



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: **ACTION:** Water Street Corridor Streetscape Improvements Date: October 25, 2017
Project in the City of New York, New York
FHWA/HUD Livability Initiative under
Special Experimental Project No. 14 (SEP-14)

From: Hari Kalla, Director
Office of Preconstruction, Construction, and Pavements

In Reply Refer To:
HICP-20

To: Peter W. Osborn
Division Administrator
Albany, NY

This memorandum is in reference to a September 28 email from Daniel Wood of your staff, which forwarded and endorsed the SEP-14 workplan, the Section 192 Certification, and the transmittal from the New York State Department of Transportation for the subject project.:

The City wishes to use multiple funding sources for this project including Federal funding from both the U.S. Department of Housing and Urban Development (HUD) and FHWA. The use of HUD Section 3 funding includes a requirement to use local hiring preferences in construction contracts. This requirement is in conflict with FHWA's requirements for construction contracting in 23 CFR 635.117, which prohibits the use of contract provisions that serve as geographic restrictions in the selection of the contractor's labor sources.

In the June 25, 2010 edition of the Federal Register, FHWA published the Notice: "Livability Initiative Under Special Experimental Project No. 14" (<http://www.gpo.gov/fdsys/pkg/FR-2010-06-25/pdf/2010-15438.pdf>). The Notice announced FHWA's decision to permit States to request SEP-14 approval for contracting practices intended to enhance livability and sustainability as part of any project that is to be jointly funded with HUD.

We consider the City of New York's workplan to be acceptable and in compliance with the requirements of the June 25, 2010 Notice. Thank you for working with our staff to answer our questions and provide the necessary information for this approval. If you have any questions, please contact the following: Gerald Yakowenko at Gerald.Yakowenko@dot.gov or (202)366-1562, or John Huyer at John.Huyer@dot.gov or (651)291-6111.