

CDBG SUBRECIPIENT AGREEMENT

PROJECT NAME: HOME REHAB PROGRAM DELIVERY

PROJECT NUMBER: _____

FEDERAL ASSISTANCE LISTING NUMBER: 14.218

This Contract ("**CONTRACT**") is entered into by and between the City of San Antonio, a Texas municipal corporation ("**CITY**"), acting by and through the Director of the Neighborhood and Housing Services Department ("**NHSD**"), pursuant to Ordinance No. _____ dated _____, and Merced Housing Texas, a Texas non-profit corporation ("**SUBRECIPIENT**").

RECITALS

WHEREAS, CITY has been allocated certain funds from the U.S. Department of Housing and Urban Development ("**HUD**") under Title I of the Housing and Community Development Act of 1974, as amended (the "**Community Development Act**"), for utilization in connection with its Community Development Block Grant Program ("**CDBG**"); and

WHEREAS, CITY issued a Request for Proposals for Home Rehab Program Delivery (RFP 22-060, 6100015175) ("**RFP**") for a non-profit, acting as a SUBRECIPIENT, to administer a homeowner-occupied housing rehabilitation program and/or minor repair program ("**Program**") to assist eligible homeowners with substantial rehabilitation and/or minor repair of their owner-occupied, single-family home located in the City of San Antonio consistent with applicable CDBG regulations, the RFP, and the parameters set forth in and attached to this CONTRACT; and

WHEREAS, SUBRECIPIENT submitted a proposal in response to the RFP; and

WHEREAS, SUBRECIPIENT has proven housing rehabilitation experience and demonstrated its ability to manage and evaluate income guidelines and comply with other applicable HUD and local standards; and

WHEREAS, CITY wishes to engage SUBRECIPIENT to assist with the administration and delivery of the Program, based on the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. SCOPE OF SERVICES

1.1 SUBRECIPIENT will provide, oversee, administer, and carry out all activities and services (the "**Services**") in compliance with, and subject to the restrictions and limitations contained therein, the Work Statement and Performance Measures attached hereto as Exhibit A, and incorporated herein, and in accordance with the CONTRACT, in a manner satisfactory to the Director of NHSD, whose approval shall not be unreasonably withheld and which shall be final, binding and conclusive on all parties hereto. CITY shall have the right to terminate this CONTRACT, in whole or in part, in accordance with Article XIV should SUBRECIPIENT's Services not be in compliance with this CONTRACT; however, CITY shall have no obligation to terminate and may withhold payment for any Services not in accordance with this

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CONTRACT, even should CITY elect not to terminate. Except as expressly permitted in this CONTRACT, SUBRECIPIENT agrees that the Grant Funds provided pursuant to this CONTRACT will be solely for, and subject to the limitations and restrictions contained in, the Work Statement and Performance Measures set forth in Exhibit A and for no other purpose.

1.2 SUBRECIPIENT shall administer and deliver the Program in strict compliance with this CONTRACT, and the exhibits attached hereto, and the *Program Policies for HUD-Funded Housing Activities* adopted by City Council on October 31, 2019 in Ordinance No. 2019-10-31-0886 as amended in Ordinance No. 2021-11-18-0879, said program policies being incorporated fully herein. If there is any inconsistency between this CONTRACT or its exhibits and the Program Policies, SUBRECIPIENT upon learning of the discrepancy shall notify NHSD and obtain written clarification and instruction before taking further action on matters impacted by the discrepancy.

1.3 SUBRECIPIENT shall adopt a written a complaint resolution process and include said process in each agreement with homeowners receiving assistance under the Program. At a minimum, the complaint resolution process shall allow and inform homeowners of their right to complain and provide a meaningful review of the complaint. SUBRECIPIENT shall provide a copy of each complaint along with a description of the resolution, if any, of the complaint to NHSD within thirty (30) days of its receipt of a homeowner complaint. As part of the complaint resolution process, SUBRECIPIENT shall provide each homeowner with the following contact information for CITY:

Neighborhood and Housing Services Department
Attention: Director
100 W. Houston Street
San Antonio, Texas 78205
(210) 207-6459

1.4 Based on the proposed budget, SUBRECIPIENT shall assist up to **twenty-two (22)** eligible homeowners with minor repairs and up to **two (2)** eligible homeowner with a substantial rehabilitation of their homes. However, CITY reserves the unconditional right to adjust the number of homeowners assisted in this Project. If the number of homeowners to be assisted is increased by CITY, SUBRECIPIENT's prior written consent is required.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this CONTRACT shall begin on the **Effective Date** (defined below) and shall terminate on the earlier of Project completion or **June 30, 2023**. Notwithstanding the foregoing, if Program Income (defined below) is generated, the term of this CONTRACT shall automatically extend until the Program ceases to generate Program Income and all said Program Income is returned to CITY or if the Program Income is retained by SUBRECIPIENT in accordance with Section 6.1, said Program Income is fully expended and accounted for to CITY.

2.2 CITY has, in CITY's sole and absolute discretion, the unilateral option to renew and extend this CONTRACT for up to two (2) additional **one (1) year terms** (the "**Renewal Period**") on the same terms provided herein. CITY may elect to exercise the option to renew and extend at any time, subject only to and contingent upon the appropriation by City Council and the availability of funding for the Renewal Period.

III. CONSIDERATION

3.1 As consideration for the Services, CITY will reimburse SUBRECIPIENT for costs

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incurred in accordance with the budget (the “**Budget**”) attached hereto as Exhibit B and incorporated herein. It is specifically agreed by the parties that reimbursement hereunder shall not exceed the aggregate amount of **One Million and No/100 Dollars (\$1,000,000.00)** per year of the CONTRACT, including during any Renewal Period. If both options to renew are exercised are pursuant to Section 2.2 above, the maximum amount reimbursed hereunder shall not exceed the aggregate amount of **Three Million and No/100 Dollars (\$3,000,000.00)**

3.2 It is expressly understood and agreed by CITY and SUBRECIPIENT that CITY’s obligations under this CONTRACT are contingent upon the actual receipt of adequate Grant Funds from HUD to meet CITY’s liabilities hereunder. Should CITY not receive sufficient Grant Funds to make payments pursuant to this CONTRACT, or should awarded Grant Funds be reduced, CITY shall notify SUBRECIPIENT in writing within a reasonable time after such fact has been determined and CITY may, at its sole option, terminate this CONTRACT; however, if the CITY does not terminate this CONTRACT, the Services and consideration shall be reduced accordingly. In no event shall this Agreement in any way obligate CITY’s general fund monies or any other monies or credits of CITY.

**IV. RECEIPT, DISBURSEMENT, AND ACCOUNT
OF FUNDS BY SUBRECIPIENT**

4.1 SUBRECIPIENT understands and agrees that it shall maintain a separate numbered account for the receipt and disbursement of any Program Income (defined in Section 6.1 below) resulting therefrom, if applicable, and further understands and agrees that:

- (A) Such account shall contain only those funds received pursuant to this CONTRACT and that no other funds shall be mingled therewith except funds deemed to be Program Income;
- (B) All checks and withdrawals from such account shall have itemized documentation in support thereof;
- (C) Such account shall be maintained, under conditions approved by CITY, in a financial institution having Federal Deposit Insurance Corporation (“**FDIC**”) coverage, with any account balance exceeding the FDIC coverage likewise collaterally secured; and
- (D) Upon SUBRECIPIENT’s written request and solely within the discretion of CITY, an alternative accounting mechanism may be permitted, provided such alternative adheres at all times to generally accepted accounting principles.

4.2 Regarding method of payment, CITY and SUBRECIPIENT agree as follows:

- (A) SUBRECIPIENT shall submit to CITY all invoices attached hereto and incorporated herein as Exhibit D for reimbursement and accompanying requests for such reimbursement no later than thirty (30) days following the purchase of goods or services for which such reimbursement is to be requested. All requests for reimbursement, and all accompanying invoices, shall be aggregated prior to submission to CITY and submitted to CITY when such amount equals or exceeds \$500.00;
- (B) SUBRECIPIENT shall submit to CITY such other reports and information as may be reasonably required by CITY, including but not limited to the reports attached hereto as Exhibit C and incorporated herein, to document SUBRECIPIENT’s performance hereunder, and CITY’s liabilities under this CONTRACT, and to ensure compliance with applicable laws, rules and ordinances;
- (C) Prior to requesting payment, SUBRECIPIENT shall tender a complete copy of the homeowner agreement;
- (D) Upon receipt of and approval by CITY of each of SUBRECIPIENT’s invoices, contract documents and assignment, CITY shall pay to SUBRECIPIENT an amount equal to

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CITY's liabilities not previously billed to and paid by CITY, subject to: (i) deduction for any costs not allowable, or (ii) postponement of payment for any costs questioned by the Director to determine whether said cost is allowable; *provided, however*, delinquent billing of CITY by SUBRECIPIENT that does not conform to this Contract shall justify delay of payment by CITY; and

- (E) SUBRECIPIENT's financial management system shall provide for an adequate procedure to minimize the time elapsed between CITY's payment and disbursement of funds to SUBRECIPIENT.

4.3 Within ten (10) business days of CITY's written request, SUBRECIPIENT shall refund to CITY any sum of money paid by CITY to SUBRECIPIENT later determined to:

- (A) Have resulted in overpayment to SUBRECIPIENT;
- (B) Have not been spent by SUBRECIPIENT strictly in accordance with the terms of this CONTRACT; and/or
- (C) Not be supported by adequate documentation to fully justify the expenditure.

4.4 Upon termination of this CONTRACT, should any expense or charge for which payment has been made be subsequently disallowed or disapproved as a result of any auditing or monitoring by CITY, HUD, or any other federal agency with authority enforce the provision of the subject matter of this CONTRACT, SUBRECIPIENT shall refund such amount to CITY within ten (10) business days of CITY's written request specifying the amount disallowed or disapproved. Refunds of disallowed or disapproved costs, however, shall not be made from funds received pursuant to this CONTRACT or from funds received from or through the federal government or CITY.

V. PAYMENT

5.1 SUBRECIPIENT agrees that this is a cost reimbursement contract and that CITY's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of CITY-funded Services provided by SUBRECIPIENT during the term of this CONTRACT. SUBRECIPIENT expressly understands and acknowledges that it shall not be entitled to reimbursement from this CONTRACT for work, activities or Services provided or costs incurred prior to the **Effective Date** (defined below). Allowable costs are defined as those costs which are necessary, reasonable and allowable under applicable federal, state, and local law, including, but not limited to, those laws referenced in Article XII below, for the proper administration and performance of the Services to be provided under this CONTRACT. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in Exhibit B of this CONTRACT, unless a subsequent Budget revision, in the format provided by CITY, has been approved and signed by the Director of NHSD (the "**Director**") in cases where the total Budget remains the same or is reduced, or an amendment to this CONTRACT has been approved by City Council and signed by the Director in cases where there is an increase to the total Budget. Approved Budget revisions and amendments to this CONTRACT supersede prior conflicting or inconsistent agreements with regard to the referenced Budget, and all references in this CONTRACT to the Budget shall mean the Budget as revised through approved Budget revisions or amendments to this CONTRACT. Budget revision requests shall be submitted in advance of anticipated expense(s). CITY will not accept Budget revision requests submitted after costs have been incurred. In no event shall CITY be liable for any cost of SUBRECIPIENT not eligible for reimbursement as defined within this CONTRACT. Within ten (10) business days after CITY's request, SUBRECIPIENT shall remit to CITY any funded amounts which were paid pursuant to this Article V and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at CITY's option, be subject to offset against future funding obligations by CITY.

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5.2 If specific circumstances require an advance payment under this CONTRACT, SUBRECIPIENT must submit to the Director a written request for such advance payment, including the specific reasons for such request. The Director may, in Director's sole discretion, approve an advance payment on this CONTRACT. It is understood and agreed by the parties hereto that (A) each request requires submission to the Director no less than ten (10) business days prior to the actual ostensible cash need; (B) each request will be considered by the Director on a case-by-case basis; and (C) the decision by the Director whether or not to approve an advance payment is final. In those instances in which advance payments are authorized:

- (i) Advance payments to vendors shall be remitted to the vendors in a prompt and timely manner, which shall mean no later than ten (10) days after SUBRECIPIENT is notified that a check is available from CITY.
- (ii) SUBRECIPIENT must deposit CITY funds in a separate account in a bank insured with the FDIC. In those situations where SUBRECIPIENT's total deposits in a bank, including all CITY funds advanced hereunder, exceed the FDIC insurance limit, SUBRECIPIENT must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by SUBRECIPIENT from SUBRECIPIENT's banking institution, maintained on file and be available for CITY's monitoring reviews and audits. Advanced funds that cause SUBRECIPIENT's account balance to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00) shall be deposited in a manner consistent with the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

5.3 SUBRECIPIENT agrees that reimbursements of eligible expenses shall be made monthly or bi-weekly, as determined by the Director according to standard procedures followed by CITY's Finance Department.

5.4 SUBRECIPIENT agrees that all requests for reimbursement shall be accompanied with documentation required by the Director.

5.5 SUBRECIPIENT shall submit to CITY all final requests for payment no later than twenty (20) days from the termination date of this CONTRACT, unless SUBRECIPIENT receives written authorization from the Director prior to such twenty (20) day period allowing SUBRECIPIENT to submit a request for payment after such twenty (20) day period.

5.6 SUBRECIPIENT agrees that CITY shall not be obligated to any third parties, including, but not limited to, any subcontractors or third-party beneficiaries of SUBRECIPIENT.

5.7 SUBRECIPIENT shall maintain a financial management system, and acceptable accounting records that provide for:

- (A) Accurate, current, and complete disclosure of financial support from each federal, state, and locally sponsored project, and program in accordance with the reporting requirements set forth in Article IX. If accrual basis reports are required, SUBRECIPIENT shall develop accrual data for its reports based on an analysis of the documentation available;
- (B) Records identifying the source and application of funds for CITY-sponsored activities, with such records reflecting CITY awards, authorizations, obligations, un-obligated balances, assets, equity, outlays, and income;
- (C) Effective control over and accountability for all funds, property, and other assets to adequately safeguard all such assets and ensure that they are used solely for authorized

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- purposes;
- (D) An accounting system that can separate funds by funding source and project;
 - (E) Comparison of actual outlays with budget amounts for each award, and whenever appropriate or required by CITY, financial information should be related to performance and unit cost data;
 - (F) Procedures to minimize the time elapsing between the transfer of funds from CITY and the disbursement of said funds by SUBRECIPIENT;
 - (G) Procedures for determining reasonable, allowable, and allocable costs in accordance with the provisions of any and all applicable cost principles including, but not limited to, the cost principles referenced in Article XII below, and the terms of the award, grant, or contract, with CITY;
 - (H) Supporting source documentation (i.e., timesheets, employee benefits, professional services agreements, purchases, and other documentation as required by CITY); and
 - (I) An accounting system based on generally accepted accounting principles that accurately reflects all costs chargeable (paid and unpaid) for the Services and maintains a receipts and disbursements ledger, a general ledger with an income and expense account for each budgeted line item is necessary, and paid invoices revealing check number, date paid, and evidence of goods or services received are to be filed according to the expense account to which they were charged.

5.8 SUBRECIPIENT agrees that SUBRECIPIENT's costs or earnings claimed under this CONTRACT will not be claimed under another contract or grant from another agency.

5.9 SUBRECIPIENT shall establish and utilize a cost allocation methodology and plan, which ensures that CITY is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Services funded by this CONTRACT. The Cost Allocation Plan and supportive documentation shall be included in the financial statements that are applicable to SUBRECIPIENT's provision of the Services. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the program.

5.9 Upon completion or termination of this CONTRACT, or at any time during the term of this CONTRACT, all unused funds, rebates, or credits on-hand or collected thereafter relating to the Services must immediately, upon receipt, be returned by SUBRECIPIENT to CITY.

5.10 Upon execution of this CONTRACT or at any time during the term of this CONTRACT, CITY's Director of Finance, CITY's Auditor, or a person designated by the Director may review and approve all SUBRECIPIENT's systems of internal accounting and administrative controls prior to the release of funds hereunder.

VI. PROGRAM INCOME

6.1 For purposes of this CONTRACT, "***Program Income***" shall mean earnings of SUBRECIPIENT realized from activities resulting from this CONTRACT or from SUBRECIPIENT's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of SUBRECIPIENT provided as a result of this CONTRACT, and payments from clients or third parties for services rendered by SUBRECIPIENT pursuant to this CONTRACT.

6.2 SUBRECIPIENT is not permitted to retain Program Income. SUBRECIPIENT must return

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such Program Income to CITY within thirty (30) days of its receipt.

6.3 SUBRECIPIENT shall provide NHSD with thirty (30) days' written notice prior to the activity that generates Program Income. Such notice shall detail the type of activity, time, and place of all activities that generate Program Income.

6.4 SUBRECIPIENT shall fully disclose and be accountable to CITY for all Program Income on the appropriate form provided in Exhibit C. SUBRECIPIENT must submit a statement of expenditures and revenues to NHSD on or before the 15th date of each month. The statement is subject to audit verification by NHSD. Failure by SUBRECIPIENT to report Program Income as required is grounds for suspension, cancellation, or termination of this CONTRACT.

6.5 SUBRECIPIENT is prohibited from charging fees or soliciting donations from participants in any CITY-funded project without the prior written approval of the Director.

VII. ADMINISTRATION OF CONTRACT

7.1 In the event that any disagreement or dispute should arise between the parties hereto pertaining to the interpretation or meaning of any part of this CONTRACT or its governing rules, regulations, laws, codes, or ordinances, the City Manager or her designee, as representative of CITY, the party ultimately responsible for all matters of compliance with HUD rules and regulations, shall have the final authority to render or secure an interpretation, which shall be reasonable under the circumstances.

7.2 SUBRECIPIENT shall not use funds awarded from this CONTRACT as matching funds for any federal, state, or local grant without the prior written approval of the Director.

7.3 CITY shall have the authority during normal business hours to make physical inspections to the operating facilities occupied to administer this CONTRACT and to require such physical safeguarding devices as locks, alarms, security/surveillance systems, safes, fire extinguishers, sprinkler systems, etc., to safeguard property and/or equipment authorized by this CONTRACT.

7.4 SUBRECIPIENT's Board of Directors and management shall maintain an employee integrity policy and shall maintain and use internal program management procedures to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These procedures must specify the consequences to SUBRECIPIENT's employees and vendors involved in such illegal activities to include, but not be limited to, termination and prosecution where necessary. Said procedures shall be provided by SUBRECIPIENT to NHSD upon request.

7.5 SUBRECIPIENT agrees to comply with the following check writing and handling procedures in respect of Program funds:

- (A) No blank checks are to be signed in advance.
- (B) No checks are to be made payable to cash or bearer, with the exception of those for petty cash reimbursement, and shall not to exceed a maximum of One Hundred and 00/100 Dollars (\$100.00) per check. SUBRECIPIENT agrees that the aggregate amount of petty cash reimbursement shall not exceed Two Hundred and 00/100 Dollars (\$200.00) per location for any given calendar month during the term of this CONTRACT unless SUBRECIPIENT receives prior written approval from NHSD to exceed such limit. Such requests for petty cash must be supported by the submission to NHSD of an original receipt.
- (C) Checks issued by CITY to SUBRECIPIENT shall be deposited into the bank account

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within a reasonable period of time (not to exceed 30 days) after SUBRECIPIENT's receipt of each such check, and shall never be cashed for purposes of receiving any of the face amounts back.

7.6 CITY reserves the right to request SUBRECIPIENT to provide additional records for long distance calls, faxes, internet service, and/or cell phone calls charged to CITY.

VIII. AUDIT

8.1 If SUBRECIPIENT expends Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) or more of funds provided pursuant to this CONTRACT or cumulatively with any other contract with CITY in the same year, then during the term of this CONTRACT, SUBRECIPIENT shall have completed an independent audit and shall submit to CITY a completed copy of the audit report, including, as applicable, the corrective action plan(s) on all audit findings, a summary schedule of prior audit findings, and any management and conduct of audit letter(s), within no later than the earlier of thirty (30) days after receipt of the auditor's report(s); (B) nine (9) months after the end of SUBRECIPIENT's fiscal year; or (C) nine (9) months after the expiration or early termination of this CONTRACT.

8.2 If SUBRECIPIENT expends less than Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) of CITY's funds during the term of this CONTRACT, then SUBRECIPIENT shall complete and submit an unaudited financial statement(s) by no later than the earlier of (A) nine (9) months immediately after the end of SUBRECIPIENT's fiscal year, or (B) nine (9) months after the expiration or early termination of this CONTRACT. Said financial statement shall include a balance sheet and income statement prepared by a bookkeeper and a cover letter signed by SUBRECIPIENT attesting to the correctness of said financial statement.

8.3 SUBRECIPIENT agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of SUBRECIPIENT or its programs of any findings about accounting deficiencies, or violations of SUBRECIPIENT's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to NHSD within ten (10) days upon SUBRECIPIENT's receipt of the report.

8.4 SUB-GRANTEE agrees that if SUB-GRANTEE expends Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) or more during SUB-GRANTEE's fiscal year in Federal awards, as defined in 2 C.F.R. § 200.38, a single or program specific audit must be conducted for that year in accordance with 2 C.F.R. § 200.501(a) and SUB-GRANTEE shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant, to the Federal Audit Clearinghouse in Jeffersonville, Indiana (the "**Clearinghouse**") by no later than the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period, unless a longer period is agreed to in advance by the federal cognizant or oversight agency for the audit. SUB-GRANTEE may submit reports through the Clearinghouse's website at <https://harvester.census.gov/facweb/> or by mail at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, Indiana 47132

SUB-GRANTEE agrees to reimburse CITY or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from SUB-GRANTEE's Single Audit. Reimbursement shall be made within thirty (30) days of written notification regarding the need for

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reimbursement.

8.5 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each project funded by or through CITY.

8.6 CITY reserves the right to conduct, or cause to be conducted an audit or review of all funds received under this CONTRACT at any and all times deemed necessary by CITY. CITY's internal audit staff, a certified public accounting firm, or other personnel as designated by CITY, may perform such audit(s) or reviews. CITY reserves the right to determine the scope of every audit. In accordance herewith, SUBRECIPIENT agrees to make available to CITY all accounting and records related to the Services.

8.7 SUBRECIPIENT shall during normal business hours, and as often as deemed necessary by CITY and/or the applicable state or federal governing agency or any other auditing entity, make available and shall continue to make available the books, records, documents, reports, and evidence with respect to all matters covered by this CONTRACT and shall continue to be so available for a minimum period of five (5) years or whatever period is determined necessary based on the records retention guidelines established by applicable law for this CONTRACT. Said records shall be maintained for the required period beginning immediately after this CONTRACT's expiration, save and except when there is litigation or if the audit report covering this CONTRACT has not been accepted, then SUBRECIPIENT shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by SUBRECIPIENT in accounting for expenses incurred under this CONTRACT and contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this CONTRACT.

8.8 CITY may require that SUBRECIPIENT use any and all of CITY's accounting or administrative procedures used in the planning, controlling, monitoring and reporting of all fiscal matters relating to this CONTRACT and SUBRECIPIENT shall abide by such requirements; provided however, that SUBRECIPIENT may elect to terminate this CONTRACT if such requirements present a burden on SUBRECIPIENT.

8.9 When an audit or examination determines that SUBRECIPIENT has expended funds or incurred costs which are questioned by CITY and/or any state or federal governing agency, SUBRECIPIENT shall be notified and provided an opportunity to address the questioned expenditure or costs.

8.10 Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, SUBRECIPIENT will promptly refund such amount to CITY no later than ten (10) days from the date of notification of such disapproval or disallowance by CITY. At its sole option, NHSD may instead deduct such claims from subsequent reimbursements under this CONTRACT; *however*, in the absence of prior notice by CITY of the exercise of such option, SUBRECIPIENT shall provide to CITY a refund of such amount within a reasonable time (not to exceed thirty (30) days) from the date of notification of such disapproval or disallowance by CITY. If SUBRECIPIENT is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to CITY or as directed by HUD by cashier's check or money order. Should CITY, at its sole discretion which shall be reasonable, deduct such claims from subsequent reimbursements, SUBRECIPIENT is forbidden from reducing expenditures for the Services and SUBRECIPIENT must use its own funds to cover any such deficiency under this CONTRACT.

8.11 SUBRECIPIENT agrees and understands that all expenses associated with the collection of delinquent debts owed by SUBRECIPIENT shall be the sole responsibility of SUBRECIPIENT and shall

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not be paid from any funds received by SUBRECIPIENT under this CONTRACT.

8.12 If CITY determines, in its sole discretion, that SUBRECIPIENT is in violation of the above requirements, CITY shall have the right to dispatch auditors of its choosing to conduct the required audit and SUBRECIPIENT shall reimburse CITY for such audit from non-CITY resources if there is a finding of non-compliance with this CONTRACT.

IX. RECORDS, REPORTING, AND COPYRIGHTS

9.1 NHSD is assigned to the monitoring, fiscal control, and evaluation of the Program. Therefore, at such times and in such form as may be required by NHSD, SUBRECIPIENT shall furnish to NHSD, such statements, records, data, all policies, procedures, and information and permit CITY to have interviews with applicable personnel, board members (subject to reasonable availability), and participants pertaining to the matters covered by this CONTRACT. Without limiting the foregoing, SUBRECIPIENT must maintain client data records demonstrating eligibility for Services provided. Such data shall include, but not be limited to, the client's name, address if any, income if applicable, number of household members, race and ethnicity, female head of household and description of services provided. Additionally, SUBRECIPIENT shall use and maintain a self-certification income checklist, in a format approved by CITY, to verify the client's income or lack thereof.

9.2 SUBRECIPIENT shall submit to NHSD such reports, plans, questionnaires and other information as may be required by CITY, concerning the Program, including but not limited to the reports, plans, questionnaires and other information in the exhibits attached hereto and incorporated herein. SUBRECIPIENT shall ensure that all information contained in all required reports submitted to CITY is accurate and support documentation shall be maintained.

9.3 SUBRECIPIENT shall prepare monthly performance reports, which are attached hereto and incorporated herein as Exhibit C, and submit same to CITY by the 15th day of each month. Performance report must contain details of all inputs (i.e., resources) and outputs (i.e., utilization of resources) in conjunction with efficiency and effectiveness measures regarding the project. SUBRECIPIENT shall provide additional information and reports as may be requested by CITY.

9.4 SUBRECIPIENT shall for each activity under this CONTRACT and prior to initiating any activities and/or submitting any Project activity cost reimbursement request, SUBRECIPIENT shall forward to Neighborhood and Housing Services Department, a completed set-up copy of CDBG Housing Activity IDIS Set Up/Completion Form, a copy of which is attached hereto and incorporated herein for all purposes as Exhibit E, for entry into IDIS. SUBRECIPIENT acknowledges, understands, and agrees that new Project Setup Reports will not be processed by CITY if there are any outstanding Project Completion Reports due from other Project activities. SUBRECIPIENT shall commence Project activities within sixty (60) days following submission to Neighborhood and Housing Services Department of the official Project Setup/Completion Form. SUBRECIPIENT shall accurately complete such form by submitting a detailed description of the site-specific Project, which includes the Project name, detailed prospective scope of work, the amount of CDBG funds requested and City Council District in which the Project is located.

9.5 SUBRECIPIENT shall prior to initiating any construction/rehabilitation activity and/or incurring any Project cost, with the exception of costs related to lead-based paint and environmental reviews, for each separate address in which any construction/ rehabilitation activity in connection with this Project, forward to CITY a completed copy of the HUD IDIS Set-up Form (Exhibit E) and HUD Form 2516 (Exhibit C).

9.6 SUBRECIPIENT understands and agrees that upon completion of each project, SUB-

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RECEIPIENT shall accurately complete a HUD IDIS Completion Form, which is attached hereto and incorporated herein as Exhibit E, and the restrictive covenant required by Section 36.20, and SUBRECIPIENT shall forward the original HUD IDIS Completion Form and the restrictive covenant to CITY no later than thirty (30) business days following SUBRECIPIENT's receipt of the final remittance of CONTRACT funds by CITY for each such home. SUBRECIPIENT understands and agrees that new project Set-up Forms will not be processed by CITY if there are any outstanding Project Completion Forms due.

9.7 Section 3 Utilization Plan. SUBRECIPIENT shall comply with the "Section 3 Requirements" attached hereto as part of Exhibit "E" and incorporated herein for this purpose, and provide the reporting stated therein or on such other form as may be acceptable to CITY.

9.8 SUBRECIPIENT agrees to maintain in confidence all information pertaining to the Program or other information and materials prepared for, provided by, or obtained from CITY in connection with the Program, including, without limitation, reports, information, Program evaluation, Program designs, data, and other related information (collectively, "**Confidential Information**") and to use such Confidential Information for the purpose of performing its obligations pursuant to this CONTRACT. SUBRECIPIENT shall protect Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of Confidential Information but shall have the right to use and disclose Confidential Information as is reasonably necessary for purposes of the Program or other Services. SUBRECIPIENT has an established privacy policy designed to protect its own and also third parties' confidential information, including requiring a written confidentiality agreement of SUBRECIPIENT'S employees. SUBRECIPIENT represents that such policy shall apply to Confidential Information under their CONTRACT. If disclosure is required (A) by law or (B) by order of a governmental agency or court of competent jurisdiction, SUBRECIPIENT shall give the Director prior written notice that such disclosure is required with a full and complete description regarding such requirement. This Section 9.3 shall not be construed to limit CITY's or its authorized representatives' right of access to records or other information, confidential or otherwise, under this CONTRACT. Upon expiration or early termination of this CONTRACT, SUBRECIPIENT shall return to CITY all copies of materials related to the Program, including any Confidential Information, but shall be entitled to retain one (1) archived copy. Notwithstanding the foregoing, SUBRECIPIENT shall be permitted to use client-level information, aggregate data, and SUBRECIPIENT'S own work product hereunder to the extent necessary to comply with SUBRECIPIENT'S reporting and other obligations under SUBRECIPIENT'S third party funding agreements, applicable laws and regulations "Confidential Information" does not include information that is or becomes publicly available through no fault of SUBRECIPIENT, its employees, directors, agents or subcontractors. Additionally, the parties have executed that certain HIPPA Business Associate Agreement effective October 1, 2016 ("HIPPA Agreement"), which is intended to protect the privacy and provide for the security of Protected Health Information ("PHI") disclosed to each other pursuant to this Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPPA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPPA Regulations") and other applicable laws. The HIPPA Agreement is incorporated in and made a part of this Contract for all purposes.

9.9 The Public Information Act, Section 552 of the Texas Government Code, gives the public the right to information about the affairs of government in Texas and the official acts of public officials and employees in Texas, unless otherwise expressly provided by law. Section 552.002(a) of the Texas Government Code defines "**public information**", in relevant part, as "information that is written, produced, collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: (1) by a governmental body; [or] for governmental body and the governmental body: (A) owns the information; (B) has a right of access to the information; or (C) spends or contributes public money for the purpose of writing, producing, collecting, assembling, or maintaining the information[.]" Therefore, if

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SUBRECIPIENT receives a request regarding documents within its possession pursuant to this CONTRACT, SUBRECIPIENT shall within forty-eight (48) hours or two (2) business days, whichever is longer, of receiving the request forward such request to CITY for disposition. If SUBRECIPIENT believes the requested information is confidential pursuant to state or federal law, SUBRECIPIENT shall submit to CITY the list of specific statutory authority mandating confidentiality no later than three (3) business days of SUBRECIPIENT's receipt of such request.

9.10 In accordance with Texas law, SUBRECIPIENT acknowledges and agrees that all ***“local government records”***, as defined in Chapter 201, Section 201.003(8) of the Texas Local Government Code, 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, SUBRECIPIENT agrees that no such local government records produced by or on the behalf of SUBRECIPIENT pursuant to this CONTRACT shall be the subject of any copyright or proprietary claim by SUBRECIPIENT. SUBRECIPIENT further agrees to turn over to CITY all such records upon expiration or early termination of this CONTRACT, if requested by CITY, but SUBRECIPIENT may retain a copy of said records. For purpose of this paragraph, SUBRECIPIENT may release those portions of said records as are reasonably necessary for SUB-GRANTEE's compliance with existing federal, state or local laws; provided that upon request from NHSD, SUBRECIPIENT will provide a list of records released and the recipient of said records. Nothing herein shall relieve SUB -GRANTEE from the continued obligation to preserve and protect confidential information.

9.11 SUBRECIPIENT agrees to comply with official records retention schedules in accordance with the Local Government Records Act of 1989 and any amendments thereto

9.12 Within a period not to exceed ninety (90) days from the expiration or early termination date of this CONTRACT, SUBRECIPIENT shall submit all final client and/or fiscal reports and all required deliverables to CITY. SUBRECIPIENT understands and agrees that in conjunction with the submission of the final report, SUBRECIPIENT shall execute and deliver to CITY a receipt for all sums and a release of all claims against the Program.

9.13 Upon request, SUBRECIPIENT shall provide to CITY all information requested by CITY relating to SUBRECIPIENT's functions of its governing board. Information required for submission shall include, but may not be limited to:

- (A) Roster of current board members (name, title, and e-mail address);
- (B) Current charter, including prior amendments;
- (C) Current bylaws, including prior amendments;
- (D) Terms of officers;
- (E) Schedule of anticipated board meetings for current fiscal year;
- (F) Minutes of board meetings; and
- (G) Board's agenda, to be submitted at least three (3) business days prior to each board meeting.

9.14 SUBRECIPIENT shall retain any and all documents produced as a result of Services provided hereunder for a period of five (5) years (hereafter referred to as “retention period”) from the date of termination of the CONTRACT. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the Services provided hereunder, SUBRECIPIENT shall retain the records until the resolution of such litigation or other such questions. SUBRECIPIENT acknowledges and agrees that CITY shall have access to any and all such documents at any and all reasonable times with prior written notice to SUBRECIPIENT, as deemed necessary by CITY. Except as required by applicable laws and regulations, or SUBRECIPIENT'S other funding agreements

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with other governmental entities, upon expiration of the retention period, SUBRECIPIENT shall return to the CITY all copies of confidential information, if requested by the CITY, or it is not feasible to return all such information, SUBRECIPIENT shall destroy such information and certify such destruction to the CITY in writing. Notwithstanding the foregoing, SUBRECIPIENT shall be entitled to keep a copy of all such records and other information (either in electronic or hard copy form) for archive purposes (or as permitted by HIPPA Agreement), but same shall be subject to the requirements of this Article for so long as SUBRECIPIENT shall maintain copies thereof.

9.15 Additionally, SUBRECIPIENT shall retain invoices and receipts for all income payments made under Section 7.7 above for the greater period of time provided in Section 9.10 or Section 9.14 herein.

X. INSURANCE

10.1 SUBRECIPIENT agrees to comply with the following insurance provisions:

- (A) Prior to the commencement of the Services under this CONTRACT, SUBRECIPIENT shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to NHSD, which shall be clearly labeled **“Home Rehab Program Delivery; Program No.: _____”** 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. CITY will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must be signed by the Authorized Representative of the carrier, and list the agent’s signature and phone number. The certificate shall be mailed, with copies of all applicable endorsements, directly from the insurer’s authorized representative to CITY. CITY shall have no duty to pay or perform under this CONTRACT until such certificate and endorsements have been received and approved by the NHSD. No officer or employee, other than CITY’s Risk Manager, shall have authority to waive this requirement.
- (B) CITY reserves the right to review the insurance requirements of this Article X during the effective period of this CONTRACT 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 CONTRACT. In no instance will CITY allow modification whereby CITY may incur increased risk. CITY will provide SUBRECIPIENT at least thirty (30) days written notice prior to the effective date of any such changes in this Article X required by CITY.
- (C) A SUBRECIPIENT’s financial integrity is of interest to CITY; therefore, subject to SUBRECIPIENT’s right to maintain reasonable deductibles in such amounts as are approved by CITY, SUBRECIPIENT shall obtain and maintain in full force and effect for the duration of this CONTRACT, and any extension hereof, at SUBRECIPIENT’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:

TYPE	AMOUNTS
1. Workers’ Compensation	Statutory
2. Employers’ Liability	\$1,000,000/\$1,000,000/\$1,000,000

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3. Commercial General Liability, to include coverage for the following: a. Premises/Operations b. Products/Completed Operations c. Personal/Advertising Injury d. Contractual Liability e. Independent Contractors f. Damage to property rented by you	For Bodily Injury and Property Damage of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence
5. Professional Liability (Claims-made basis)	\$1,000,000.00 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services
6. Builder's Risk	All Risk Policy written on an occurrence basis for 100% replacement cost during construction phase of any new or existing structure
7. Environmental Insurance - Contractor's Pollution Liability (Claims-made basis)	\$1,000,000.00 per occurrence; \$2,000,000.00 general aggregate for claims associated with hazardous materials, to include spills and mitigation
8. Explosion, Collapse, Underground Property Hazard Liability	\$2,000,000.00 per claim

(D) SUBRECIPIENT agrees to require, by written contract, that all general contractors and sub-contractors providing goods or Services hereunder obtain the same categories of insurance coverages required of SUBRECIPIENT herein, and provide a certificate of insurance and endorsement that names SUBRECIPIENT and CITY as additional insureds. Policy limits of the coverages carried by sub-contractors will be determined as a business decision of SUBRECIPIENT. SUBRECIPIENT shall provide CITY with said certificate and endorsement prior to the commencement of any work by the sub-contractor. 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 CONTRACT. Such modification may be enacted by letter signed by CITY's Risk Manager, which shall become a part of this CONTRACT for all purposes. CITY will provide SUBRECIPIENT at least thirty (30) days written notice prior to the effective date of any such changes in this Article X required by CITY.

(E) As they apply to the limits required by CITY, CITY shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all required endorsements. SUBRECIPIENT shall be required to comply with any such requests and shall submit requested documentation to CITY at the address provided below within ten

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(10) days. SUBRECIPIENT shall pay any costs incurred resulting from provision of said documents.

CITY of San Antonio
Attn: Neighborhood and Housing Services Department
P.O. Box 839966
San Antonio, Texas 78283-3966

- (F) SUBRECIPIENT agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:
- Name CITY, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, in respect to its operations and activities of, or on behalf of, the named insureds performed under contract with 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 CITY of San Antonio where 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 CITY;
- (G) SUBRECIPIENT shall provide advance written notice to CITY of any intention to suspend or cancel coverage with any insurer providing a policy required by this CONTRACT, and shall give CITY not less than ten (10) days' notice before said cancellation occurs.
- (H) Within five (5) business days of a suspension, cancellation or non-renewal of coverage, SUBRECIPIENT shall provide a replacement Certificate of Insurance and applicable endorsements to CITY. CITY shall have the option to suspend SUBRECIPIENT'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 CONTRACT.
- (I) In addition to any other remedies CITY may have upon SUBRECIPIENT's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, CITY shall have the right to order SUBRECIPIENT to stop work hereunder, and/or withhold any payment(s) which become due to SUBRECIPIENT hereunder until SUBRECIPIENT demonstrates compliance with the requirements hereof.
- (J) Nothing herein contained shall be construed as limiting in any way the extent to which SUBRECIPIENT may be held responsible for payments of damages to persons or property resulting from SUBRECIPIENT's or its sub-contractors' performance of the work covered under this CONTRACT.
- (K) It is agreed that SUBRECIPIENT's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by CITY for liability arising out of operations under this CONTRACT.
- (L) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this CONTRACT and that no claim or action by or on behalf of CITY shall be limited to insurance coverage provided.

- (M) SUBRECIPIENT and any sub-contractors are responsible for all damage to their own equipment and/or property.

XI. INDEMNITY

11.1 SUBRECIPIENT AGREES TO COMPLY WITH THE FOLLOWING INDEMNITY PROVISIONS:

- (A) SUBRECIPIENT covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, CITY and the elected officials, employees, officers, directors, volunteers and representatives of CITY, individually and 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 CITY directly or indirectly arising out of, resulting from or related to SUBRECIPIENT'S activities under this CONTRACT, including any acts or omissions of SUBRECIPIENT, any agent, officer, directors, representative, employee, consultant or sub-contractor of SUBRECIPIENT, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this Section 11.1(A) shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT SUBRECIPIENT AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

The indemnity provisions of this Article XI 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. SUBRECIPIENT shall advise the CITY in writing within twenty-four (24) hours of any claim or demand against the CITY or SUBRECIPIENT known to SUBRECIPIENT related to or arising out of SUBRECIPIENT's activities under this CONTRACT and shall see to the investigation and defense of such claim or demand at SUBRECIPIENT's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving SUBRECIPIENT of any of its obligations under this Article XI.

XII. APPLICABLE LAWS

12.1 SUBRECIPIENT understands that the Grant Funds provided to it pursuant to this CONTRACT are funds which have been made available to CITY by the federal government under the Community Development Act, and in accordance with CITY's HUD-approved grant application. SUBRECIPIENT, therefore, assures and certifies that it will comply with applicable provisions of the Community Development Act, and with all applicable regulations promulgated thereunder as codified as Title 24 of the Code of Federal Regulations, as well as with all applicable regulations of Americans with Disabilities Act ("ADA"). SUBRECIPIENT understands, however, that the Community Development Act and the ADA are no way meant to constitute a complete

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compilation of all duties imposed upon the SUBRECIPIENT by law or administrative ruling, or to narrow the standards which SUBRECIPIENT must follow. Accordingly, SUBRECIPIENT understands that if the applicable regulations and issuances promulgated pursuant to the Community Development Act or the ADA are amended or revised, it shall comply with them or otherwise notify CITY as soon as reasonably possible upon becoming aware it is unable to comply pursuant to the provisions of Article XLVI of this CONTRACT. SUBRECIPIENT agrees to comply with all laws, rules, regulations, policies, and procedures applicable to the Grant Funds received by SUBRECIPIENT hereunder or as required in this CONTRACT. Without narrowing the laws and regulations with which SUBRECIPIENT must comply, SUBRECIPIENT acknowledges, understands, and agrees that, in performing Services under this CONTRACT:

- (A) SUBRECIPIENT shall comply with 2 C.F.R. 200 *et al.* titled *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.
- (B) SUBRECIPIENT shall comply with the Americans with Disabilities Act of 1990, 42, U.S.C. 12101 *et seq.*, and all regulations thereunder.
- (C) SUBRECIPIENT shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. §§1251-1387), as amended. SUBRECIPIENT agrees to report each violation of same by SUBRECIPIENT to CITY and understands that CITY will, in turn, report each violation as required to the federal agency providing funds for this CONTRACT and the appropriate EPA Regional Office. Additionally, SUBRECIPIENT agrees to include these requirements in each subcontract to this CONTRACT exceeding One Hundred Fifty Thousand Dollars (\$150,000.00) financed in whole or in part with federal funds.
- (D) SUBRECIPIENT shall comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, including, but not limited to, the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247. SUBRECIPIENT agrees to include within its subcontracts a requirement that its sub-contractors comply with this provision.
- (E) SUBRECIPIENT has tendered to CITY a Certification of Restrictions on Lobbying in compliance with the Byrd Anti-lobbying Amendment (31 U.S.C. §1352), and any applicable implementing regulations, if SUBRECIPIENT applied for or bid for an award exceeding One Hundred Thousand Dollars (\$100,000.00) from CITY under this CONTRACT.
- (F) SUBRECIPIENT shall comply with 24 CFR 570 Section 570.601 – Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.
- (G) SUBRECIPIENT shall comply with 24 C.F.R. § 570.602 - Section 109 of the Community Development Act, which provides that no person in the United States shall on the grounds of race, color, national origin, religion, sex, age or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance made available pursuant to the Act or Title I programs.
- (H) SUBRECIPIENT shall comply with the requirements of 24 CFR § 570.604 entitled “Environmental Standards.”
- (I) SUBRECIPIENT acknowledges, understands, and agrees to comply with 24 C.F.R. §570.605, entitled “National Flood Insurance Program.”
- (J) SUBRECIPIENT acknowledges, understands, and agrees to comply with 24 C.F.R. §570.606, entitled “Displacement, Relocation, Acquisition, and Replacement of Housing.”
- (K) SUBRECIPIENT acknowledges, understands, and agrees to comply with 24 C.F.R.

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§570.607, entitled “Employment and Contracting Opportunities” and “Section 3” and:

- i. SUBRECIPIENT must at all times remain in compliance with the requirements set out in Section 3. SUBRECIPIENT further understands that said requirements in Section 3 are summaries, and are intended only as such and in no way are meant to constitute a complete compilation of all duties imposed upon SUBRECIPIENT by law or administrative ruling, or to narrow the standards which SUBRECIPIENT must follow; and
 - ii. SUBRECIPIENT must assure that all contractors and subcontractors receiving funds in connection with this Project are familiar with, and shall comply with, any and all applicable rules and regulations as contained in Section 3 and that SUBRECIPIENT shall include Section 3 as part of every contract awarded in connection with this Project.
- (L) SUBRECIPIENT acknowledges, understands, and agrees to comply with 24 C.F.R. §570.608, entitled “Lead-based paint,” and:
- i. SUBRECIPIENT acknowledges, understands, and agrees that it shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities.
- (M) SUBRECIPIENT shall comply with the requirements of 24 C.F.R. § 570.609 and Executive Order 12549 entitled “Debarment and Suspension.”
- (N) SUBRECIPIENT shall comply with the requirements of 24 C.F.R. § 570.610-Uniform Administrative Requirements and Cost Principles as they relate to the acceptance and use of federal funds.
- (O) SUBRECIPIENT shall comply with 24 C.F.R. § 570.611, which provides that no persons who exercise or have exercised any functions or responsibilities with respect to any CDBG-assisted activity, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter.
- (P) SUBRECIPIENT shall ensure that certain newly legalized aliens, as described in 24 C.F.R. Part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in 24 C.F.R. § 570.613(e). Under 24 C.F.R. § 570.613(a), “*benefits*” means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in 24 C.F.R. § 570.613(e), but do not include relocation services and payments to which displacees are entitled by law.
- (Q) SUBRECIPIENT shall comply with 24 C.F.R. § 570.614, Architectural Barriers Act and Americans with Disabilities Act.

12.2 As a party to this CONTRACT, SUBRECIPIENT understands and agrees to comply with the *Non-Discrimination Policy* of CITY contained in Chapter 2, Article X of CITY’s Code and shall also not discriminate in connection with these Services on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein. Additionally, SUBRECIPIENT certifies that in performing its duties hereunder it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including, but not limited to:

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- (A) Title VII of the Civil Rights Act of 1964, as amended;
- (B) Section 504 of the Rehabilitation Act of 1973, as amended;
- (C) The Age Discrimination Act of 1975, as amended;
- (D) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681- 1688);
- (E) Fair Labor Standards Act of 1938, as amended;
- (F) Equal Pay Act of 1963, P.L. 88-38; and
- (G) Executive Order 11246, as amended;
- (H) All applicable regulations implementing the above laws.

12.3 SUBRECIPIENT certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the SUBRECIPIENT to suspension of payments, termination of this CONTRACT, and debarment and suspension actions.

12.4 SUBRECIPIENT warrants that any and all taxes that SUBRECIPIENT may be obligated for, including, but not limited to, federal, state, and local taxes, fees, special assessments, federal and state payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the effective execution date of this CONTRACT. SUBRECIPIENT shall comply with all applicable local, state, and federal laws including, but not limited to:

- (A) Worker's compensation;
- (B) Unemployment insurance;
- (C) Timely deposits of payroll deductions;
- (D) Filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc.;
- (E) Occupational Safety and Health Act regulations; and
- (F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.5 In compliance with Section 2264.053 of the Texas Government Code, Restrictions on Use of Certain Public Subsidies, if SUBRECIPIENT receives a public subsidy and is found to be in violation of 8 U.S.C. § 1324a(f), SUBRECIPIENT shall repay all funds received under this CONTRACT with interest in the amount of three percent (3%). Such repayment shall be made within one hundred twenty (120) days of SUBRECIPIENT receiving notice from CITY of the violation. For purposes of this Section 12.6, a public subsidy is defined as a public program or public benefit or assistance of any type that is designed to stimulate the economic development of a corporation, industry or sector of the state's economy or to retain or create jobs in this state. This term includes grants, loans, loan guarantees, benefits relating to an enterprise or empowerment zone, fee waivers, land price subsidies, infrastructure development and improvements designed to principally benefit a single business or defined group of businesses, matching funds, tax refunds, tax rebates or tax abatements.

12.6 SUBRECIPIENT agrees to abide by any and all future amendments or additions to all laws, rules, regulations, policies and procedures pertinent to this CONTRACT as they may be promulgated.

12.7 All expenditures under this CONTRACT by SUBRECIPIENT or any of its sub-contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations. SUBRECIPIENT shall also comply with CITY's SUBRECIPIENT Procurement Guide which is available upon request from CITY. If using CITY's general funds, expenditures shall be made in accordance with all bidding requirements that CITY would be required to perform under Chapter 252 of the Texas Local

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Government Code.

12.8 SUBRECIPIENT shall submit to NHSD on an annual basis form 990 or 990T thirty (30) days after Internal Revenue Service (“**IRS**”) deadlines for completion. If filing an extension, SUBRECIPIENT shall notify CITY in writing of the extension and the anticipated date of filing with the IRS. SUBRECIPIENT shall submit the 990 or 990T to NHSD no later than thirty (30) days after the date of filing the form for which SUBRECIPIENT received an extension.

12.9 SUBRECIPIENT acknowledges, understands, and agrees to comply with the following federal regulations as promulgated in Section 3 clause of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (“**Section 3**”), including the implementing regulations set forth in 24 C.F.R. Part 75, the Section 3 Final Rule, HUD CPD Notice 21-09 and relevant portion related to Section 3 in Exhibit “e” attached hereto.

12.10 SUBRECIPIENT acknowledges, understands, and agrees to comply with 24 C.F.R. § 570.503(b)(7). SUBRECIPIENT shall not acquire or improve real property under its control with any CDBG funds provided in this CONTRACT. Upon expiration or termination of this AGREEMENT, SUBRECIPIENT shall, at the time of said expiration or termination, transfer to CITY any CDBG funds on hand and all accounts receivable, including liens, security agreements, instruments and other documents, attributable to the use of CDBG funds.

12.11 SUBRECIPIENT must at all times remain in compliance with the requirements set out in this Article 12. SUBRECIPIENT further understands that said requirements in this Article 12 are summaries, and are intended only as such and in no way are meant to constitute a complete compilation of all duties imposed upon SUBRECIPIENT by law or administrative ruling, or to narrow the standards which SUBRECIPIENT must follow.

12.12 SUBRECIPIENT assures that all contractors and subcontractors receiving funds in connection with this Program are familiar with, and shall be obligated to comply with, any and all applicable rules and regulations as contained in this Article 12 and that SUBRECIPIENT shall include this Article 12 as part of every contract awarded in connection with this Program.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 SUBRECIPIENT warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this CONTRACT upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of SUBRECIPIENT or CITY. For breach or violation of this warranty, CITY shall have the right to terminate this CONTRACT without liability or, at its discretion, to deduct from this CONTRACT or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 SUBRECIPIENT covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of Services required to be performed under this CONTRACT. SUBRECIPIENT further covenants that in the performance of this CONTRACT, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 SUBRECIPIENT further covenants that in connection with the performance of this CONTRACT or participation in any decisions related hereto, no member of its governing body or of its

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staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of CITY's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this CONTRACT shall:

- (A) Participate in any decision relating to this CONTRACT which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
- (B) Have any direct or indirect interest in this CONTRACT or the proceeds thereof.

13.5 SUBRECIPIENT acknowledges that it is informed that CITY's Charter and its Ethics Code prohibit a CITY officer or employee, as those terms are defined in Section 2-52 of 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: A CITY officer or employee; his/her parent, child or spouse; a business entity in which the officer or employee, or his/her parent, child or spouse owns ten percent (10%) or more of the voting stock or shares of the business entity, or ten percent (10%) or more of the fair market value of the business entity; or a business entity in which any individual or entity above listed is sub-contractor on a CITY contract, a partner or a parent or subsidiary business entity.

13.6 SUBRECIPIENT warrants and certifies, and this CONTRACT is made in reliance thereon, that no CITY officer or employee nor any spouse, parent, child sibling or first-degree relative of a CITY officer or employee owns ten percent (10%) or more of the voting stock or shares of SUBRECIPIENT, or ten percent (10%) or more of the fair market value of SUBRECIPIENT. SUBRECIPIENT further warrants and certifies that it has tendered to CITY a Discretionary Contracts Disclosure Statement in compliance with CITY's Ethics Code.

13.7 Section 2270.002, Tex. Gov. Code. Section 2270.002 of the Texas Government Code provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. By executing this CONTRACT, SUBRECIPIENT hereby verifies that if it is a company, as that term is defined in Section 2270.002, it does not boycott Israel, and will not boycott Israel during the Term of this CONTRACT. For purpose of this representation, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. SUBRECIPIENT's verification is a material representation of fact upon which the CITY has relied in entering into this CONTRACT. Should CITY determine, at any time during this CONTRACT, including any renewals or extensions hereof, that this certification is false, or should it become false due to changed circumstances, the CITY may terminate this CONTRACT.

13.8 Submission of Form 1295. Section 2252.908 of Texas Government Code provides that a governmental entity may not enter into a contract described therein with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The Texas Ethics Commission has adopted a form ("**Form 1295**") and rules regarding the filing of Form 1295 with the Texas Ethics Commission and submission of a copy of Form 1295 to the governmental entity. Form 1295 and additional information may

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be found at: <https://www.ethics.state.tx.us/tec/1295-Info.htm>. If Section 2252.908 is applicable to SUBRECIPIENT, SUBRECIPIENT warrants and certifies, and this CONTRACT is made in reliance thereon, that prior to entering into this Agreement, SUBRECIPIENT filed Form 1295 with the Texas Ethics Commission and submitted a copy of said form to CITY.

13.9 Section 2252.152, Tex. Gov. Code. Texas Government Code § 2252.152 provides that a governmental entity may not enter into a governmental contract that is identified on a list prepared and maintained under Texas Government Code §§ 806.051, 807.051, or 2252.153. By executing this CONTRACT with CITY, SUBRECIPIENT hereby certifies that is not identified on such a list and that it will notify CITY should it be placed on such a list while under contract with CITY. CITY hereby relies on SUBRECIPIENT's certification. If found to be false, CITY may terminate this CONTRACT for material breach.

13.10 Section 2274, Tex. Gov. Code – Certain Energy Companies. Texas Government Code §2274 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit. This term does not include a sole proprietorship. "Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described in (A). SUBRECIPIENT hereby verifies that it does not boycott energy companies and will not boycott energy companies during the term of this CONTRACT. CITY hereby relies on SUBRECIPIENT's verification. If found to be false, CITY may terminate this CONTRACT for material breach. This section only applies to a contract that:

- (1) is between a governmental entity and a company with 10 or more full-time employees; and
- (2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

13.11 Section 2274, Tex. Gov. Code – Firearm and Ammunition Industries. Texas Government Code §2274 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit. This term does not include a sole proprietorship. "Discriminate against a firearm entity or firearm trade association": (A) means, with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association. SUBRECIPIENT hereby verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade

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association; and will not discriminate during the term of this CONTRACT against a firearm entity or firearm trade association. CITY hereby relies on SUBRECIPIENT's verification. If found to be false, CITY may terminate the CONTRACT for material breach. This section only applies to a contract that:

(1) is between a governmental entity and a company with 10 or more full-time employees; and
has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

XIV. TERMINATION

14.1 For purposes of this CONTRACT, "termination" of this CONTRACT shall mean termination by expiration of the CONTRACT term or earlier termination pursuant to any of the provisions hereof.

14.2 **TERMINATION BY NOTICE:** The CONTRACT may be terminated by either party upon written notice, provided such notice specifies an effective date of termination, which shall be not less than five (5) days from the date such notice is received by the other party. If the notice does not specify a date of termination, the effective date of termination shall be five (5) days after receipt of the notice by the other party. Subject to Article IX all files are the property of the CITY and, at the CITY'S request, will be delivered at no cost to the CITY or its designated recipient at the effective date of termination.

14.3 **TERMINATION FOR CAUSE:** Should either party default in the performance of any of the terms or conditions of this CONTRACT, the non-defaulting party shall deliver to the defaulting party written notice thereof specifying the matters of default and stating the date of termination, which may be immediately therewith.

14.4 **TERMINATION BY LAW:** If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein or if any law is interpreted to prohibit such performance, and the CONTRACT may not be continued by severance of the prohibited duties, this CONTRACT shall automatically terminate as of the effective date of such prohibition.

14.5 **NON-APPROPRIATION:** In the event that through action or no action initiated by the City of San Antonio, the CITY's legislative body does not appropriate funds for the continuation of this CONTRACT and has no funds to do so from other sources, this CONTRACT may be terminated.

14.6 **EFFECT OF TERMINATION:** Upon the effective date of expiration or termination of this CONTRACT SUBRECIPIENT shall cease all operations of work being performed by SUBRECIPIENT or any of its approved subcontractors pursuant to this CONTRACT. The period between notice of termination and the effective date of termination shall be used to effect an orderly transfer of records and documents and funds, if any, from the SUBRECIPIENT to the CITY or to such person(s) as the CITY may designate, if so requested by CITY; otherwise, the documents shall be retained by SUBRECIPIENT in accordance with Article IX and other applicable provisions of this CONTRACT. Any records or documents transfer shall be completed within fifteen (15) days of the termination date. Any such transfer of records or funds shall be completed at the SUBRECIPIENT'S sole cost and expense.

14.7 Within thirty (30) days of the effective date of termination (unless an extension is authorized in writing by the CITY), the SUBRECIPIENT shall submit to the CITY, its claim, in detail, for the monies owed by the CITY for Services performed under this CONTRACT through the effective date of termination. Failure by SUBRECIPIENT to submit its claims within said thirty (30) days shall negate any liability on the part of CITY and constitute a waiver by SUBRECIPIENT of any and all right or claims

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to collect funds that SUBRECIPIENT may rightfully be otherwise entitled to for Services performed pursuant to this CONTRACT.

14.8 Upon termination of this CONTRACT, the CITY may immediately commence an audit of the SUBRECIPIENT'S books, accounts, and records in respect to the CONTRACT. Within thirty (30) days after being notified by the CITY of the results of said audit, the SUBRECIPIENT shall pay the CITY any amount shown by said audit to be owed the CITY.

14.9 Termination not sole remedy. In no event shall CITY's action of terminating this CONTRACT, whether for cause or otherwise, be deemed an election of CITY's remedies, nor shall such termination limit, in any way, at law or at equity, CITY's right to seek damages from or otherwise pursue SUBRECIPIENT for any default hereunder or other action.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 SUBRECIPIENT agrees that no funds provided from or through CITY under this CONTRACT shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Program provided for in this CONTRACT be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 SUBRECIPIENT agrees that no funds provided under this CONTRACT may be used in any way to attempt to influence, in any manner, a member of Congress or any other state or local elected or appointed official.

15.3 The prohibitions set forth above in Sections 15.1 and 15.2 include, but are not limited to, the following:

- (A) An activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;
- (B) Working or directing other personnel to work on any political activity during time paid for with CITY funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;
- (C) Coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and
- (D) Using facilities or equipment paid for, in whole or in part with CITY funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, SUBRECIPIENT shall provide every member of its personnel paid out of CITY funds under this CONTRACT with a statement of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to NHSD. SUBRECIPIENT shall list the name and number of a contact person from NHSD on the statement that SUBRECIPIENT's personnel can call to report said violations.

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15.5 SUBRECIPIENT agrees that in any instance where an investigation of the above is ongoing or has been confirmed, reimbursements paid to SUBRECIPIENT under this CONTRACT may, at CITY's discretion, be withheld until the situation is resolved.

15.6 This Article XV shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, SUBRECIPIENT and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with CITY funds.

XVI. PERSONNEL MANAGEMENT

16.1 SUBRECIPIENT agrees to establish internal procedures that assure employees of an established complaint and grievance policy. The grievance policy will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.2 SUBRECIPIENT is permitted to pay its full time employees funded through this CONTRACT for the total number of holidays authorized by the City Council. If SUBRECIPIENT elects to observe more than the total number of holidays authorized by the City Council for CITY employees, then such additional days are not eligible for reimbursement under this CONTRACT.

16.3 SUBRECIPIENT agrees that the job titles and descriptions set forth in the Budget, attached hereto as Exhibit B, that affect a salary or range increase may not be changed without justification and prior written approval from the Director, as evidenced through a written amendment to this CONTRACT approved by the Director.

16.4 SUBRECIPIENT agrees that all copies of written job descriptions will be filed in all individual personnel folders for each position in the organization funded through this CONTRACT.

16.5 SUBRECIPIENT agrees to provide CITY with the names and license registration of any employees of SUBRECIPIENT regulated by state law whose activities contribute towards, facilitate, or coordinate the performance of this CONTRACT.

16.6 At the sole discretion of the Director, SUBRECIPIENT may be reimbursed by CITY for the cost of pay granted to full time, permanent employees that is not chargeable to annual or personal leave only for the reasons listed below:

- (A) To attend annual training in a branch of the Armed Services, not to exceed fifteen (15) business days during the term of this CONTRACT;
- (B) To serve as a juror;
- (C) To attend the funeral of someone in the immediate family, which shall include father, mother, sister, brother, husband, wife, or child, and other relative if the latter are actually members of the employee's household, not to exceed three (3) business days of leave during the term of this CONTRACT; or
- (D) To attend seminars or workshops.

16.7 Chief Executive Officers (CEOs), directors and other supervisory personnel of SUBRECIPIENT may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, ("***Relatives***") who are involved in any capacity with Program delivery supported through CITY funds. Relatives, however, may be co-workers in the same program in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 SUBRECIPIENT agrees to comply with the following provisions regarding adversarial proceedings:

- (A) Under no circumstances will the Grant Funds received under this CONTRACT be used, either directly or indirectly, to pay costs or attorneys' fees incurred in any adversarial proceeding against CITY or any other public entity; and
- (B) SUBRECIPIENT, at CITY's option, could be ineligible for consideration to receive any future funding while any adversarial proceedings against CITY remains unresolved.

XVIII. CITY-SUPPORTED PROGRAM

18.1 SUBRECIPIENT shall publicly acknowledge that the Program is supported by NHSD. Throughout the term of this CONTRACT, SUBRECIPIENT agrees to include written acknowledgment of CITY's financial support in all Program-related presentations, press releases, flyers, brochures and other informational material prepared and distributed by SUBRECIPIENT in the ordinary course of administering the Program. SUBRECIPIENT shall obtain CITY's prior approval of the language and logo, as applicable, to be used.

XIX. EQUIPMENT

19.1 CITY retains ownership of all equipment/property purchased with funds received through CITY under this CONTRACT and such equipment/property shall, at CITY's sole option, revert to CITY at CONTRACT's expiration or early termination, for whatever reason. SUBRECIPIENT agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon expiration or early termination of this CONTRACT. Equipment that has reverted to SUBRECIPIENT through a CITY-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with CITY funds. It is understood that the terms, "*equipment*" and "*property*", as used herein, shall include not only furniture and other durable property, but also vehicles.

19.2 SUBRECIPIENT agrees that no equipment purchased with CITY funds may be disposed of without receiving prior written approval from NHSD. In cases of theft and/or loss of equipment, it is the responsibility of SUBRECIPIENT to replace it with like equipment. CITY funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with CITY funds.

19.3 SUBRECIPIENT shall maintain records on all items obtained with CITY funds under this CONTRACT to include:

- (A) A description of the equipment, including the model and serial number, if applicable;
- (B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
- (C) Information from which one can calculate the percentage of federal participation in the cost of the equipment;
- (D) An indication of whether the equipment is new or used;
- (E) The vendor's name (or transferred from);
- (F) The location of the property;
- (G) The property number shown on the property tag; and
- (H) Ultimate disposition data, including date of disposal and sales price or the method used to

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determine current fair market value where SUBRECIPIENT compensates the CITY for its share.

19.4 SUBRECIPIENT shall provide to the CITY an annual physical inventory of equipment and a reconciliation of the results with the equipment records. SUBRECIPIENT shall investigate any differences between quantities determined by the physical inspection and those shown in the accounting records to determine the causes of the difference. SUBRECIPIENT shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

19.5 SUBRECIPIENT is fully and solely responsible for the safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Grant Funds. All lost, stolen, missing, damaged and/or destroyed equipment/property shall be reported to the local police department and, if applicable, the Federal Bureau of Investigation. SUBRECIPIENT shall make such reports immediately and shall notify and deliver a copy of the official report to NHSD within seventy-two (72) hours from the date that SUBRECIPIENT discovers the equipment/property having been lost, stolen, missing, damaged and/or destroyed. The report submitted by SUBRECIPIENT to NHSD shall, at minimum, include:

- (A) A reasonably complete description of the missing, damaged or destroyed articles of property, including the cost and serial number and other pertinent information;
- (B) A reasonably complete description of the circumstances surrounding the loss, theft, damage or destruction; and
- (C) A copy of the official written police report or, should the police not make such copy available, a summary of the report made to the police, including the date the report was made and the name and badge number of the police officer who took the report.

19.6 All equipment purchased under this CONTRACT shall be fully insured against fire, loss and theft.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are not allowable costs unless authorized in the Budget, and documentation of the expense is provided to and approved by NHSD.

20.2 If travel is authorized in the Budget, SUBRECIPIENT agrees that mileage reimbursement paid to SUBRECIPIENT's employees shall be reimbursed at a rate no more liberal than CITY's policy for mileage reimbursement, which is consistent with Internal Revenue Service ("IRS") rules. SUBRECIPIENT further agrees that in order for its employees to be eligible for mileage reimbursement, the employees (A) shall be required to possess a valid Texas driver's license and liability insurance as required by law, and (B) must record, on a daily basis, odometer readings before and after business use, showing total business miles driven each day and must keep such record on file for CITY's inspection, if requested. Mileage records are subject to spot-checks by CITY. SUBRECIPIENT shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with SUBRECIPIENT.

20.3 If travel is authorized in the Budget, SUBRECIPIENT agrees that in order to obtain reimbursement of the costs associated with budgeted out-of-town travel for business in connection with this CONTRACT, SUBRECIPIENT shall (A) provide CITY with detailed documentation of such business travel expense(s); (B) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than CITY's travel policies which conform with the reimbursement rates

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established by the United States General Services Administration; (C) purchase all business travel at economy class rates and shall document such; and (D) submit support for conferences to include itineraries and documentation certifying conference attendance.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 SUBRECIPIENT agrees that none of the Services rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said Services rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity including, but not limited to support inherently religious activities such as worship, religious instruction, or proselytization.

21.2 SUBRECIPIENT may provide support to eligible individuals in a manner that permits the individual to voluntarily access religious activities selected by the individual that may be consistent with the individual's cultural and spiritual background. Notwithstanding the foregoing, SUBRECIPIENT shall provide Services to all eligible beneficiaries without regard to religion or religious affiliation, and in connection with the Services, shall not promote or endorse any particular religion or religious activity. SUBRECIPIENT shall not withhold or deny Services to an eligible individual access to Services because the individual chooses not to participate in any particular religion or religious activities.

**XXII. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED
DEBARMENT, AND OTHER RESPONSIBILITY MATTERS**

22.1 SUBRECIPIENT certifies, and CITY relies thereon in execution of this CONTRACT, that neither SUBRECIPIENT nor its principals are presently debarred, suspended, proposed for debarment, or declared ineligible, or voluntarily excluded for the award of contracts by any federal governmental agency or department. "*Principals*," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).

22.2 SUBRECIPIENT shall provide immediate written notice to CITY, in accordance with Article XXVI, if at any time during the term of this CONTRACT, including any renewals hereof, SUBRECIPIENT learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances.

22.3 SUBRECIPIENT's certification is a material representation of fact upon which CITY has relied in entering into this CONTRACT. Should CITY determine, at any time during this CONTRACT, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, CITY may terminate this CONTRACT in accordance with the termination provisions of Article XIV.

XXIII. ASSIGNMENT

23.1 SUBRECIPIENT shall not assign nor transfer SUBRECIPIENT's interest in this CONTRACT or any portion thereof without the written consent of the City Council. Any attempt to transfer, pledge or otherwise assign shall be void *ab initio* and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

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24.1 Except where the terms of this CONTRACT expressly provide otherwise, any amendment to this CONTRACT shall not be binding on the Parties unless such amendment be in writing, executed by both CITY and SUBRECIPIENT and dated subsequent to the date hereof.

24.2 It is understood and agreed by parties hereto, that changes in local, state and federal rules, regulations or laws applicable hereto, may occur during the term of this CONTRACT and that any such changes shall be automatically incorporated into this CONTRACT without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

XXV. SUBCONTRACTING

25.1 Except for general contractors hired by SUBRECIPIENT to perform the construction services, none of the Services covered by this CONTRACT shall be sub-contracted without the prior written consent of CITY. Upon request, SUB-RECEIPIENT shall submit a copy of its general contractor's contract or contracts to CITY..

25.2 SUBRECIPIENT must comply with all applicable local, state and federal procurement standards, rules, regulations and laws in all its sub-contracts related to the Services and the Grant Funds. It is further agreed by the parties hereto that CITY has the authority to monitor, audit, examine, and make copies and transcripts of all sub-contracts, as often as deemed appropriate by CITY. If, in the sole determination of CITY, it is found that all applicable local, state and federal procurement standards, rules, regulations and laws have not been met by SUBRECIPIENT with respect to any of its sub-contracts, then SUBRECIPIENT will be deemed to be in default of this CONTRACT, and as such, this CONTRACT will be subject to termination in accordance with the provisions hereof.

25.3 Any work or services for sub-contracting hereunder, shall be sub-contracted only by written contract, and unless specific waiver is granted in writing by CITY, shall be subject by its terms to each and every provision of this CONTRACT. Compliance by sub-contractors with this CONTRACT shall be the responsibility of SUBRECIPIENT. SUBRECIPIENT agrees that payment for services of any sub-contractor shall be submitted through SUBRECIPIENT, and SUBRECIPIENT shall be responsible for all payments to sub-contractors.

25.4 SUBRECIPIENT certifies that its sub-contractors are not presently debarred, suspended or proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

XXVI. OFFICIAL COMMUNICATIONS

26.1 For purposes of this CONTRACT, all official communications and notices between the parties shall be deemed sufficient if in writing and delivered in person, mailed by overnight or express service or mailed postage prepaid, to the addresses set forth below:

If to CITY:

Neighborhood and Housing Services Department
Attn: Director
P.O. Box 839966
San Antonio, Texas 78283-3966

With a Copy To:
City Attorney's Office

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Attn: CDBG Attorney
P.O. Box 839966
San Antonio, Texas 78283-3966

If to SUBRECIPIENT:
Merced Housing Texas
Attn: President & Executive Director
P.O. Box 12870
San Antonio, Texas 78212

Notices of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 SUBRECIPIENT and CITY agree that this CONTRACT shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Bexar County, Texas. Any action or proceeding brought to enforce the terms of this CONTRACT or adjudicate any dispute arising out of this CONTRACT shall be brought in a court of competent jurisdiction in San Antonio, Bexar County, Texas. Venue and jurisdiction arising under or in connection with this CONTRACT shall lie exclusively in Bexar County, Texas.

XXVIII. CONSTRUCTION

28.1 When a reference is made in this CONTRACT to an Article, Section, or Exhibit such reference will be to an Article, Section, or Exhibit of this CONTRACT unless otherwise indicated. When a reference is made to this CONTRACT in this CONTRACT, such reference will be to this CONTRACT and the Exhibits attached hereto, as this CONTRACT and its Exhibits may be amended from time to time in accordance with Article XXIV. The headings in this CONTRACT are for reference only and shall not affect the interpretation of this CONTRACT. Where appropriate, all personal pronouns used herein, whether used in the masculine, feminine or neutral gender, shall include all other genders and singular nouns used herein shall include the plural and vice versa. The term "*days*" when used herein shall mean calendar days. The term "*business day*" when used herein shall mean that part of any given day from Monday through Friday excluding those scheduled holidays officially adopted and approved by the CITY Council for CITY employees.

XXIX. AUTHORITY

29.1 The signer of this CONTRACT for SUBRECIPIENT represents, warrants, assures and guarantees that he has full legal authority to execute this CONTRACT on behalf of SUBRECIPIENT and to bind SUBRECIPIENT to all of the terms, conditions, provisions and obligations herein contained. SUBRECIPIENT shall provide evidence to CITY upon execution of this CONTRACT that it is currently operating as a Texas non-profit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code, or a for-profit entity governed by an autonomous governing body, acting in accordance with the governing instruments submitted to CITY in its application for funding. Whether a non-profit or for-profit entity, SUBRECIPIENT must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. SUBRECIPIENT shall provide NHSD verification of the foregoing requirements no later than the effective execution date of this CONTRACT.

XXX. LICENSES AND TRAINING

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30.1 SUBRECIPIENT warrants and certifies that SUBRECIPIENT's employees and its sub-contractors have the requisite training, license or certification to provide the services required under this CONTRACT.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that SUBRECIPIENT is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that CITY shall in no way be responsible therefor, and that neither party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the parties hereto.

31.3 Any and all of the employees of SUBRECIPIENT, wherever located, while engaged in the performance of any work required by CITY under this CONTRACT shall be considered employees of SUBRECIPIENT only, and not of CITY, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of SUBRECIPIENT.

XXXII. SEVERABILITY

32.1 If any clause or provision of this CONTRACT is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to CITY's Charter, Code, or ordinances, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this CONTRACT that is invalid, illegal or unenforceable, there be added as a part of this CONTRACT a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. FEDERAL AWARD IDENTIFICATION

33.1 The information required by 2 C.F.R. § 200.331(a) is set forth in Exhibit F, said exhibit being attached hereto and incorporated herein.

XXXIV. ENTIRE CONTRACT

34.1 This CONTRACT and its Exhibits constitute the entire and integrated agreement between the parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or contracts, either oral or written.

XXXV. COUNTERPARTS

35.1 This CONTRACT may be executed in any number of multiple counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Each such counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or other electronic transmission of any signed original document or retransmission of any signed facsimile or

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other electronic transmission will be deemed the same as delivery of an original.

XXXVI. SPECIAL PROVISIONS

36.1 SUBRECIPIENT shall ensure that all professional and contractual services in connection with Project implementation be procured in accordance with applicable provisions of 2 C.F.R. Part 200, 24 C.F.R. Part 570, and CITY's SUBRECIPIENT Procurement Guide, and shall maintain a record of all procurement documents associated with the Project.

36.2 SUBRECIPIENT understands and agrees that all third-party contracts shall be at arm's length.

36.3 SUBRECIPIENT understands and agrees that all CDBG assisted units shall be occupied by households whose income is at or below 80% of the Area Median Income, adjusted for family size.

36.4 SUBRECIPIENT shall utilize HUD's Part 5 Income Calculation method of determining income for each beneficiary of federal funds. SUBRECIPIENT shall collect Part 5 Income for each beneficiary and maintain records in client files. Example calculation form is provided in Exhibit C.

36.5 SUBRECIPIENT shall comply with the CITY's Environmental Review Procedures. SUBRECIPIENT acknowledges and agrees that it shall not perform any choice limiting action, including but not limited to acquiring, rehabilitating, demolishing, converting, leasing, repairing or constructing any property or parcel of property on any project prior to the CITY's Certifying Officer and/or HUD approving the Environmental Record.

36.6 SUBRECIPIENT shall comply with the CITY's Program Policies for HUD- Funded Affordable Housing Activities regarding the maximum subsidy for each project.

36.7 CITY shall not be liable for any cost, or portion thereof, which is or was incurred in connection with an activity of SUBRECIPIENT where prior written authorization from CITY is required for the activity and such authorization was not first procured, or CITY has requested that SUBRECIPIENT furnish data concerning an activity prior to proceeding further therewith and SUBRECIPIENT nonetheless proceeds without first submitting the data and receiving approval thereof.

36.8 SUBRECIPIENT shall ensure that all CDBG assisted properties in each project shall comply with all local, state and federal laws.

36.9 SUBRECIPIENT shall ensure that all units constructed or rehabilitated hereunder shall comply with the CITY's Residential Construction Management Policy.

36.10 SUBRECIPIENT shall conduct progress and final inspections of construction to ensure that work is done in accordance with the scope of work and applicable codes.

36.11 SUBRECIPIENT shall establish a clear and coherent set of performance standards for tracking the progress and accomplishment of each project. SUB-RECEIPIENT shall submit a detailed description of Project to CITY and shall commence Project construction activities no later than sixty (60) days following the official Project set-up.

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36.12 Until CITY approves in writing the site-specific Environmental Review Records, SUB-RECEIPIENT shall not initiate any Project activity and/or incurring any Project activity cost, with the exception of lead-based painting testing and remediation. The cost of the environmental review, lead-based paint testing, and remediation will be charged against this contract.

36.13 SUBRECIPIENT understands and agrees that in order to receive reimbursement for each address in which construction/minor repair activity is to take place, the project must be CDBG eligible and must meet all program requirements.

36.14 SUBRECIPIENT understands and agrees to provide sufficient support documentation to CITY to ensure reimbursement for each project activity cost incurred.

36.15 SUBRECIPIENT understands and agrees to withhold ten percent (10%) of payment to contractor for each unit to allow for final inspection of the completed project.

36.16 For persons assisted with a minor repair for their home, SUBRECIPIENT shall not expend more than Twenty-five Thousand and No/100 Dollars (\$25,000.00) per property, excluding costs of the environmental review, lead-based paint testing and remediation, and program administration costs. For persons assisted with a substantial rehabilitation for their home, SUB-RECEIPIENT shall not expend more than One Hundred, Thirty Thousand and No/100 Dollars (\$130,000.00) per property, excluding costs of the environmental review and program administration costs

36.17 SUBRECIPIENT shall be reimbursed for the costs outlined in the Budget Detail section of Exhibit "B". Provided SUBRECIPIENT has complied with the terms of this CONTRACT, SUBRECIPIENT shall receive a flat administrative fee per CDBG-assisted home to compensate for all project soft costs, as follows:

- a. Owner-occupied rehabilitation - \$10,000.00
- b. Minor repair - \$2,500.00

36.18 SUBRECIPIENT shall ensure that each participating household receive the "Protect your Family from Lead in Your Home" pamphlet and the "Renovate Right" pamphlet published by the Environmental Protection Agency (EPA). These can be found on the EPA website at www.epa.gov.

36.19 In addition to the other Legal Requirements identified in this CONTRACT, SUBRECIPIENT acknowledges and agrees that it shall comply with the applicable provisions of 24 C.F.R. §35.930 and if applicable particularly subsection (d), ***Residential property receiving an average of more than \$25,000 per unit in Federal rehabilitation assistance***, which requires that SUBRECIPIENT shall:

- (1) Conduct paint testing or presume the presence of lead-based paint in accordance with 24 C.F.R. § 35.930(a).
- (2) Perform a risk assessment in the dwelling units receiving Federal assistance and in associated common areas and exterior painted surfaces in accordance with 24 C.F.R. § 35.1320(b) before rehabilitation begins.
- (3) Abate all lead-based paint hazards identified by the paint testing or risk assessment conducted pursuant to 24 C.F.R. § 35.930(d)(1) and (d)(2), in accordance

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with 24 C.F.R. § 35.1325, except that interim controls are acceptable on exterior surfaces that are not disturbed by rehabilitation and on paint-lead hazards that have an area smaller than the *de minimis* limits of 24 C.F.R. § 35.1350(d). If abatement of a paint-lead hazard is required, it is necessary to abate only the surface area with hazardous conditions.

- (4) Implement safe work practices during rehabilitation work in accordance with 24 C.F.R. § 35.1350 and repair any paint that is disturbed and is known or presumed to be lead-based paint.

36.20 Notwithstanding any provision in this CONTRACT, if the home was constructed prior to January 1, 1978 and a child under the age of six (6) resides in the home, SUBRECIPIENT shall not perform any lead testing or remediation and instead shall notify CITY so that CITY may perform the lead testing and any applicable remediation. Under such circumstances, SUBRECIPIENT agrees to reasonably coordinate with CITY on the delivery of services to the home.

36.21 For persons assisted with a minor repair for their home, SUBRECIPIENT shall execute written contracts with each homeowner prior to initiating any work. All contract documents should be compliant with this CONTRACT and be legally enforceable. At a minimum, the contract documents shall include a program agreement between SUBRECIPIENT and the homeowner and a restrictive covenant recorded in the Official Public Records of Bexar County, Texas, ensuring the homeowner's use of the rehabilitated property in compliance with the requirements of this CONTRACT and CITY's program requirements. The restrictive covenant shall expressly provide that it is given for the benefit of CITY, is enforceable by CITY and may not be modified without the prior written consent of CITY. CITY reserves the right, but not the obligation, to review SUBRECIPIENT's contract documents. If CITY does not approve of the contract documents, CITY shall have no obligation to reimburse SUBRECIPIENT for any work done without written homeowner agreement or which does not comply with the terms of this CONTRACT.

36.22 For persons assisted with a substantial rehabilitation for their home, SUBRECIPIENT shall execute written contracts with each homeowner prior to initiating any work. All contract documents should be compliant with this CONTRACT and be legally enforceable. At a minimum, the contract documents shall include a program agreement between SUBRECIPIENT and the homeowner, a forgivable real estate lien note in the principal amount of assistance provided to the homeowner, a deed of trust against the home recorded in the Official Public Records of Bexar County, Texas securing the real estate lien note, and restrictive covenant recorded in the Official Public Records of Bexar County, Texas, ensuring the homeowner's use of the rehabilitated property in compliance with the requirements of this CONTRACT and CITY's program. The restrictive covenant shall expressly provide that it is given for the benefit of CITY, is enforceable by CITY and may not be modified without the prior written consent of CITY. CITY reserves the right, but not the obligation, to review SUBRECIPIENT's contract documents. If CITY does not approve of the contract documents, CITY shall have no obligation to reimburse SUBRECIPIENT for any work done without written homeowner agreement or which does not comply with the terms of this CONTRACT.

36.23 CITY will provide SUBRECIPIENT with the list of selected homeowners to engage for this Project. SUBRECIPIENT shall provide the following: 1) determine homeowner eligibility; 2) determine housing rehabilitation services to be provided to the homeowner and prepare a Scope of Work (SOW) to be approved by the City; 3) obtain all documentation from homeowner; 4) procure contractors for rehabilitation work; 5) supervise and monitor rehabilitation work; and 6) request reimbursement from the City for services rendered. More specifically, in addition to the other responsibilities, commitments and obligations set forth elsewhere in this CONTRACT, SUBRECIPIENT shall provide the following:

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- Complete a property evaluation, obtain homeowner documentation, and determine homeowner eligibility in compliance with CITY's program policies described in Section 1.2 above.
- Develop a Scope of Work for rehabilitation services to be rendered to homeowner's property based on homeowner requests and property conditions.
- Submit to City, for its prior approval before commencement of work, documentation that qualifies homeowner for the rehabilitation services determined to be necessary and agreed upon with homeowner.
- Secure contractor bids.
- Develop program agreement with homeowner and residential repair agreement to be executed with homeowner and contractor.
- Be responsible to ensure proper permitting has been obtained.
- Regularly inspect progress and document progress, including before and after photographs, to be submitted to the City.
- Provide project status updates to the City, in the format approved by the City, not less than monthly and not more than weekly, as determined by the City.
- Conduct a final walk-through with homeowner and contractor and ensure final inspection is completed and permits, certificates and approvals are obtained.
- Secure homeowner approval of services rendered and pay contractor(s) for work completed.
- Secure homeowner's written approval on all draw requests submitted to the City.
- Since the property value and the property taxes will increase after rehabilitating a house, SUBRECIPIENT and/or its Housing Counselor shall counsel homeowners about these future increases before work is commenced.

[signature page follows]

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IN WITNESS WHEREOF, the undersigned parties have executed this CONTRACT to be effective as of the date last written below (the “*Effective Date*”).

CITY OF SAN ANTONIO:

By: _____
VERONICA GARCIA
Interim Director,
Neighborhood and Housing
Services Department

Date:

APPROVED AS TO FORM:

Assistant City Attorney

MERCED HOUSING TEXAS:

By: _____
KRISTIN L. DAVILA
President & Executive Director

Date:

ATTACHMENTS

Exhibit A – Work Statement/Performance Measures
Exhibit B – Budget Package
Exhibit C – Performance Report/Part 5 Income Calculation Worksheet/Contractor & Subcontractor
Activity Report / Program Income Report
Exhibit D – Invoice / Billing Package
Exhibit E – IDIS Project Set-Up and Completion Reports/Section 3 Requirements/Section 504 ADA
Questionnaire
Exhibit F – Federal Award Identification