federal, State and local regulations, guidelines, policies, procedures and other assurances as required by the City.
3. The information provided in this application, to the best of the Respondent's knowledge, is true, complete and accurately describes the proposed project and if this Application is approved for funding, Respondent will be able and willing to comply with all representations made by Respondent in this Application and during the Application process.
4. If this Application is approved for funding, Respondent understands that the terms and conditions of the funding are subject to negotiation and are at the discretion of the Director of the Department.
5. Respondent has fully and truthfully submitted an Respondent Questionnaire and understands that failure to fully disclose requested information may result in disqualification of application from consideration or termination of contract, once awarded.
6. Respondent will comply with the City's Ethics Code, particularly Section 2-61 that prohibits a person or entity seeking a City contract - or any other person acting on behalf of such a

person or entity - from contacting City officials or their staff prior to the time such contract is posted as a City Council agenda item.

7. Respondent authorizes the release of project information to the City, Department, from all financial partners listed in the Application and authorizes the Department to verify any Application information, including financial information, as required to complete its due diligence.
8. If this Application is approved for funding and the Respondent receives more than \$500,000 in Federal funding in a fiscal year, the Respondent will have a single independent audit performed at the cost of the Respondent for that corresponding Fiscal Year and that a complete copy of the completed independent audit will be submitted to the City within five (5) business days of it being made available to the Respondent.
9. In compliance with Texas Government Code Section 2264.051, certifies that Agency or a branch, division or department of Agency does not and will not knowingly employ an undocumented worker. If Agency is awarded funds under this Request for Application and is later convicted of violating 8 U.S.C. Section 1324a(f), Agency shall repay the full amount of funding with interest, at the highest non-usurious rate allowed by law, and notwithstanding any other term provided by its Contract with City, not later than the 120<sup>th</sup> day after the date the City notifies the Agency of the violation.

**015 - ATTACHMENT III  
SECTION 3 PROGRAM**

The Section 3 Utilization Plan must be completed by Respondents bidding on a HUD funded activity over \$100,000.00. The City's Section 3 Goals for this professional service activity are as follows:

**Employment:**

To the greatest extent feasible, thirty percent (30%) of all new hires employed during the contract period as a result of the contract award be Section 3 certified residents.

**Contracting:**

To the greatest extent feasible, at least three percent (10%) of the total dollar amount of this contract be awarded to Section 3 certified businesses.

For a list of Section 3 Certified Business and Residents please go to <http://www.sanantonio.gov/GMA/certified/BusinessCertification.aspx>

The City of San Antonio will also accept certification from the San Antonio Housing Authority's Section 3 Program.

**016 - ATTACHMENT IV  
INSURANCE REQUIREMENTS**

If selected to provide the services described in this RFA, Respondent shall be required to comply with the insurance requirements set forth below:

**INSURANCE**

A) Prior to the commencement of any work under this Agreement, Respondent shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City’s Planning and Community Development Department, which shall be clearly labeled “Multi-Family Rental Funding” in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent’s signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer’s authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City’s Planning and Community Development Department. No officer or employee, other than the City’s Risk Manager, shall have authority to waive this requirement.

B) The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City’s Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

C) A Respondent’s financial integrity is of interest to the City; therefore, subject to Respondent’s right to maintain reasonable deductibles in such amounts as are approved by the City, Respondent shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Respondent’s sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best’s rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

<u>TYPE</u>	<u>AMOUNTS</u>
3. Broad form Commercial General Liability Insurance to include coverage for the following: <ul style="list-style-type: none"> <li>a. Premises/Operations</li> <li>*b. Independent Contractors</li> <li>c. Products/Completed Operations</li> </ul>	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage

d. Personal Injury e. Contractual Liability f. Damage to property rented by you	f. \$100,000
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D) Respondent agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Respondent herein, and provide a certificate of insurance and endorsement that names the Respondent and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City’s Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City’s Risk Manager, which shall become a part of the contract for all purposes.

E) As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Respondent shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Respondent shall pay any costs incurred resulting from said changes.

City of San Antonio  
Attn: Planning and Community Development Department  
P.O. Box 839966  
San Antonio, Texas 78283-3966

F) Respondent agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers’ compensation and professional liability policies;
- Provide for an endorsement that the “other insurance” clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers’ compensation, employers’ liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

G) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Respondent shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Respondent's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

H) In addition to any other remedies the City may have upon Respondent's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Respondent to stop work hereunder, and/or withhold any payment(s) which become due to Respondent hereunder until Respondent demonstrates compliance with the requirements hereof.

I) Nothing herein contained shall be construed as limiting in any way the extent to which Respondent may be held responsible for payments of damages to persons or property resulting from Respondent's or its subcontractors' performance of the work covered under this Agreement.

J) It is agreed that Respondent's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

L) Respondent and any Subcontractors are responsible for all damage to their own equipment and/or property.

**017 - ATTACHMENT V  
INDEMNIFICATION REQUIREMENTS**

If selected to provide the services described in this RFA, Respondent shall be required to comply with the indemnification requirements set forth below:

**INDEMNIFICATION**

**RESPONDENT will covenant and agree to FULLY INDEMNIFY and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY, directly or indirectly arising out of, resulting from or related to RESPONDENT's activities under an AGREEMENT, including any acts or omissions of RESPONDENT, any agent, officer, director, representative, employee, consultant (hired by RESPONDENT), general contractor or any subcontractors hired by the general contractor of RESPONDENT, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under an AGREEMENT, all without, however, waiving any governmental immunity available to the CITY under Texas law and without waiving any defenses of the parties under Texas law. AS LIMITED BY SECTION**

**IT WILL BE FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. RESPONDENT shall promptly advise the CITY in writing of any claim or demand against the CITY or RESPONDENT known to RESPONDENT related to or arising out of RESPONDENT's activities under an AGREEMENT and shall see to the investigation and defense of such claim or demand at RESPONDENT's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving RESPONDENT of any of its obligations under this paragraph.**

**It will be the EXPRESS INTENT of the parties to an AGREEMENT, that the INDEMNITY provided for, is an INDEMNITY extended by RESPONDENT to INDEMNIFY, PROTECT, and HOLD HARMLESS the CITY from the consequences of the CITY's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for SHALL APPLY only when the NEGLIGENT ACT of the CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the CITY is the sole cause of the resultant injury,**

death or damage. RESPONDENT will further AGREE TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

RESPONDENT is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that CITY shall in no way be responsible therefor.

**018 - ATTACHMENT VI  
DISCRETIONARY CONTRACTS DISCLOSURE FORM**

Discretionary Contracts Disclosure Form may be downloaded at  
<https://www.sanantonio.gov/eforms/atty/ContractsDisclosureForm.pdf>

Instructions for completing the Discretionary Contracts Disclosure form are listed below:

1. Download form and complete all fields. Note: All fields must be completed prior to submitting the form.
2. Click on the "Print" button and place the copy in application response as indicated in the Application Checklist.

**019 - ATTACHMENT VII  
SAMPLE UNDERWRITING CHECKLIST**