



# SERVICE RELEASE ORDER

<b>Vendor Address</b> Vendor Address Number 121175 LIFTFUND INC 2007 WEST MARTIN STREET SAN ANTONIO TX 78207 USA	<b>Information</b> SRO Number/Date 4500347211-0 / 05/11/2021 CoH Vendor Number 121175 Page 1 of 2 Buyer's Name Teresa Moore 461 Buyer's Telephone Number 832.394.6272 Buyer's Fax Number Buyer's E-mail Address Teresa.moore@houstontx.gov
<b>Mail Invoice to</b> COH HOUSING & COMMUNITY DEV FINANCIAL SERVICES SEC, ACCT PAY PO Box 1562 HOUSTON TX 77251-1562	<b>CONFIRM RECEIPT AND ACCEPTANCE OF PURCHASE ORDER TO BUYER'S E-MAIL ADDRESS</b>

<b>Shipping Address</b>	HOUSING & COMMUNITY DEVELOPMENT PROCUREMENT SERVICES 2100 TRAVIS, 9TH FLOOR HOUSTON TX 77002 USA
<b>Terms of payment :</b>	Pay net 30 w/o deduction <span>Currency USD</span>
<b>Shipping Terms</b>	FOB(Free on board) /DESTINATION
<b>Our reference:</b>	2021-0439
<b>Your person responsible:</b>	JENNIFER DALE-FLORES
<b>Your reference:</b>	2021-0439
LIFTFUND,INC A TEXAS NON PROFIT CORPORATION SUBRECIPIENT AGREEMENT PROVIDING UP TO \$4,200,000.00 IN CDBG RECOVERY FUNDS FOR ADMINISTRATION OF THE DREAM FUND PROGRAM UNDER THE CITY OF HOUSTON'S HARVEY ECONOMIC DEVELOPMENT PROGRAM THAT WILL DISBURSE SMALL BUSINESS LOANS AND LINES OF CREDIT TO ELIGIBLE DREAM FUND PROGRAM APPLICANTS	

Item	Quantity	UM	Material # / Description	Unit Cost	Extended Cost
10	1.00	AU	96156 PROGRAM/PROJECT DEVE LiftFnd/Dream Fund-Prg Release Order against contract 4600016684 Item 00010 05/11/2021 TAM  AMOUNT: \$3,365,000.00  The Sub-recipient will administer the Dream Fund in partnership with the City(via HCDD) including but not limited to outreach, application review, determination of applicant eligibility in relatio to program guideline and prevailing regulations, technical assistance to program applicants, the facilitation of an interest buydown, and reporting.	3,650,000.00 / AU	3,650,000.00
Gross Price			USD	1 AU	1.000 3,650,000.00
3,650,000.00					



SERVICE RELEASE ORDER

PO number/date 4500347211 -0 / 05/11/2021 Page 2 of 2

Item	Quantity	UM	Material # / Description	Unit Cost	Extended Cost
*** Item partially delivered ***					
Expected value of unplanned services: 3,650,000.00					
Delivery Date: 11/30/2021					
20	1.00	AU	96156 PROGRAM/PROJECT DEVE LiftFnd/Dream Fund-Prj Release Order against contract 4600016684 Item 00010 05/11/2021 TAM  AMOUNT: \$550,00.00  The Sub-recipient will administer the Dream Fund in partnership with the City(via HCDD) including but not limited to outreach, application review, determination of applicant eligibility in relatio to program guideline and prevailing regulations, technical assistance to program applicants, the facilitation of an interest buydown, and reporting.	550,000.00 / AU	550,000.00
Gross Price			550,000.00 USD	1 AU	550,000.00
Expected value of unplanned services: 550,000.00					
Delivery Date: 11/30/2021					
Total ****				USD	4,200,000.00
2021-0439 ORD PASSED 06/02/2021 EXECUTED BY MAYOR 06/10/2021					
CS 06/15/2021					
NOTICE -- This is a contract release order against the contract referenced herein. The terms and conditions in the referenced contract are hereby incorporated into this contract release order as if set forth in full text. All work performed pursuant to this contract release order shall be performed in strict accordance with the referenced contract's statement of work/scope of services.					

I hereby certify a certificate of the necessity of this expenditure is on file in this department.

I hereby certify that the expenditure for the above goods has been duly authorized and appropriated and that sufficient funds are available to liquidate same.

*Signature of Mayor*

Mayor

*Signature of Chief Procurement Officer*

Chief Procurement Officer

*Signature of Controller*

Controller



4600016684  
2021-0439

## **SUBRECIPIENT AGREEMENT**

This Subrecipient Agreement ("Agreement") is entered into between the **CITY OF HOUSTON**, a home-rule city organized under the laws of the State of Texas, (the "City"), and **LIFTFUND INC.**, a Texas non-profit corporation ("Subrecipient") for the administration of the Dream Fund Program (the "Program") under the City's CDBG-DR17 Harvey Economic Development Grant Program ("HEDP").

### **WITNESSETH:**

**WHEREAS**, the City is the subrecipient of federal funds awarded under the U.S Department of Housing and Urban Development ("HUD") Block Grant Disaster Recovery ("CDBG-DR") program administered by the Texas General Land Office (the "GLO"), for the purpose of providing disaster recovery relief to those affected by Hurricane Harvey ("Harvey"); and

**WHEREAS**, the City and the GLO have entered into a subrecipient agreement, GLO Contract No. 21-134-000-C788, to provide financial assistance with CDBG-DR Funds for the recovery of homes and communities impacted by Harvey and for economic revitalization; and

**WHEREAS**, the City Council of the City of Houston ("City Council"), acting pursuant to City of Houston Ordinance No. 2020-421 passed May 13, 2020, adopted the City of Houston Hurricane Harvey Economic Development Program Guidelines ("HEDP Guidelines") dedicating \$30,264,834.00 of CDBG-DR Funds to be used for microenterprise development and small business activities relating to Harvey, including small business grants and loans for disaster recovery and growth for microenterprises affected by Harvey; and

**WHEREAS**, the City and the Department of Housing and Community Development Harvey Economic Development Program and its corresponding HEDP Guidelines include the HEDP Dream Fund Program, which is designed to assist small construction-sector businesses via the provision of individual small business loans and lines of credit up to \$200,000.00; and

**WHEREAS**, the primary objective of the Dream Fund Program is to provide access to capital for small construction-sector businesses in the City of Houston to support business recovery and development; and

**WHEREAS**, the Subrecipient has agreed to provide the following administrative services related to the Program: (1) outreach, (2) application intake and review, (3) determination of applicant eligibility in relation to program guidelines and prevailing regulations, (4) technical assistance to program applicants, (5) the facilitation of interest buydown for the loan fund, (6) loan underwriting, and (7) reporting for program compliance and assessment; and

**WHEREAS**, the Program will be carried out in accordance to the HEDP Guidelines, attached hereto as **EXHIBIT D**, the GLO Contract, attached hereto as **EXHIBIT G**, the Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. No. 115-56) and the federal, state, and local laws and regulations applicable to the activities and performances rendered by the Subrecipient under this Agreement and Applicable Law; and

**WHEREAS**, the City is acting pursuant to the authority of Chapter 380 of the Texas Local Government Code;

**NOW, THEREFORE** in consideration of the mutual covenants, agreements, and benefits to the City and the Subrecipient, it is hereby agreed as follows:

## ARTICLE I

### Definitions

Unless the context otherwise requires, the following terms shall have meanings as set forth below.

**Adjusted Gross Income (AGI):** AGI is an individual's total gross income minus specific deductions as shown on the federal tax return.

**Affirmatively Furthering Fair Housing (AFFH):** AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here:  
[https://www.huduser.gov/portal/affht\\_pt.html](https://www.huduser.gov/portal/affht_pt.html).

**Applicable Law** is defined in Article XX of this Agreement.

**Budget** shall mean the approved budget related to administrative and/or operating costs in connection with the Program, attached hereto and incorporated herein as **EXHIBIT C**.

**City** is defined in the preamble to this Agreement.

**City Attorney** shall mean the City Attorney of the City of Houston or any Assistant City Attorney that the City Attorney may designate to perform the various functions assigned to the City Attorney under this Agreement.

**Default** shall mean the occurrence of any event set forth under Article XVI of this Agreement.



**Director** shall mean the Director of the City of Houston's Housing and Community Development Department or any other person that the Director may designate to perform the various functions assigned to the Director under this Agreement.

**Duplication of Benefits:** The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

**General Land Office (GLO):** The Texas General Land Office is the lead agency for managing the State's Community Development Block Grant – Disaster Recovery grants.

**Harvey Economic Development Program (HEDP):** The HEDP supports small businesses impacted by Hurricane Harvey. The HEDP consists of two subprograms: the Small Business Grant Program ("SGP") and the Dream Fund Program (the "Program"). The Dream Fund Program provides small business loans to small construction-sector businesses and is attached hereto and incorporated herein as **EXHIBIT D**.

**HCDD** shall mean the Housing and Community Development Department of the City of Houston.

**Household:** A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

**Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984:** Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

**Housing and Urban Development Act of 1968, Section 3:** Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

**Dream Fund** refers to the Dream Fund Program administered by Subrecipient in accordance with this Agreement, including all exhibits attached hereto, and all related and applicable rules, regulations, policies, and procedures.

**HUD** refers to the United States Department of Housing and Urban Development.

**Low/Moderate Income (LMI):** Activities which benefit persons of income that does not exceed 80 percent of the area median income (AMI):

- Extremely low: Household's annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size.
- Low: Household's annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size.

- Moderate: Household's annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

**Microenterprise, microbusiness:** A microenterprise or microbusiness shall be defined in this program as businesses with five or fewer employees, one or more of whom owns the enterprise.

**National Objective.** Requirement set forth by HUD for all CDBG-DR funded activities; each activity (in this program each small business loan), must meet at least one National Objective.<sup>1</sup>

**Scope of Services** shall mean those services described in **EXHIBIT B** to be performed by the Subrecipient in connection with the Program.

**Small Business** shall be defined consistently with the U.S. Department of Housing and Urban Development (HUD)'s definition of small business: a business that is independently owned and operated and which is not dominant in its field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA).<sup>2</sup>

**Subrecipient** is defined in the preamble to this Agreement.

## ARTICLE II

### **Statement of Work**

2.1 The Subrecipient assures and guarantees that it possesses the legal authority to enter into this Agreement, to receive funds authorized by this Agreement, and to perform the services the Subrecipient has obligated itself to perform under this Agreement.

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<sup>1</sup> Public Law 115-56; FR 6066-N-01

<sup>2</sup> [https://www.hud.gov/program\\_offices/sdb/about/sbtypes](https://www.hud.gov/program_offices/sdb/about/sbtypes)



2.2 The person signing and executing this Agreement on behalf of the Subrecipient does hereby warrant and guarantee that he/she is duly authorized by the Subrecipient to execute this Agreement on behalf of the Subrecipient and to validly and legally bind the Subrecipient to all the terms, conditions, performances, and provisions of this Agreement.

2.3 The Subrecipient hereby agrees to serve only small businesses and microenterprises that meet the National Objective requirement, as defined in Article I of this Agreement and outlined in, the HEDP Guidelines.

2.4 The Subrecipient hereby agrees that, for and in consideration of the payment of the sum of Four Million Two Hundred Thousand Dollars (\$4,200,000.00), it will competently perform all of the services set forth in detail under the Scope of Services, in accordance with applicable rules, regulations and laws relating to the Program.

2.5 The Subrecipient represents that it has obtained, or will obtain, at its sole expense, all personnel required to facilitate the performance of the services under this Agreement. Such personnel shall not be employees of or have a contractual relationship with the City.

2.6 All of the services necessary to facilitate performance under this Agreement shall be performed by the Subrecipient and all personnel engaged in performing said services shall be fully qualified and shall have any licenses or permits required under law to perform such services.

2.7 The Subrecipient shall not employ, or award subcontracts to, or fund any person that has been debarred, suspended, proposed for debarment, or placed on an ineligibility status by the City, HUD or other federal government agencies, and/or the State. In addition, the City shall have the right to suspend or terminate this Agreement if the Subrecipient is debarred, suspended, proposed for debarment, or is otherwise ineligible from participating in the City's programs, federally

assisted programs, or the State's programs. The Subrecipient acknowledges and agrees that this section specifically includes, but is not limited to, subgrantees and consultants hired by the Subrecipient to assist the Subrecipient in any aspect relating to the performance under this Agreement.

2.8 The Subrecipient shall utilize funds awarded pursuant to this Agreement in accordance with Applicable Law and the Budget.

### ARTICLE III

#### Time of Performance

3.1 The term of this Agreement shall begin on the countersignature date of the Controller and end on August 31, 2022 unless sooner terminated as provided for in this Agreement. The Subrecipient acknowledges and agrees that any service performed after the termination date of this Agreement, will be deemed to be gratuitously provided, and the City shall have no obligation to pay for such services, unless the City Council approves an agreement to do so in its sole discretion.

3.2 The functions or services to be performed under this Agreement shall be completed as of the date described in Section 3.1 herein above, and **EXHIBIT A**, (the "Program Summary").

3.3 This Agreement may be extended for up to twelve (12) months by the Director, in his or her sole discretion. The Subrecipient may request an extension in writing, at least thirty (30) days prior to the expiration of the initial term or any renewal hereof. An extension in excess of twelve (12) months must be by formal amendment and approved by the City Council. Prior to the expiration of each further extension approved by City Council, the Director may extend this Agreement for up to an additional six (6) months, in his or her sole discretion, by written notice to the Subrecipient.



3.4 The Subrecipient shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including, but not limited to, the indemnity provisions.

#### ARTICLE IV

##### **Compensation and Payment**

4.1 For and in consideration of the services performed under this Agreement, the City agrees to pay Subrecipient a total sum not to exceed Four Million Two Hundred Thousand and 00/100 Dollars (\$4,200,000.00) as set forth in the Budget, including Three Million and Six Hundred and Fifty Thousand 00/100 Dollars (\$3,650,000.00) for the revolving loan fund and interest buy-down, and Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) for the reimbursement of administrative and service costs allowable under this Agreement, the GLO Contract, and Applicable Laws. The City shall not be liable for the reimbursement of any expenses which are not allowable under the terms of this Agreement, the GLO Contract, and other applicable laws.

4.2 It is expressly agreed that in no event will the total paid to Subrecipient by the City under the terms of this Agreement exceed the sum of Four Million Two Hundred Thousand and 00/100 Dollars (\$4,200,000.00).

4.3 It is expressly agreed that in no event will Subrecipient provide any loans or lines of credit from the revolving loan fund to any program beneficiary without the approval and written consent of the City and the GLO.

4.4. Within ten (10) business days of the Effective Date, the City will initially send to Subrecipient an amount not to exceed \$1,825,000.00 ("Initial Disbursement") for Subrecipient to provide loans and lines of credit in accordance with the Scope of Services and Budget.

4.5 After \$1,000,000.00 in loans and lines of credit have been provided to program beneficiaries utilizing the Initial Disbursement, the City will send to Subrecipient an amount not to exceed \$1,825,000.00 ("Second Loan Disbursement") for Subrecipient to continue to provide loans and lines of credit in accordance with Exhibit B and Exhibit C.

4.6 For all advance funding, pursuant to 2 CFR 200.305(b)7-9, Subrecipient expressly agrees to deposit advance funds into insured accounts where and if possible, and to maintain advance funds in interest-bearing accounts, unless one of the regulatory exceptions applies.

4.7 For and in consideration of the administrative services performed under this Agreement, the City shall pay Subrecipient administrative service fees not to exceed a total amount of \$550,000.00.

4.8 The City shall pay administrative services fees to Subrecipient on the basis of four (4) quarterly reimbursement invoices for \$137,500.00. The City shall pay Subrecipient within 30 days of receipt and approval of the invoices. The documentation for the invoice for reimbursement of administrative services shall include the Subrecipient quarterly report and shall not require additional accounting of expenses.

4.9 The City reserves the right to recapture and/or reallocate Program funds provided under this Agreement if the City determines that Subrecipient will be unable to expend all funds awarded within the Agreement period or if the terms of this agreement are violated. The Subrecipient acknowledges that in the event Subrecipient is unable to perform services in accordance with **the** Scope of Services and Budget, upon the City's request this Agreement shall be terminated, and Subrecipient shall surrender rights to any remaining funds.

## **ARTICLE V**

### **Budget**

5.1 The budget covering the services to be performed, activities and cost categories under this Agreement, is attached hereto as **EXHIBIT C**. All payments due to the Subrecipient shall be made in accordance with such budget and other terms of this Agreement related to payments.

5.2 The Subrecipient may, with the written approval of the Director, reallocate funds among the various line activities and categories within the Budget.

5.3 The Subrecipient shall certify in writing that any reallocation of funds made pursuant to Section 5.2 will not result in a substantial change in the work program contained in the Scope of Services, and that such reallocation will not impair the Subrecipient's ability to perform the functions and services required by this Agreement.

5.4 The Subrecipient understands that any reallocation of funds made pursuant to Section 5.2 that results in a substantial change in the work program described in the Scope of Services as, shall require a formal amendment that has been approved by City Council.

5.5 Within thirty (30) days after termination of this Agreement, all funds remaining on hand on the date of termination, and all accounts receivable attributable to the use of funds received under this Agreement, shall be returned to the City.

## **ARTICLE VI**

### **Audit**

6.1 Notwithstanding anything contained herein to the contrary, the City reserves the right to conduct an annual financial and compliance audit of funds received and performances rendered



under this Agreement. The Subrecipient agrees to permit the City to audit the Subrecipient's records and to obtain any documents, materials, or information necessary to facilitate such audit.

6.2 The Subrecipient understands and agrees that it shall be liable to the City for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Agreement. The Subrecipient further understands and agrees that reimbursement to the City of such disallowed costs shall be paid by the Subrecipient from funds which were not provided or otherwise made available to the Subrecipient under this Agreement.

6.3 The Subrecipient shall take all necessary actions to facilitate the performance of any such audit(s) conducted pursuant to this paragraph, as the City or HUD may require of the Subrecipient.

6.4 All approved Program records shall be made available for public inspection within twenty (20) days after completion of the Program's fiscal audit.

6.5 The Subrecipient agrees that the City, its auditors and controller, HUD, or any of its duly authorized representatives, shall have the right to access and to examine all books, accounts, records, reports, files, and other papers or property belonging to or in use by the Subrecipient pertaining to this Agreement. The Subrecipient agrees to maintain all records relating to this Agreement at its regular place of business for all expenditures made under this Agreement in accordance with Uniform Grant Management Standards ("UGMS") Section III. The Subrecipient agrees to comply with any changes to the UGMS, recordkeeping requirements and 10 TAC §7.8.

## **ARTICLE VII**

### **Reports and Evaluations**

7.1 The Subrecipient shall submit to the City by the 45th day of each quarter following the reported quarter in the Agreement period a Dream Fund Program quarterly expenditure report on

the administrative services provided in support of operation and performance of this Program as may be required by the City, including but not limited to, the reports specified in this Article VII. The Subrecipient shall provide the City with all reports necessary for the City's compliance with all provisions applicable to the use of Program funds. A final performance report and expenditure report are due within 60 days after the end of the initial Agreement term and the end of any renewal term, if applicable.

7.2 In addition to the limitations on liability otherwise specified in this Agreement, it is expressly understood and agreed that if the Subrecipient fails to submit to the City in a timely and satisfactory manner any report required by this Agreement, the City may, at its sole option and in its sole discretion, withhold any or all disbursements otherwise due or requested by the Subrecipient hereunder. If the City withholds such disbursements, it shall notify the Subrecipient in writing of its decision, the reasons for such action and the time period in which the Subrecipient has to bring itself into compliance. Disbursements withheld pursuant to this paragraph may be held by the City until such time as the Subrecipient is in compliance with the requirements for which funds are being held. If the Subrecipient fails to perform as required within the stated cure period, the City may terminate this Agreement and the Subrecipient hereby agrees and acknowledges that upon termination, the Subrecipient's rights to any funds shall be terminated.

7.3 In addition to other reports required in this Article VII, the Subrecipient shall provide any other reports required in writing by the Director, including reports to the City regarding Program services to evidence progress of performance in accordance with the requirements of the Program, **EXHIBIT B**, and **EXHIBIT C**.

7.4 Upon completion of the written reports, the Subrecipient shall provide the Director with electronic copies of all back-up documents or papers relating to or substantiating such reports.

7.5 The Subrecipient agrees to attend meetings, and mandatory training sessions, as may be scheduled by the City during the term of this Agreement in order to discuss any reports or the Subrecipient's general progress in performing its obligations under this Agreement.

7.6 The Subrecipient agrees to allow officials of the City and State reasonable access to and the right to examine, copy or reproduce all records, books, papers and documentation of any nature regarding the Program, which is the subject of this Agreement.

7.7 The Director and/or other City or State representatives shall have the right to perform, or cause to be performed, (1) audits of the books and records of the Subrecipient, and (2) inspections of all places where work is undertaken in connection with this Agreement. The Subrecipient shall be required to keep such books and records available for such purpose for at least five (5) years after the termination of this Agreement. Nothing in this provision shall be construed to limit or in any way restrict the time for bringing a cause of action or any applicable statute of limitations.

7.8 The Subrecipient shall promptly report to the Director any conditions, transactions, situations or circumstances, encountered by the Subrecipient which would seem to warrant a special report in more detail than which is necessary to perform the Scope of Services specified in this Agreement, including but not limited to, notices from the City, State, or other cognizant local, or state agencies, and grievances and lawsuits, real or threatened.

7.9 Program monitoring will be carried out through a comprehensive review at least once during the term of this Agreement, but as often as necessary to ensure compliance with the requirements of this Agreement. After each monitoring visit, the City shall provide the



Subrecipient with a written report of the City's findings. If the monitoring report notes deficiencies in the Subrecipient's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by the Subrecipient. Failure by the Subrecipient to take the action specified in the monitoring report may be cause for the City to withhold Program funds, to suspend this Agreement, or to terminate this Agreement. The Subrecipient agrees to attend webinars related to the Program sponsored by the City.

7.10 The City Attorney, or his or her designee, shall have the right to enforce all legal rights and obligations under this Agreement without further authorization. The Subrecipient covenants to provide to the City Attorney all documents and records that the City Attorney deems necessary to assist in determining the Subrecipient's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

## **ARTICLE VIII**

### **Capacity, Cooperation, Fee Prohibitions and Confidentiality**

8.1 The Subrecipient acknowledges that it has the capacity and capability to effectively administer the services set forth in detail in the Scope of Services.

8.2 The Subrecipient agrees to cooperate and coordinate with agencies of the relevant State and local governments responsible for services in the area served by the City for eligible persons and other public and private organizations and agencies providing services for such eligible persons.

8.3 The Subrecipient agrees that no fees will be charged to any eligible person for any services which are funded pursuant to this Agreement.

8.4 The Subrecipient agrees to maintain the confidentiality of the name of any individual assisted with funds hereunder and any other information regarding individuals receiving assistance.

## **ARTICLE IX**

### **Other Program Standards and Requirements**

The Subrecipient agrees to carry out the services described in this Agreement, in accordance with all Applicable Laws, including all federal, state and local laws, statutes, ordinances, rules regulations, orders and decrees of any court or administrative body or tribunal related to the activities/services and performances of activities/services under the GLO Contract. Upon request by the City, the Subrecipient shall furnish satisfactory proof of its compliance therewith.

## **ARTICLE X**

### **Agreement Limitations**

10.1 The Subrecipient agrees that it will carry out eligible activities in a manner free from religious influences.

10.2 The Subrecipient shall adhere to the covenants and representations that follow:

- a. The Subrecipient shall ensure that no person shall, on the grounds of race, color, religion, sex, handicap, familial status, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under this Agreement.



- b. None of the services rendered by the Subrecipient under this Agreement shall involve, and no portion of the funds received by the Subrecipient under this Agreement shall be used in support of any inherently religious activity, including but not limited to religious worship, religious instruction, or religious proselytization.

## **ARTICLE XI**

### **Suspension and Termination**

11.1 Notwithstanding anything contained herein to the contrary, suspension or termination of this Agreement may occur if the Subrecipient fails to comply with any term of this Agreement, the GLO Contract, and applicable law.

11.2 The City shall not be liable for any costs incurred by the Subrecipient after the termination of this Agreement.

11.3 The Subrecipient shall not be relieved of any liability to the City for damages by virtue of any breach of this Agreement by the Subrecipient.

## **ARTICLE XII**

### **Obligation of the City**

The City shall be obligated to pay actual and reasonable costs incurred by the Subrecipient, during the term of this Agreement, for performances rendered under this Agreement by the Subrecipient, subject to the limitations set forth in this Article XIII:

- a. It is expressly understood and agreed that the City's obligations under this Article XIII is contingent upon the full and satisfactory performance by the Subrecipient of the activities/services herein described and the actual receipt by the City of adequate CDBG-

DR funds to meet the City's liabilities under this Agreement. If adequate funds are not available to make payments under this Agreement, the City shall notify the Subrecipient in writing within a reasonable time after such fact is determined. In that event, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder.

b. The City shall not be obligated to pay the Subrecipient for any costs incurred by the Subrecipient which have been paid to the Subrecipient or are subject to payment to the Subrecipient or have been reimbursed to the Subrecipient or are subject to reimbursement to the Subrecipient by any source other than the City.

c. The City shall not be obligated to pay the Subrecipient for any costs incurred by the Subrecipient which are not allowable costs, as set forth in this Agreement and in the provisions of any laws, rules, or regulations pertaining to the Program. Funds provided under this Agreement may not be used for payment of prohibited costs described under the Program.

d. The City shall not be obligated to pay the Subrecipient for any costs incurred by the Subrecipient or for any performances rendered by the Subrecipient which are not strictly in accordance with the terms of this Agreement, including the terms of the exhibits attached hereto, and the Program.

### **ARTICLE XIII**

#### **Record Retention and Accessibility**

13.1 The Subrecipient shall establish and maintain sufficient records, including records that demonstrate that each person assisted with funds provided under this Agreement is eligible and

meets the National Objective requirement, as set forth under the definition of "National Objective Requirement" in Article I.

13.2 All records pertinent to this Agreement shall be retained by the Subrecipient for a period of five (5) years except, if any litigation, claim negotiation, audit, monitoring, inspection or other action has started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

13.3 The Subrecipient acknowledges that the City is subject to the Texas Public Information Act, and the Subrecipient agrees that funds received from the City are subject to the Texas Public Information Act and the exceptions to disclosure as provided under the Texas Public Information Act.

## **ARTICLE XIV**

### **Agreement Documents**

14.1 This Agreement includes the following Exhibits which are attached hereto and made a part hereof for all purposes:

<b>EXHIBIT A</b>	Program Summary
<b>EXHIBIT B</b>	Scope of Services
<b>EXHIBIT C</b>	Budget
<b>EXHIBIT D</b>	HEDP Guidelines
<b>EXHIBIT E</b>	Certification Regarding Lobbying
<b>EXHIBIT F</b>	Certification for Debarment, Suspension, and Other Responsibility Matters

**EXHIBIT G**

GLO Contract **NO. 21-134-000-C788**

**EXHIBIT H**

Federal Contract Requirements

14.2 This Agreement and the Exhibits mentioned in Section 14.1 embody the entire agreement between the City and the Subrecipient and there are no other agreements, representations or warranties between the City and the Subrecipient in connection with this Agreement.

**ARTICLE XV**

**Address and Notices**

15.1 All notices must be in writing and shall be delivered or mailed, postpaid and registered, or certified, return receipt requested, as follows:

To the City:

If mailed or delivered:

Director  
Housing and Community Development Department  
2100 Travis Street, 9th Floor  
Houston, Texas 77002

To the Subrecipient:

If mailed or delivered:

LiftFund Inc.  
President and CEO  
2007 W. Martin St.  
San Antonio, Texas 78207

If mailed, certified mail is required. Notice shall be conclusively deemed effective on the day of certified mail receipt; otherwise, notice shall be effective on the date received.

15.2 Each party shall have the right to change its respective address or addressee provided that at least ten (10) days written notice is given of such new address or addressee to the other party.



## ARTICLE XVI

### **Default and Remedies**

16.1 The following shall constitute events of Default under this Agreement:

- (1) Failure of the Subrecipient to perform or observe any of the obligations, covenants, agreements, or conditions required to be performed or observed under this Agreement;
- (2) The dissolution or liquidation of the Subrecipient; the filing of a voluntary petition in bankruptcy by the Subrecipient; the adjudication of the Subrecipient as bankrupt; an assignment for the benefit of creditors by the Subrecipient; the entry into an agreement for the benefit of creditors by the Subrecipient; the approval by a court of competent jurisdiction of any petition or other pleading in any action seeking reorganization, arrangement, adjustment, or composition of or with respect to the Subrecipient under the Federal Bankruptcy Act; or appointment of a receiver or other similar official for the Subrecipient or for its property, unless within sixty (60) days after such appointment the Subrecipient causes such appointment to be stayed or discharged;
- (3) Any representation or warranty of the Subrecipient contained in this Agreement or in any certificate or instrument executed by the Subrecipient in connection with or pursuant to this Agreement is found to be false or misleading in any material respect; or
- (4) The City makes an uncured audit finding or exception that relates to the Program or funds provided under this Agreement.

16.2 In the event the Subrecipient fails to comply with any term of this Agreement, the City may, upon written notification to the Subrecipient, suspend this Agreement in whole or in part, withhold further disbursements to the Subrecipient, and prohibit the Subrecipient from incurring additional obligations for funds under this Agreement. The Subrecipient acknowledges that it does not have a right to suspension as a prerequisite to termination.

16.3 The City may terminate this Agreement in whole or in part, in accordance with this Article XVI. In the event the Subrecipient fails to comply, in the City's sole discretion and judgment, with any term of this Agreement, or any term stated in a state statute or regulation, or with any assurance given to the City by the Subrecipient, or with the Subrecipient's proposal submission, the City's notice of award, or elsewhere, the City may take any one or more of the following actions:

- a. Temporarily withhold disbursements pending correction of the deficiency by the Subrecipient;
- b. Disallow all or part of the cost of the activity or action not in compliance;
- c. Suspend this Agreement upon written notification to the Subrecipient of the deficiency and the period within which the Subrecipient must comply;
- d. Accept the Subrecipient's failure to comply or correct any deficiency within the time period set forth in any written notice of suspension as evidence of the Subrecipient's inability to perform under the terms of this Agreement, the Subrecipient's intent to terminate this Agreement, and the Subrecipient's agreement to surrender all rights to remaining funds;
- e. Withhold further CDBG-DR funds from the Subrecipient;

- f. Impose penalties up to and including debarment from performing additional work for the City, State or federal government;
- g. At the sole discretion of the City, if the Subrecipient has not achieved substantial progress, as outlined in this Agreement, including **EXHIBIT B** (Scope of Services) and **EXHIBIT C** (Budget), or has failed to meet any Agreement administration requirements, this Agreement may be terminated;
- h. Declare that all sums undisbursed to Program applicants as loans or lines of credit under this Agreement are immediately due and payable to the City; and/or
- i. Pursue any remedy at law or in equity to which the City may show itself justly entitled.

## **ARTICLE XVII**

### **Independent Contractor**

17.1 In performing the obligations under this Agreement, the Subrecipient shall act as an independent contractor solely for its own account and not as an agent, representative or employee of the City.

17.2 No employee, agent, or representative of the Subrecipient shall be considered an employee of the City nor be eligible for any benefits, rights or privileges accorded to City employees.

## **ARTICLE XVIII**

### **Parties in Interest**

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the City and the Subrecipient only. Neither the State of Texas nor the GLO is a party to this Agreement.

## **ARTICLE XIX**

### **Non-Waiver**

Failure of either party hereto to insist on the strict performance of any of the covenants herein or to exercise any rights or remedies available hereunder upon an event of Default or other failure of performance shall not be considered a waiver of the right to insist on and to enforce, by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future event of Default or failure of performance.

## **ARTICLE XX**

### **Applicable Law**

This Agreement is subject to all laws of the United States of America, the State of Texas, the City Charter and ordinances of the City of Houston, and all rules and regulations of any regulatory body or officer having jurisdiction over this Agreement and the subject matter hereof, in particular, without limitation, the federal regulations codified at 24 CFR Part 570, including the Federal Contract Requirements attached hereto and incorporated herein under **EXHIBIT H**, and all other applicable federal, state and local rules, regulations and laws related to CDBG Housing Services, HUD environmental regulations, if any, and 24 CFR Part 5, Subpart L, pertaining to the Violence Against Women Act.

## **ARTICLE XXI**

### **Agreement and Amendment**

21.1 Any alterations, additions or deletions to terms which are required by changes in federal or state laws and regulations shall be automatically incorporated into this Agreement and shall take effect on the effective date of the law or regulation.



21.2 This Agreement may be amended by a written amendment that has been executed by the parties and approved by the City Attorney, except increases in funding and material changes to this Agreement shall require a formal amendment that has been approved by City, as applicable.

## **ARTICLE XXII**

### **Indemnity/Release**

**TO THE EXTENT PERMITTED BY LAW THE SUBRECIPIENT, ITS PREDECESSORS, SUCCESSORS, AND ASSIGNS, HEREBY RELEASES AND DISCHARGES AND FURTHER COVENANTS AND WARRANTS THAT IT WILL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY, ITS EMPLOYEES, OFFICERS AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "CITY") FROM ANY AND ALL FINES, DEMANDS, JUDGMENTS, LIABILITIES OR CLAIMS ARISING BY REASON OF OR IN CONNECTION WITH:**

- A. THE ACTUAL OR ALLEGED ERRORS, OMISSIONS, OR NEGLIGENT ACTS OF THE SUBRECIPIENT OR ANY SUBCONTRACTOR RELATING TO THIS AGREEMENT.**
- B. ANY SERVICES OR PERFORMANCES OF WORK UNDERTAKEN BY THE SUBRECIPIENT OR ANY SUBCONTRACTOR TO FULFILL THE REQUIREMENTS OF THIS AGREEMENT; OR**
- C. ANY ACTUAL OR ALLEGED NEGLIGENT ACTS OR OMISSIONS OF THE CITY, UNLESS THE CITY IS SOLELY NEGLIGENT WITH RESPECT TO SUCH ACTS OR OMISSIONS.**

## **ARTICLE XXIII**

### **City Limit of Appropriation**

23.1 The City's duty to pay money to the Subrecipient under this Agreement is limited in its entirety by the provisions of this Section.

23.2 In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of \$4,200,000.00 to pay money due under this Agreement during the City's current fiscal year (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies.

23.3 The City has not allocated supplemental funds or made a Supplemental Allocation for this Agreement unless the City has issued to the Subrecipient a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance of City Council.

## **ARTICLE XXIV**

### **Drug Detection and Deterrence**

The Subrecipient represents that it is a non-profit organization which provides services to the public and is, therefore, exempt from the requirements of Executive Order 1-31, as revised, and effective March 1, 1995, titled "Mayor's Drug Detection and Deterrence Procedures for Owners.

## **ARTICLE XXV**

### **Program Income**

The Subrecipient agrees that the program income generated from the revolving fund loan shall be the interest and fees generated, which will support the Subrecipient's administrative role in building and servicing the Dream Fund Program's loan portfolio.

Regarding program income reuse, the Dream Fund Program is intended to be a revolving structure and shall be designed in a manner so that principal loan funds are redeployed after they have been repaid; when the funds are redeployed, Subrecipient must reissue the funds consistent with the underlying aims of the Dream Fund Program: to small, construction sector businesses, as required by the terms of this Agreement.

The City reserves the right to request additional reporting regarding any activities undertaken with Program Income funds until the termination of this Agreement.

## **ARTICLE XXVI**

### **Reversion of Assets**

Subrecipient agrees that upon the expiration of this Agreement, Subrecipient shall transfer to the City any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

## **ARTICLE XXVII**

### **Pay or Play Program**

The requirements and terms of the City's Pay or Play program, as set out in Executive Order 1-7, as revised from time to time, are incorporated into this Agreement for all

purposes. Subrecipient has reviewed Executive Order No. 1-7, as revised, and shall comply with its terms and conditions.

## **ARTICLE XXVIII**

### **Anti-Boycott of Israel**

Subrecipient certifies that Subrecipient is not currently engaged in and agrees for the duration of this Agreement not to engage in, the boycott of Israel as defined by Section 808.001 of the Texas Government Code.

## **ARTICLE XXIX**

### **Zero Tolerance Policy for Human Trafficking and Related Activities**

The requirements and terms of the City of Houston's Zero Tolerance Policy for Human Trafficking and Related Activities, as set forth in Executive Order 1-56, as revised from time to time, are incorporated into this Agreement for all purposes. Subrecipient has reviewed Executive Order 1-56, as revised, and shall comply with its terms and conditions as they are set out at the time of the Agreement's Effective Date. Subrecipient shall notify the City's Chief Procurement Officer, City Attorney, and Director of any information regarding possible violation of the Subrecipient or its contractors providing services or goods under this Agreement.

## **ARTICLE XXX**

### **Conflict of Interest**

The Subrecipient must ensure that no employee, agent, consultant, officer, elected or appointed, nor elected or appointed official of the Subrecipient of the City who exercises or has exercised any functions or responsibilities with respect to activities assisted with funds provided under this Agreement or who is in a position to participate in a decision making process, or gain



inside information with regard to such activities, may obtain a personal or financial interest or benefit from this Agreement or the Program, or have an interest in any contract, subcontract, or agreement (or the proceeds thereof) with respect to any Subrecipient-assisted activity or contract either for themselves or those with whom they have family or business ties, during their tenure and for one year thereafter.

## **ARTICLE XXXI**

### **Fraud, Waste and Abuse**

31.1 The Subrecipient shall establish, maintain, and utilize internal control systems and procedures sufficient to prevent, detect, and correct incidents of waste, fraud, and abuse in the Program and to provide for the proper and effective management of all Program and fiscal activities funded by this Agreement. The Subrecipient's internal control systems and all transactions and other significant events must be clearly documented, and the documentation made readily available for review by the City.

31.2 The Subrecipient shall fully cooperate with efforts to detect, investigate, and prevent waste, fraud, and abuse. The Subrecipient shall immediately notify the City of any identified instances of waste, fraud, or abuse. The Subrecipient will be notified if the City identifies possible instances of waste, fraud, and abuse or other serious deficiencies.

31.3 The Subrecipient may not discriminate against any employee or other person who reports a violation of the terms of this Agreement or of any law or regulation to the City or to any appropriate law enforcement authority, if the report is made in good faith.

**IN WITNESS HEREOF**, the City and the Subrecipient have executed this Agreement in multiple originals, each of equal force, to be effective on the date of the countersignature of this Agreement by the City Controller.

**[SIGNATURE PAGE FOLLOWS]**

## SIGNATURE AUTHORITY

The parties have executed this Subrecipient Agreement in multiple copies, each of which is an original. Each person signing this Subrecipient Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Subrecipient Agreement. Each Party represents and warrants to the other that the execution and delivery of this Subrecipient Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that this Subrecipient Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

### LIFTFUND INC.

DocuSigned by:  
By: Janie Barrera  
Printed Name: Janie Barrera  
Title: President and CEO

### ATTEST/SEAL:

DocuSigned by:  
Jim Adams  
CORPORATE SECRETARY  
Printed Name: Jim Adams

### APPROVED:

DocuSigned by:  
Tom McLasland  
DIRECTOR, HOUSING AND  
COMMUNITY DEVELOPMENT  
DEPARTMENT

### CITY OF HOUSTON

[Signature]  
MAYOR  
Amanda Washington  
6-10-2021

### ATTEST/SEAL:

[Signature]  
CITY SECRETARY

### COUNTERSIGNED:

[Signature]  
CITY CONTROLLER

6-15-2021  
DATE OF COUNTERSIGNATURE

### APPROVED AS TO FORM:

DocuSigned by:  
Camrii Alexee  
ASSISTANT CITY ATTORNEY

## **EXHIBIT "A"**



**EXHIBIT "A"**

**PROJECT SUMMARY**

Subrecipient, Project Title, Period of Agreement and Maximum Compensation

- I. The Subrecipient is: LiftFund, Inc.
- II. The project title is "Dream Fund Program"
- III. The project administration will be located at: 3300 Chimney Rock Rd #104, Houston, TX 77056. The period of the Agreement begins on the countersignature date of the Controller and ends on August 31, 2022, as provided for in the foregoing Agreement, subject to the availability of CDBG-DR funds.
- IV. The maximum compensation for eligible activities under this Agreement is \$4,200,000.00 and is subject to the provisions of ARTICLES III, IV, X, and XXIII thereof.
- V. The Housing and Community Development Department of the City of Houston will have the primary responsibility for administering the Agreement on behalf of the City.

**EXHIBIT "B"**

**EXHIBIT "B"**  
**DREAM FUND PROGRAM**  
**SCOPE OF SERVICES**

**A. PROGRAM GOALS:**

This program will provide \$3 million dollars in small business loans and/or lines of credit to eligible small construction contractors/businesses in Houston.

By creating access to capital for small contractors, the program aims to:

- Support Houston's construction-industry small businesses, which were disproportionately impacted by Hurricane Harvey,
- Address disparities in access to capital and,
- Support small business development as an economic development strategy for the City.

**B. ELIGIBILITY**

- Applicant business must be within the City of Houston, and
- Applicant business must be
  1. a "small business" as defined by the Small Business Administration in 13 C.F.R. Part 121 (SBA size limitations for small businesses can vary in size from 0 to over 1,000 employees, depending on industry sector: [https://www.sba.gov/sites/default/files/files/Size\\_Standards\\_Table.pdf](https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf)); **or**
  2. a "microenterprise," a small business with no more than 5 employees, including the owner; **and**
- Applicant business must be in the construction sector (Note: selected contractors are not required to only work on City of Houston contracts); **and**
- Applicant business is not a "debarred entity" on the System for Award Management (SAM) electronic roster or as registered with the Texas State Comptroller's Office

***Additionally, to meet HUD's National Objective Requirements, the applicant business must meet one of the following requirements:***

- Business must be a microenterprise owned by an individual whose income falls at or below 80% of the median income by family size as defined by income requirements established by HUD for the county; **or**
- Business must create at least one job to be held by, or made available to, LMI persons (LMJ), **or**
- Business must serve an LMA area (LMA) as defined by the HEDP Guidelines and Policies and Procedures.

**C. CONTENT AND OPERATIONS**

Liftfund, Inc., will provide the following services:

1. Outreach; and
2. Application intake and review; and

3. Determination of applicant eligibility in relation to program guidelines and regulations
4. Technical assistance to program applicants; and
5. The facilitation of interest buydown for the loan fund; and
6. Loan underwriting; and
7. Reporting for program compliance and assessment.

#### **D. PERFORMANCE MEASURES**

- Timeliness of loan/credit disbursement. Liftfund, Inc. is expected to disburse 3 million by October-December
- Target Market service. Liftfund, Inc. is expected to serve at least 85% of total capital given out to minority and women-owned microenterprises.
- Job creation. Liftfund, Inc. is expected to encourage job creation.
- Low and Middle Income (LMI) service. Liftfund, Inc. is encouraged to serve LMI business owners.
- City of Houston small contractors. Liftfund, Inc. is encouraged to serve City of Houston-affiliated small contractors as a strong market share of program participants.
- Comprehensive Reporting. Liftfund, Inc. is expected to report the following variables:
  - # of businesses that received technical assistance
  - # of businesses that received business development assistance
  - # of businesses that received capital that otherwise would not have been able to access but for the Dream Fund
  - # of contracts, including government contracts, that program participants obtain and perform successfully
- Timeliness of Reporting. Liftfund, Inc. is expected to meet reporting requirements with minimal adjustments.
- Applicant file review thoroughness. Liftfund, Inc. is expected to conduct file review with minimal City correction; Liftfund, Inc. is encouraged to collaborate with the City to conduct file review.



**EXHIBIT "C"**

## Exhibit C

### Dream Fund Program Budget

Item	Amount
<b>Lending Capital: Loan Fund</b>	<b>\$3,000,000</b>
<b>Lending Capital: Interest Buy-Down</b>	<b>\$650,000</b>
<b>Business Support &amp; Administration</b>	<b>\$550,000</b>
<b>Total</b>	<b>\$4,200,000</b>

#### **Lending Capital: Loan Fund**

\$3,000,000 is allocated as capital that LiftFund, Inc. will disburse to eligible and qualifying small business owners (Dream Fund program beneficiaries) in the form of term loans and lines of credit. The product terms range from 24 months to 72 months and are capped at \$250,000 per beneficiary.

It is expressly agreed that in no event will the Subrecipient provide any loans or lines of credit from the revolving loan fund (Dream Fund) to any program beneficiary without the approval and written consent of the City and the GLO.

#### **Lending Capital: Interest buy-down**

The \$650,000 is allocated as a one-time grant issued for the benefit of allowing the small business owner beneficiaries a zero percent interest loan over the life of their loan/line of credit. This grant is separate from programmatic operations/administration support. The direct benefit to the small business borrower-beneficiary from this grant is low and/or no cost capital for both: 1) a line of credit facility to increase capacity to take on larger projects and 2) a term loan facility for working capital to purchase equipment and hire additional staff. This one-time grant amount covers the interest that comparable nonprofit lenders normally charge the borrower for the life of their loans. The grant covers the costs associated with:

- Packaging of products
- Loan application support
- Credit review
- Fraud assessment
- Risk review
- Legal documentation
- Collateral filings (if required)
- Compliance review and reporting
- Ongoing financial administration of the loans
- Servicing of the loans

#### **Administration: \$550,000**

As a nonprofit lender, LiftFund, Inc.'s lending revenue is insufficient to cover all expenses related to both providing access to capital and technical assistance. The following technical assistance and business development support are undertaken with the administrative funding budget allocation:

- Technical assistance from LiftFund, Inc. staff
- Technical assistance from partner agencies
- Administrative costs

Technical Assistance shall be provided to small business beneficiaries throughout the life of their loan. This service component shall be provided by thirteen LiftFund, Inc. staff members who will: 1) provide program curriculum, 2) facilitate educational sessions, and 3) secure professional educators for industry and topic-specific sessions. Additionally, LiftFund, Inc. shall ensure that webinars, trainings, informational sessions, and mentorship will be available for program beneficiaries to attend virtually and in-person in compliance with COVID19 advisories. One-on-one consultations shall be provided by LiftFund, Inc. staff to assist small business beneficiaries with challenges they may face that are specific to their small business and life circumstances.

DocuSigned by:

*Janie Barrera*  
6186DE896C1F4F9...

President and CEO 6/9/2021

DocuSigned by:

*Tom McLasland*  
BB4243B4670F4BF...

Director 6/9/2021

**EXHIBIT "D"**





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# Harvey Economic Development Program Guidelines

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Version 1.1  
May 27, 2020

**CITY OF HOUSTON  
HOUSING AND COMMUNITY DEVELOPMENT  
DEPARTMENT**

## Change Log

This section describes changes made to this document.

1	2/27/2020	Introduction, Page 6. Link to SBA site where specific industry criteria can be accessed added.	
2	2/27/2020	A definition of microenterprise has been incorporated throughout the guidelines: a microenterprise or microbusiness shall be defined as businesses with five or fewer employees, one of whom owns the enterprise. capital and resources	
3	2/27/2020	Pg. 6/7: Goals and Priorities sections merged.	
4	2/27/2020	Pg. 8; Text changed to reflect that for the grant program, the City will select a partner vendor through competitive procurement	
5	2/27/2020	Pg. 7/8: Graphic and some more detail provided to program structure section.	
6	2/27/2020	Changed loan program name to Dream Fund Program (DFP)	
7	2/27/2020	Pg. 8. Funding caps for revolving fund incorporated.	
8	2/27/2020	Pg. 8. Information regarding revolving loan fund interest rates and collateral incorporated.	
9	2/27/2020	Pg. 9. Revolving fund program income and income reuse information added.	
10	2/27/2020	Pg. 10. National objective criteria changed to reflect that LMA classification shall not be utilized for the revolving loan fund program, only for the grant program.	
11	2/27/2020	Pg. 10. Market consultation element taken out of eligibility requirements for grant program; this factor will instead be part of the (forthcoming) Propensity to Succeed Index within the underwriting analysis.	
12	2/27/2020	Pg. 8. Provision added noting that businesses cannot apply for both programs.	
13	3/26/2020	Pg. 13. Clarification added to note that selected revolving fund contractors are <u>not</u> required to only work on City of Houston contracts as program participants	
14	3/26/2020	Pg. 33 Edited to include a period of 3 years after the grant closeout between the GLO and HUD for retention and reporting requirements.	
15	3/26/2020	Pg. 35 Conflict of Interest section added.	
16	3/26/2020	Pg. 36, Changes, Conflicts and Waivers section added.	
17	3/26/2020	Pg. 35. Anti-job pirating section added.	

18.	5/7/2020	Pg. 8, clarification " <b>only</b> ...either \$50,000 or \$100,000."	
19.	5/7/2020	Pg. 9, added line of credit terms (2 years, w/1 year renewal)	
20.	5/7/2020	Pg. 10, added "Note: selected CDFI partner selected... businesses may be subject to additional reporting regarding any activities undertaken with Program Income funds."	
21.	5/7/2020	Pg. 16, added "...business via the program in line with federal guidelines".	
22.	5/7/2020	Pg. 16, PSI information and right to verify related docs and info added	
23.	5/7/2020	Pg. 17, clarification noting required adherence of financial and underwriting analysis to Appendix A of CFR 570	
24.	5/7/2020	Appendix A, highlighting PSI underwriting analysis, is added to the Guidelines.	
25.	5/7/2020	Pg. 39, "or contractors <b>procured</b> to provide supplies" added to vendor definition.	
26.	5/27/2020	Pg. 9 Microenterprise definition edited to be race and gender neutral per City of Houston Legal Team feedback.	

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## Introduction

Globally, natural disasters are increasingly occurring, and are increasingly impacting society's most vulnerable members, hindering efforts to eradicate poverty and homelessness. Consequently, inequality is increasing.<sup>1</sup>

This dynamic is evident in Houston, Texas, after Hurricane Harvey made landfall on August 25, 2017. Data<sup>2</sup> on local spending patterns sheds light on the financial disruption<sup>3</sup> households faced. As a result of such disruptions, families' checking account inflows decreased by more than 20 percent, or about \$400.<sup>4</sup>

Such disruptions adversely, and disproportionately, impact vulnerable low-income households. For example, in economically-disadvantaged neighborhoods,<sup>5</sup> two-thirds of renters can afford \$875 for monthly rent in contrast to the fair market rent estimate of \$1,066 per month.<sup>6</sup> In this common situation, it becomes clear how a \$400 decrease following the storm strained already economically-burdened households, increasing inequality.<sup>7</sup> As a result, institutions are challenged with bolstering the economic viability of vulnerable individuals and families.

The City of Houston's Harvey Economic Development Program (HEDP) seeks to answer this challenge through small business development as an economic opportunity strategy. The HEDP focuses on assisting low and moderate-income individuals (LMI) in order to reach disproportionately affected households and address inequality. In this program, a small business is defined consistently with the U.S. Department of Housing and Urban Development (HUD)'s definition: a business that is independently owned and operated and which is not dominant in its

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<sup>1</sup> Economic Losses, Poverty and Disasters 1998-2017 . (2018). *United Nations Office for Disaster Risk Reduction (UNDRR)*. Retrieved from [https://www.unisdr.org/files/61119\\_credeconomiclosses.pdf](https://www.unisdr.org/files/61119_credeconomiclosses.pdf). For an analysis of the impact of disaster on inequality in a US context, see Junia Howell, James R Elliott, *Damages Done: The Longitudinal Impacts of Natural Hazards on Wealth Inequality in the United States, Social Problems*, Volume 66, Issue 3, August 2019, Pages 448–467, <https://doi.org/10.1093/socpro/spv016>

<sup>2</sup> Farrell, D., & Greig, F. (2018). *Weathering the Storm: The Financial Impacts of Hurricanes Harvey and Irma on One Million Households*. JP MORGAN Chase Institute. Retrieved from <https://www.jpmorganchase.com/corporate/institute/document/institute-weathering-the-storm.pdf>

<sup>3</sup> The types of disruption vary. For example, thousands of evacuees faced temporary housing costs from temporary housing, and then faced the cost of repairing their flood-damaged homes and replacing household goods, electronics, clothes, and vehicles. Hurricane Harvey also impacted the business sector, typically measured as indirect damage, due to the interruption of business activity caused by the storm. Such impact affects the economy through lost business income, reduced employee earnings, and lost jobs. <https://comptroller.texas.gov/economy/fiscal-notes/2018/special-edition/impact.php>

<sup>4</sup> Farrell and Greig, 2018, pg. 2

<sup>5</sup> Neighborhoods in study: Greenspoint, Gulfton, Northshore, and Westwood/Alief

<sup>6</sup> At the standard calculation of 30% of gross income. AFFORDABLE MULTI-FAMILY HOUSING: RISKS AND OPPORTUNITIES. (2019). *Greater Houston Flood Mitigation Consortium*. Retrieved from <https://www.houstonconsortium.com/graphics/images/MFReport.3.19-19-FINAL-Spreads.pdf>

<sup>7</sup> O'Connell, Heather and Howell, Junia. "Disparate City: Understanding Rising Levels of Concentrated Poverty and Affluence in Greater Houston." (2016) Rice University Kinder Institute for Urban Research: <https://doi.org/10.25611/s8s0-egss>.

field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA).<sup>8</sup>

Additionally, the HEDP will prioritize supporting microenterprises. HUD defines a microenterprise as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise.<sup>9</sup> Microenterprise development as a community and economic development strategy is consistent with best national and global practices and has been demonstrated to contribute to the long-term sustainability of communities' economic sectors and offer stability during economic downturns, fostering long-term resilience.<sup>10</sup>

## Economic Development Program (HEDP) Goals and Priorities

The HEDP aims to extend economic opportunity to sectors of Houston's population that were disproportionately impacted by Hurricane Harvey. The economic development strategy utilized for this purpose is small business development.<sup>11</sup> The program design is based on research-based indicators of challenges to small business development, including access to capital.<sup>12</sup> Through grants, loans, and technical assistance, the HEDP aims to promote small business stabilization and growth.

To reach these goals, the HEDP program prioritizes:

1. Serving microenterprises.
2. Serving small contractors working in the City of Houston in a post-Harvey reconstruction context.
3. Outreach towards small business owned by women and minorities.

## Economic Development Program (HEDP) and Hurricane Harvey

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<sup>8</sup> [https://www.hud.gov/program\\_offices/sdb/about/sbtypes](https://www.hud.gov/program_offices/sdb/about/sbtypes)

<sup>9</sup> Section 102(a)(22) of the Housing and Community Development Act of 1974. See, "Basically CDBG" pg. 8-2. This is consistent with the literature; see Elaine L. Edgcomb and Joyce A. Klein, "Opening Opportunities, Building Ownership: Fulfilling the Promise of Microenterprises in the United States," FIELD, February 2005, <http://www.fieldus.org/publications/FulfillingthePromise.pdf>

<sup>10</sup> See Fitzgerald, M. A., & Muske, G. (2016). Family businesses and community development: the role of small business owners and entrepreneurs. *Community Development*, 47(4), 412-430., and Roberts, P., & Wortham, D. (2018). The Macro Benefits of Microbusinesses (SSIR). Retrieved from [https://ssir.org/articles/entry/the\\_macro\\_benefits\\_of\\_microbusinesses](https://ssir.org/articles/entry/the_macro_benefits_of_microbusinesses).

<sup>11</sup> **83 FR 5844** §48. Prioritizing small businesses.

<sup>12</sup> Specifically, the extensive research on challenges to minority-owned business development are relied on. Minority-owned businesses serve as an appropriate research instrument for the HEDP's LMI focus given the higher likelihood of minorities classifying as LMI. For a brief literature review, please see: Kauffman Compilation: Research on Race and Entrepreneurship. (2016). *Kauffman Foundation*. Retrieved from [https://www.kauffman.org/-/media/kauffman\\_org/resources/2016/kauffman\\_compilation\\_race\\_entrepreneurship.pdf](https://www.kauffman.org/-/media/kauffman_org/resources/2016/kauffman_compilation_race_entrepreneurship.pdf)



The HEDP program fulfills the aims of the City of Houston's contract with the General Land Office (GLO), which seeks to "facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing...in areas affected by the Texas Hurricane Harvey."<sup>13</sup>

The HEDP addresses the impact of Hurricane Harvey and the City's unmet housing needs both directly and indirectly. First, Hurricane Harvey's impact strained the City's construction industry, which already had a shortage of construction firms and labor. By assisting construction-sector small businesses to develop, the City is increasing Houston's ability to rebuild after the storm and increasing the City's resilience. This small construction business strategy is cited in the City of Houston Local Action Plan (pg. 50).

The HEDP also addresses the impact of Hurricane Harvey and the City's unmet housing need through the extension of economic opportunity. Hurricane Harvey exacerbated already existing inequalities in Houston, and the HEDP promotes economic development for households through its small business development programming; small business development increases economic stability, job creation, and job retention, as noted in the City of Houston Local Action Plan (pg. 34). This indirect tie-back is consistent with the GLO CDBG-DR manual, which states that,

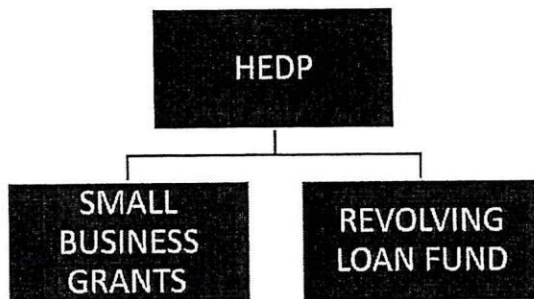
*"... Economic revitalization activities are vital not only for the long-term recovery and restoration of housing through job creation and retention but for the long-term viability of regions, communities, and neighborhoods.... Businesses that participate in economic revitalization programs will create or retain jobs, providing employee household members with additional or sustained financial resources to rent, finance, maintain, and/or improve their homes. The program will provide a boost to local economies, including the housing market, through increased payrolls, business activity, and tax revenue." (pg. 4, Section 18.6)*

## **Economic Development Program (HEDP) Structure**

The HEDP consists of two subprograms: a small business grant program and a revolving loan fund program:

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<sup>13</sup> GLO Contract No. Community Development Block Grant Disaster Recovery Program Projects Non-Research & Development Harvey Round 1 Funding, pg. 1.



Businesses cannot apply to both programs.

## Small Business Grant Program (SGP) Overview

### *Grant Amounts*

Recognizing that 83 percent of small businesses do not have access to private capital,<sup>14</sup> and that this deficiency was exacerbated by the financial impact of Hurricane Harvey, the SGP offers microenterprises with access to working capital grants of up to \$100,000. The grants can be used for eligible unmet need, including outstanding Hurricane Harvey damage, job creation, and working capital needs.<sup>15</sup>

### *Grant applications*

Grant recipients will be selected through an application process. The application shall require applicants to provide information about their household, their business, the damage their business sustained in Hurricane Harvey, documentation of assistance their business received for Hurricane Harvey and/or other federally declared disasters, and a description of the Unmet Need required for their business to recover and grow..

## Dream Fund Program (DFP) Structure Overview

This program shall create a revolving loan fund, The Dream Fund, to provide business loans for qualified small contractors in the City of Houston.

The City of Houston recognizes that small business development cannot take place where markets exclude small businesses. Therefore, the City of Houston is working to provide more opportunity for small businesses in City of Houston procurement. The Dream Fund supports this strategy by providing capital to small City of Houston contractors helping to rebuild Houston after

<sup>14</sup> Marion, E. (2019). ACCESS TO CAPITAL for ENTREPRENEURS : REMOVING BARRIERS. Kauffman Foundation. Retrieved from [https://www.kauffman.org/-/media/kauffman\\_org/entrepreneurship-landing-page/capital-access/capitalreport\\_042519.pdf](https://www.kauffman.org/-/media/kauffman_org/entrepreneurship-landing-page/capital-access/capitalreport_042519.pdf), pg. 4.

<sup>15</sup> Pursuant to CFR 570.201 (o)



Hurricane Harvey. Specifically, the Dream Fund will provide qualified small City of Houston contractors with access to credit and capital (loans) so that they can successfully perform their contracts with the City of Houston.

The fund's credit structure shall incorporate the use of two credit facilities extended to qualified contractors: a Line of Credit of \$50,000 maximum to support cash flow needs for City of Houston projects, and/or a Term Loan of \$150,000 maximum for working capital needed for hiring, equipment and other resources necessary for supporting the incremental work related to construction projects. The program line of credit terms shall be for two years, with a one-year renewal option. With this investment, the City is creating a sustainable resource for small business owners as well as contributing to the City's efforts to assist LMI households with post-Harvey recovery and rebuilding.

#### *Program Partner*

The revolving fund shall be administered by a CDFI organization, which shall be selected via NOFA processes.

#### *Loan interest rates*

The revolving loan fund interest rates shall not exceed 10.0 %<sup>16</sup> and shall be a function of the current market loan range, loan administration costs, and an interest buy-down investment into the loan fund. The competitiveness of loan interest rates shall be a highly-weighted decision factor in the selection process for a CDFI partner.

#### *Collateral*

Collateral shall be required for all business loans and shall be determined on a case-by-case basis, paralleling the practice of the SBA and nonprofit lenders in the Houston area. Loans given to businesses by the CDFI will not be guaranteed by the City in case of loss.

#### *Program Income*

The program income generated from the revolving fund loan shall be the interest generated, which will support the CDFI's administrative role in building and servicing the loan portfolio. In its administrative role, the selected CDFI partner must comply with the terms and conditions agreed upon with the City of Houston in relation to the administration of the revolving fund agreement only.

Regarding program income reuse, the revolving structure is designed to redeploy funds after they have been repaid; when the funds are redeployed, the selected CDFI partner must reissue the funds consistent with the terms and conditions agreed upon with the City of Houston in relation to the administration of the revolving fund agreement only.

Note: selected CDFI partner selected businesses may be subject to additional reporting regarding any activities undertaken with Program Income funds.

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<sup>16</sup> The SBA loan range projection for March 2020 is 6.5%-11.25%.

## CDBG-DR National Objectives

As expressed in the Federal Housing and Community Development Act of 1974, the “primary objective” of the general Community Development Block Grant (CDBG) program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate income (LMI).”<sup>17</sup> To fulfill this aim, the U.S. Department of Housing and Urban Development (HUD) Community Block Grant Program policy guidance<sup>18</sup> outlines three National Objectives:

1. Benefit Low- and Moderate-Income Persons (LMI), or
2. Preventing or Eliminating Slum or Blight, or
3. Meeting an Urgent Need (UN)

Unless the requirement is waived by HUD, all CDBG-DR funded activities must meet at least one of these three National Objectives.<sup>19</sup> Accordingly, the City of Houston has designed its disaster recovery programs to meet the Act’s intent, to meet a National Objective, and to help residents and communities recover from the direct and indirect impact of Hurricane Harvey.

The HEDP program shall meet the LMI objective by assisting small businesses that:

1. Provide goods or services to residents of an LMI residential area (LMA);\*\*\*<sup>20</sup>
2. Qualify as a microenterprise (no more than 5 employees, including the owner) AND are owned by an LMI individual (LMC); or
3. Create jobs that will be held by, or made available to, LMI persons (LMJ).

## Eligibility Overview: Small Business Grant Program (SGP)

Assistance under the SGP is available to sole proprietorships, corporations, partnerships, limited liability corporations, or other forms of business organizations that are recognized by the State of Texas and listed with the Texas Secretary of State and the Texas Comptroller of Public Accounts.

***For an applicant to be considered qualified for a small business grant:***

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<sup>17</sup> Section 101 of the Act, <https://files.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

<sup>18</sup> [https://www.hud.gov/sites/documents/DOC\\_17134.PDF](https://www.hud.gov/sites/documents/DOC_17134.PDF)

<sup>19</sup> Public Law 115-56; FR 6066-N-01

<sup>20</sup> \*\*\*Only the Dream Fund Program program shall utilize the LMA classification for National Objective eligibility.

- Applicant business' physical address must be within the City of Houston, and
- Applicant business is
  1. a "microenterprise," a small business with no more than 5 employees, including the owner, and
  2. Applicant business is not a "debarred entity" on the System for Award Management (SAM) electronic roster or as registered with the Texas State Comptroller's Office, and

***Additionally, to meet the National Objective Requirements, the applicant business must meet one of the following requirements:***

- Business must be a microenterprise (no more than 5 employees, including the owner) owned by an individual whose income falls at or below 80% of the median income by family size as defined by income requirements established by HUD for the county (LMC); or
- Business must be a microenterprise (no more than 5 employees, including the owner), and must create at least one job to be held by, or made available to, LMI persons (LMJ).

## **Eligible Activities and Uses Overview: Small Business Grant Program (SGP)**

***SGP grant funds can be utilized for the following unmet needs:<sup>21</sup>***

- addressing outstanding physical Hurricane Harvey damage
- creating new jobs
- current staff payroll
- commercial lease
- inventory and supplies (moveable/unfixed machinery only)
- insurance premiums
- utility bills
- marketing
- training/continuing education
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***SGP funding may not be used for:***

- renovation, repair, or improvement to buildings;
- purchases of equipment that must be affixed to a building;
- acquisition of real property;
- purchase of alcoholic beverages;

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<sup>21</sup> 24 CFR 570 and 2 CFR 200 Subpart E and 24 CFR 570.203



- paying for staff entertainment;
- paying for lobbying activities;
- buying out any stockholder or equity holder in the applicant business;
- buying out or reimbursing any family member;
- replacement of lost income or revenue.

### ***Working capital calculation***

Working capital is defined as "Current Assets minus Current Liabilities" on the business' balance sheet. In other words, working capital is the amount of cash needed to fund one year's worth of liabilities (i.e., one year's worth of mortgage payments and other debt, tax and utilities, yearly wages, and accounts payable) after subtracting other current assets such as inventory and accounts receivable. Working capital does not include any expense for any repairs or installation of equipment, or any form of construction or expansion of existing facilities, whether "hard" or "soft" costs. Therefore, an applicant business should not include expenses for equipment repairs or installation, or construction or expansion of existing facilities in any calculation involving working capital.

## **Eligibility Overview: Dream Fund Revolving Loan Program (DFP)**

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

Assistance under the Dream Fund Program is available to sole proprietorships, corporations, partnerships, limited liability corporations, or other forms of business organizations that are recognized by the State of Texas and listed with the Texas Secretary of State and the Texas Comptroller of Public Accounts.

### ***For an applicant business to be considered qualified for a Dream Fund loan:***

- Applicant business physical address must be within the City of Houston, and
- Applicant business is
  1. a "small business" as defined by the Small Business Administration in 13 C.F.R. Part 121 (SBA size limitations for small businesses can vary in size from 0 to over 1,000 employees, depending on industry sector:  
[https://www.sba.gov/sites/default/files/files/Size\\_Standards\\_Table.pdf](https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf));
  - OR
  2. a "microenterprise," a small business with no more than 5 employees, including the owner;
- Applicant business is a construction-sector business. (Note: selected contractors are not required to only work on City of Houston contracts).
- Applicant business is not a "debarred entity" on the System for Award Management (SAM) electronic roster or as registered with the Texas State Comptroller's Office; and



***Additionally, to meet the National Objective Requirements, the applicant business must meet one of the following requirements:***

- Business must be a microenterprise owned by an individual whose income falls at or below 80% of the median income by family size as defined by income requirements established by HUD for the county; or
- Business must be a microenterprise and must create at least one job to be held by, or made available to, LMI persons (LMJ), or
- Business must serve an LMA residential area

### **Eligible Activities and Uses: Dream Fund Revolving Loan Program (DFP)**

***DFP funds can be utilized for development and working capital expenditures including:<sup>22</sup>***

- addressing outstanding physical Hurricane Harvey damage
- creating new jobs
- current staff payroll
- commercial lease
- inventory and supplies (moveable/unfixed machinery only)
- insurance premiums
- utility bills
- marketing
- training/continuing education

***DFP funding may not be used for:***

- renovation, repair, or improvement to buildings;
- purchases of equipment that must be affixed to a building;
- acquisition of real property;
- purchase of alcoholic beverages;
- paying for staff entertainment;
- paying for lobbying activities;
- buying out any stockholder or equity holder in the applicant business;
- buying out or reimbursing any family member;
- replacement of lost income or revenue.

### ***Working capital calculation***

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<sup>22</sup> As enumerated in 24 C.F.R. 58.35(b)(4).

Working capital is defined as "Current Assets minus Current Liabilities" on the business' balance sheet. In other words, working capital is the amount of cash needed to fund one year's worth of liabilities (i.e., one year's worth of mortgage payments and other debt, tax and utilities, yearly wages, and accounts payable) after subtracting other current assets such as inventory and accounts receivable. Working capital does not include any expense for any repairs or installation of equipment, or any form of construction or expansion of existing facilities, whether "hard" or "soft" costs. Therefore, an applicant business should not include expenses for equipment repairs or installation, or construction or expansion of existing facilities in any calculation involving working capital.

## **APPLICATION PROCESS**

The HEDP application process shall include the following stages:

### *Stage 1: Application Intake*

To be considered for HEDP assistance, the applicant must complete and submit an online application online.

#### Application per business

One application must be submitted for each applicant. Each application must be signed by an authorized representative of the applicant business.

#### Required application information

An applicant business will be required to provide information in its application relating to its operations, including, but not limited to:

- Legal business name and address;
- Authorized representative name(s) and contact information;
- Federal Employer Identification Number (FEIN);
- Texas Identification Number (TIN), if any;
- North American Industry Classification System (NAICS) code;
- Current employees, including business owners;
- Services or products offered by applicant business;
- Intended uses for funding, if awarded;
- Evidence of registration on [www.sam.gov](http://www.sam.gov);

#### NAICS information

Each applicant business must provide its NAICS code. NAICS Codes are used by federal statistical agencies to classify business establishments for analysis of statistical data to describe the U.S.

economy. Applicant businesses may obtain more information regarding its NAICS classification at <https://www.naics.com/search/>.

#### Authorized representatives

Each application shall identify one or more persons, each of whom shall serve as an authorized representative for the applicant business. An authorized representative shall have the authority to alter or execute documents on behalf of, or make decisions for, the applicant business.

#### Point(s) of contact (POC)

Each application may identify one or more persons, distinct from persons named as authorized signatories, who shall have the authority to discuss program requirements and application status. These POCs will be recorded in a system of record. A POC may not alter or execute documents on behalf of, or make decisions for, the applicant business. An applicant business may revoke the rights of a POC at any time, in writing.

#### Applicant business identification numbers

An applicant business must provide a Data Universal Number System (DUNS) number associated with the business's tax identification number before any award can be finalized. A DUNS number is a unique nine-digit identification number for each physical location of your business. It is provided without cost to all businesses required to register with the U.S. federal government for contracts or grants.

An applicant business can obtain a DUNS number within one (1) business day by applying online at <http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>.

The applicant business must be actively registered in the System for Award Management (SAM) and have an assigned CAGE Code in order to receive an award. Neither the applicant business nor any principal owner (20% or more) may be debarred on the SAM electronic roster of debarred entities (active exclusion).

Applicant businesses can register for SAM at <https://www.sam.gov/SAM/>.

During the SAM registration process, an applicant business will be assigned a new Commercial and Government Entity Code (CAGE Code) if one does not already exist for the business. If there is an existing CAGE code, the applicant business's information will be updated. For more information on this process, applicant businesses may visit <https://cage.dla.mil>. ALERT: Due to increased volume and additional security requirements, a high number of entity registrations are pending CAGE review. Processing time currently exceeds the normal window of ten business days. Some users may experience processing delays of up to four weeks. Apply immediately if you are not yet registered.

### *Stage 2: Application screening*

Submitted applications will be screened for initial eligibility criteria.



### *Stage 3: Application review*

Additional application documentation may be requested as necessary to confirm eligibility, conduct an underwriting and financial analysis and a duplication of benefits analysis, determine national program objective(s), and establish award amount.

#### Financial analysis

Applicant business tax returns or other financial documents, payroll records, quarterly wage reports, etc. may be requested to verify that employment and annual receipts for an applicant business are below the program limits by reviewing.

Additional business, financial and tax documents, as well as online surveys, may be required to verify information provided for underwriting purposes. Underwriting shall be undertaken with the use of the Propensity to Succeed Index (PSI). Additional information about the PSI is provided in Appendix A.

All underwriting review and financial analysis elements shall be conducted in accordance with the underwriting regulations in Appendix A of 24 C.F.R. Part 570.

#### National Objective(s) verification

Each application shall be reviewed to determine whether a National Objective can be achieved by the applicant business via the program in line with federal guidelines.

#### Duplication of Benefits analysis

In order for an applicant business to be eligible for assistance from the HEDP, all assistance previously received by the applicant business must be considered, and it is the responsibility of the applicant to disclose all such assistance. Duplication of benefits review could consider insurance proceeds, SBA loans, federal grants, FEMA assistance, loans, and any other federal, state, local or private assistance. Multiple sources may be requested to verify duplication of benefits, including verification with third parties and applicant self-certification (where no other source of information is readily available).

While HEDP funds cannot duplicate previous assistance, they can supplement. Funds received from another source for the same purpose as this grant program that can be demonstrated to have been used for a different eligible activity may be excluded when calculating the award. The applicant business's award will be reduced by the amount of the duplicative assistance.

#### Environmental Review

The HEDP will fund only those activities pursuant to 58.35(b) CENST, "including but not limited to, equipment purchases, inventory financing, interest subsidy, operating expenses, and similar costs not associated with construction or expansion of existing operations." A full environmental review under federal law will not be required.



#### Unresponsive applicants

If additional information from an applicant business is requested and is not received within thirty (30) business days, the applicant's program application will be canceled.

#### Fair Housing and Equal Opportunity data collection

HCDD is required to collect and publish information relating to the use of HEDP funds, including the racial, ethnic, and gender characteristic of program beneficiaries. An applicant business shall be asked by HCDD to provide demographic data relating to its employees. No personally identifiable information for any employee shall be requested or collected.

#### *Stage 4: Approval*

The applicant business will be provided a letter of determination either awarding or denying funding. Approved applicants will be notified of the amount awarded and an explanation of how the award amount was calculated. Prior to distributing funds, recipient business shall be sent:

- a Grant Agreement
- a job creation/retention commitment agreement, if applicable; and
- a direct deposit consent form

#### *Stage 5: Monitoring*

Recipients will be monitored to verify funds are expended on eligible HEDP activities and one or more National Objectives are met.

#### Ownership

Ownership of the applicant business shall not change during the term of the Grant Agreement. Ownership shall be verified during the eligibility review and once during the grant term. Ownership shall be assessed via online records of ownership or submitted ownership documentation. Current ownership may be verified through one of the following sources of documentation:

- online business tax records demonstrating that the applicant owned the property at application; deeds;
- certificates of shares;
- death certificates, wills, or other supporting documentation;
- an affidavit attesting to ownership with sufficient supporting documentation; or other documentation that will be reviewed and approved on an individual basis.

#### Recapture

Recapture of grant funds shall be pursued against grant recipients that violate the Grant Agreement requirements.

### *Stage 6: Closeout*

Following completion of all program requirements, recipients shall be released from further obligations under the HEDP. All records, documentation, and information related to the HEDP will be maintained by HCDD for a three-year period after the date of closeout of the CDBG-DR grant that funded the Program.

#### Record Keeping, Retention and File Management

In accordance with HUD regulations, the GLO as the grantee, and HCDD as the sub-grantee and prime recipient of CDBG-DR funds, HCDD shall follow the records retention requirements cited in 2 CFR 200, which include financial records, supporting documents, statistical records and all other pertinent records. HCDD establishes recordkeeping and retention requirements in its sub-recipient agreements in accordance with the guidelines stated in 24 CFR 570.503(b)(2).

#### *Reporting*

As a recipient of CDBG-DR funds, HCDD, working with the GLO, will establish reporting requirements in accordance with 24 CFR 570.503(b)(2). HCDD has established its own reporting requirements in accordance with the provisions as found in 2 CFR 200, as applicable:

At execution of agreements;

Monthly;

Quarterly; and-

Annually.

#### *Record Retention*

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;
- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations;
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

24 CFR 570.49 Recordkeeping requirements:

(c) Access to records.

(1) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.

(2) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.

*Access to Records*

24 CFR 570.49 Recordkeeping requirements:

(c) Access to records.

(3) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.

(4) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.

Audit Requirements

In accordance with Subpart F of 2 CFR 200, non-federal entities that expend \$750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting



reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal funds.

## **Fraud, Waste and Abuse**

The City assesses all program systems, processes and Standard Operating Procedures from an anti-fraud, waste, and abuse perspective. HCDD's Fraud, Waste, and Abuse Policy<sup>23</sup> defines how allegations must be referred, and to which Office of Inspector General. Reports of Fraud, Waste, or Abuse should be referred to either of the below parties:

### **City of Houston Office of Inspector General**

900 Bagby St  
4<sup>th</sup> Floor  
Houston, TX 77002; or

P.O. Box 368  
Houston, TX 77001-0368

Telephone: (832) 394-5100

### **City of Houston Housing and Community Development – Grants Administration Section**

2100 Travis St  
9<sup>th</sup> Floor  
Houston, TX 77002  
c/o Grants Admin

Telephone: (832) 394-6200

## **Economic Development Program (HEDP) Administration**

The Department of Housing and Urban Development (HUD) appropriated \$5,024,251,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funding to the Texas General Land Office (GLO). Of this allocation, the City of Houston (City) has received \$1,175,954,338 for development and implementation of programs that directly benefit the residents of the City of Houston, including the Economic Development Program (HEDP). Of this, \$30,000,000 has been allocated to the HEDP.

Under the HEDP, funding will be utilized for economic development activities eligible under the Housing and Community Development Act of 1974, as amended, and the accompanying

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<sup>23</sup> HCDD Policy #21-010



implementation regulations.<sup>24</sup> The HEDP is not allowed to duplicate funds small businesses receive from other sources such as insurance policies, Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), or other federal or state agencies with disaster recovery program grants or similar assistance.<sup>25</sup> HEDP administration shall comply with applicable laws and guidelines, including those in Table 1 presented below.

Law	Title	Pub. Date	Link
Public Law 93-383	Housing and Community Development Act of 1974	8/22/1974	<a href="https://files.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf">https://files.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf</a>
Public Law 93-288	Disaster Relief Act of 1974, amended as the Stafford Act (1988)	4/1/1974	<a href="https://www.govinfo.gov/content/pkg/STATUTE-88/pdf/STATUTE-88-Pg143-2.pdf">https://www.govinfo.gov/content/pkg/STATUTE-88/pdf/STATUTE-88-Pg143-2.pdf</a>
Public Law 100-707	Stafford Act (1988)	11/23/1988	<a href="https://www.govinfo.gov/content/pkg/STATUTE-102/pdf/STATUTE-102-Pg4689.pdf">https://www.govinfo.gov/content/pkg/STATUTE-102/pdf/STATUTE-102-Pg4689.pdf</a>
Public Law 88-352, Public Law 90-284	24 C.F.R. Part 570 ( <i>Community Development Block Grants</i> )	4/1/2013	<a href="https://files.hudexchange.info/resources/documents/24-CFR-Part%20-570-CDBGs.pdf">https://files.hudexchange.info/resources/documents/24-CFR-Part%20-570-CDBGs.pdf</a>
	83 F.R. 5844	2/9/2018	<a href="https://www.govinfo.gov/content/pkg/FR-2018-02-09/pdf/2018-02693.pdf">https://www.govinfo.gov/content/pkg/FR-2018-02-09/pdf/2018-02693.pdf</a>
	83 F.R. 40314	8/14/2018	<a href="https://www.govinfo.gov/content/pkg/FR-2018-08-14/pdf/2018-17365.pdf">https://www.govinfo.gov/content/pkg/FR-2018-08-14/pdf/2018-17365.pdf</a>

Table 1

Additionally, the City of Houston will administer the Economic Development Program (HEDP) in accordance with these Guidelines, City of Houston Harvey Standard Operating Procedures, and HUD CDBG-DR regulatory requirements and guidance. The City of Houston reserves the right to adjust program priorities and re-allocate program funds and program components as needed to better meet program aims.

The City of Houston reserves the sole discretion of interpreting and applying these Guidelines, except for those items where GLO or HUD has indicated that their prior approval is required for implementation. The Housing and Community Development Department (HCDD) will utilize administrative procedures to implement the programs and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the

<sup>24</sup> 24 C.F.R. §570.203

<sup>25</sup> FR-6066-N-01, pg. 5848.

requirements of the funding source shall take precedence except for "local preferences" that are allowable under federal regulations.

Daily administration of the Program will be under the direct supervision of the Director of HCDD, or their designee within the Economic Development Division. The HCDD Economic Development Division will be responsible for: program marketing, the application intake process, eligibility determination, duplication of benefits review, award determination, contract development, contractor assignment, program assessment, and program completion. The HCDD Finance Division will authorize payments to contractors after review and validation of submitted invoice packages by the Economic Development Division.

### *Subrecipient Selection and Administration*

In support of the HEDP program, a NOFA process shall be used to competitively select project proposals as needed. The application or NOFA will clearly establish the process and acceptance period, threshold criteria, selection criteria, and the award process. Additional information will be established in the NOFA.

#### Scoring Criteria

Applications and proposals under NOFAs will be reviewed and scored internally by a panel of HCDD personnel based on the information provided. HCDD may provide a cure period for missing and/or incomplete applications but failure to submit an application in a timely manner will be disallowed.

#### Subrecipient Award

In some cases, HCDD shall directly allocate an award to a selected subrecipient during the administration of the grant period.<sup>26</sup>

### *Procurement*

HCDD shall provide adequate documentation to show that selection processes were carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR 200.318–200.326), state, and City requirements were met.

Record retention records must include, but are not limited to, the following information:  
-Rationale for the method of procurement;

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<sup>26</sup> Subject to 24 CFR 570.503



- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, HCDD shall clearly identify any items included in the bid/purchase that are not included in the CDBG-DR agreement with the City. HCDD may utilize HUD's CDBG-DR and Procurement Guidance.

HCDD shall procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD. HCDD is also required to follow state and local procurement law and policies, as well as the additional requirements stated in 2 CFR Part 200.

Additionally, the City's Strategic Procurement Division may review draft solicitations or responses prior to award for compliance with applicable city, state and federal rules and regulations. HCDD should clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, HCDD must execute a contract to document the period of performance, the work to be completed, the agreed price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that vendors and the City must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, HCDD is required to achieve compliance with Section 3 (24 CFR Part 135). It is strongly suggested that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 Plan. HCDD shall "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (HUD CFR 200.321).

## **Community Engagement and Outreach**

The City of Houston, through HCDD, is committed to affirmative marketing policies. HCDD shall conduct general outreach to obtain as many potentially eligible applications as possible. Particular emphasis will be focused on successful outreach to LMI areas, as well as persons of color, veterans, persons with disabilities, and women. Outreach shall be performed via coordination with local business associations, governments and non-profits, and shall include online marketing, media marketing, and other formats. All outreach materials shall include the web address for the online application portal and the programmatic email address..

### *Affirmatively Furthering Fair Housing*

HEDP activities must be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and the Fair Housing Act (42 U.S.C. §§ 3601– 3619). The HEDP affirmatively furthers fair housing through its commitment to creating jobs and economic opportunity for LMI persons and communities.

### *Reasonable Accommodation and Accessibility Policies*

HCDD will ensure accessibility to HEDP information. HCDD will provide reasonable accommodations and make reasonable modifications to its policies, practices, or procedures when necessary to avoid discrimination on the basis of disability.

### *Outreach Evaluation*

Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and demographic diversity of the City of Houston. Evaluation will be an ongoing process. HCDD has discretion in the modification and/or addition of requirements to the Affirmative Marketing & Outreach Plan.

## **Financial Management**

The City of Houston, as a CDBG-DR recipient, is required to follow the financial administration requirements outlined in 2 CFR 200. These standards help ensure that the financial systems put in place by the City:

- Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant.
- Document that funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;
- Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
- Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;
- Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;



- Use Uniform Administrative Requirements outlined in 2 CFR 200 principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
- Maintain source documentation for accounting records;
- Implement procedures for cash management that permit the timely disbursement to applicants and subrecipients and complete and accurate monitoring and reporting; and
- Comply with 2 CFR 200 Subpart F

The roles and responsibilities described below are related to the financial management of the City of Houston's CDBG-DR allocation for Hurricane Harvey. These descriptions are not intended to be an exhaustive list of activities performed by each entity in relation to the CDBG-DR grant or in general.

#### *Finance Department*

The Strategic Procurement Division (SPD) is housed within the City of Houston's Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.

#### *The City Controller*

The Office of the City Controller certifies the availability of funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's funds, conducts internal audits of the City's departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances - Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to contractors and beneficiaries.

#### *Housing and Community Development Department (HCDD)*

HCDD is the grant manager for Houston's Hurricane Harvey CDBG-DR allocation and responsible for administering all programs outlined in the City's Local Action Plan.

#### *Economic Development Section*

This section is responsible for designing and implementing an economic development strategy and program for the City of Houston.

#### *Disaster Recovery and Public Services Division*

This division is responsible for program development and oversight, as well as community outreach.

#### *Finance Division*

This division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD's Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to the GLO to be realized in the City's budget.

### *Planning and Grants Management Division*

This division is responsible for the City's CDBG-DR Local Action Plan, Local Needs Assessment, program applications, other rated planning documents, substantial amendments, project/activity budget set-up and completion in IDIS and DRGR and related reporting to HUD and GLO.

### *Key Funding Objective*

At least 70% of the City of Houston's CDBG-DR funds must be spent on LMI impacted residents and will require close monitoring of the eligibility and award calculation stages.

## **Confidentiality/Privacy**

The Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties.

The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the program to perform a financial or programmatic audit of the program, may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements and State and local law.
- HCDD may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.
- Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

## **Appeals**

HCDD's appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City's websites, including disaster



recovery websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file. Appeals must be made in writing, and may either be in letter form, through HCDD's website, or on HCDD's Appeal Request Form (available on HCDD's website or at the HCDD office). Written appeals will be accepted either by mail or in-person at the HCDD office. To be considered complete, an appeal must contain the following information:

Name  
Property Address  
Mailing Address (if different from Property Address)  
Phone  
Application number (if applicable)  
Email Address  
Reason for Appeal

Appeals must be made within thirty (30) days of notice<sup>27</sup> of the determination on the applicant's file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area's decision regarding the appeal and provide the basis thereof within thirty (30) days.

#### *Appeals Review Committee*

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process.

The ARC will process the escalated appeal within thirty (30) days. The ARC will transmit their decision to the appellant in writing.

#### *Texas General Land Office*

Should the appellant not be satisfied with the outcome determined by the ARC, they have the option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC's decision regarding their appeal.

If no word on a pending appeal is received by HCDD within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed. Funding for applications under appeal will be reserved until a final determination is issued.

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<sup>27</sup> The date of the letter sent is considered the date of notice.

**Contact Information**

Housing and Community Development Department  
2100 Travis St., 9<sup>th</sup> Floor  
Houston, TX 77002  
Attn: Planning & Grants Management

[HCDDComplaintsAppeals@houstontx.gov](mailto:HCDDComplaintsAppeals@houstontx.gov)

HCDD Business Hours  
Monday through Friday  
8:00 AM to 5:00 PM

**Complaints**

The City of Houston Housing and Community Development Department (HCDD) welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within fifteen (15) business days, where possible. For further information, please refer to the HCDD recovery website, <https://recovery.houstontx.gov>

**Contact Information**

Housing and Community Development Department  
2100 Travis St., 9<sup>th</sup> Floor  
Houston, TX 77002  
Attn: Planning & Grants Management

[HCDDComplaintsAppeals@houstontx.gov](mailto:HCDDComplaintsAppeals@houstontx.gov)

(832) 394-6200

HCDD Business Hours  
Monday through Friday  
8:00 AM to 5:00 PM

**Cross Cutting Federal Regulations**

This program will be designed and implemented in compliance with cross-cutting federal regulations when applicable, including:

**AMERICANS WITH DISABILITIES ACT (ADA)**

The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state, and local government services,



public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications device for the deaf (TDD)/telephone relay services. The City of Houston Housing and Community Development Department (HCDD) takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by HCDD, and that any services are delivered in the most integrated manner possible. HCDD's mandate to conform to the requirements of ADA flows down to every stakeholder, including sub-recipients, vendors, and developers.

#### DAVIS-BACON LABOR STANDARDS

The Davis-Bacon Act and Related Acts (DBRA) applies to contractors and subcontractors carrying out federally funded or assisted contracts in excess of \$2,000 for the fringe benefits for corresponding work on similar projects in the area. In some cases, City of Houston Prevailing Wage Law is in effect. In these cases, the higher prevailing wage rate between the Federal Government and the State must be adhered to and made applicable. For prime contracts of more than \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, HCDD must follow the reporting requirements per HUD and the U.S. Department of Labor regulations. This requirement also extends to HCDD's sub-recipients and contractors.

#### EQUAL EMPLOYMENT OPPORTUNITY

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This regulation is adhered to within HCDD programs.

#### FAIR HOUSING

The Fair Housing Act requires all grantees, sub-recipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status. HCDD enforces the Fair Housing Act by ensuring that all grantees, sub-recipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCDD website,

where applicable. The Affirmative Marketing Plan must comply with applicable Fair Housing Laws and demonstrate how the applicant will affirmatively further fair housing throughout applicable NCEM disaster recovery programs.

#### FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED

The Fair Labor Standards Act of 1938, as amended (FLSA), establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked more than 40 per week. These labor standards are applicable to the entire construction contract, regardless if CDBG-DR funds finance only a portion of the project. Excluding the exceptions listed below, all workers employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under HCDD CDBG-DR program must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

#### LIMITED ENGLISH PROFICIENCY

Federal Executive Order 131661 requires HCDD and all satellite offices, programs, sub-recipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. HCDD ensures fair access through the implementation of a Language Assistance Plan (LAP), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the "Language Assistance Plan" Provision of Language Assistance Services for additional guidance and protocols.

#### MINORITY- AND/OR WOMAN-OWNED BUSINESS ENTERPRISES

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (MBEs). 2 CFR 200.321 requires the non-federal entity to take all necessary steps to ensure that all sub-recipients, contractors, sub- contractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance ensure that contracts and other economic opportunities are directed to small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms when possible.

#### SECTION 3

Section 3 of the Housing and Urban Development Act of 1968 requires that grantees, sub-recipients, contractors, sub-contractors, and/or developers funded in whole or in part by CDBG-DR funding, to the greatest extent feasible, extend hiring opportunities and contracts to Section



3- eligible residents and businesses. Section 3-eligible residents are low- and very low- income persons, particularly those who live or reside in public or government assisted housing.

#### RESIDENTIAL ANTI-DISPLACEMENT

All sub-recipients must follow HCDD's Residential Anti-Displacement Policy.

#### UNIFORM RELOCATION ACT AND REAL PROPERTY ACQUISITION

The Infrastructure Program staff will comply with URA and real property acquisition as CDBG-DR federal funds, administered by HCDD and disbursed to sub-recipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at 49 CFR 24 (URA), 24 CFR 42 (Section 104(d)), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378). The March 5, 2013 Federal Register Notice (FR-5696-N-01) waived the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 CFR 42.375.

Sub-recipients or contractors must provide the following benefits to households or businesses that they displace:

- Relocation advisory services;
- A minimum of 90-day notice to vacate;
- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

HCDD programs subject to the URA and Section 104(d) include the CDBG-DR programs. HCDD policies and procedures, Notice of Funding Availability (NOFA), applicant certifications and/or written agreements for funds subject to the URA and Section 104(d) shall refer to federal and state rules, as appropriate.

#### REAL PROPERTY

If CDBG-DR funds are used to acquire real property, HCDD Legal ensures that the property continues to be used for its intended (and approved) purpose; proper records are maintained to keep track of it; steps are taken to protect and maintain it; and that if the property is sold, HCDD is reimbursed for the CDBG-DR share of the property's value. HCDD, as the grantee, along with its sub-recipients and contractors, must tag and log all property valued greater than \$1,000 and update inventory records annually.

This approach to the ownership, use, management, and disposition of property is complicated by two facts. First, the rules about property management and disposition differ slightly depending on whether a grantee is a public-sector grantee (the rules are generally more explicit

for governmental grantees). Second, the rules depend on the nature of the property. Real property (e.g., land, buildings) is treated differently than personal property (e.g., equipment, supplies, intangible property such as copyrights). (Property Management and Disposition Regulations 24 CFR 570.503; all sub-recipients (subs) 24 CFR 85.32; 85.34, govt. subs 24 CFR 84.32; 84.34, nonprofit subs) (as amended by 2 CFR 200 as needed).

The federal requirements relating to real property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

#### ACQUISITION OF REAL PROPERTY

Upon notification of permission from HCDD, the City proceeds with efforts to acquire any real property, including easements and right-of-way, required for the project. CDBG-DR federal funds, administered by HCDD and disbursed to subrecipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at 49 CFR Part 24 (URA), 24 CFR Part 42 (Section 104(d)), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378).

Sub-recipients or contractors must provide the following benefits to households that they displace:

1. Relocation advisory services;
2. A minimum of 90-day notice to vacate;
3. Reimbursement for moving expenses; and
4. Payments for added cost of renting or purchasing comparable replacement housing.

A purchase option agreement on a proposed site or property prior to the completion of the environmental review is allowed if the option agreement is subject to a determination by the sub-recipient on the desirability of the property for the project after the environmental review is completed and the cost of the option is a nominal portion of the purchase price. Prior to advertising for bids, the subrecipient must have obtained all lands, rights-of-way, and easements necessary for carrying out the project.

HCDD will provide property owners with the appropriate forms, including Involuntary Preliminary Acquisition Notice; Invitation to Accompany an Appraiser; Written Offer to Purchase; Statement of Basis of Just Compensation; Notice of Intent Not to Acquire; Donation and Appraisal Waiver; and Administrative Settlement.



## INSURANCE AND PROPERTY MANAGEMENT

For all projects in the Program, all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the property owner is responsible for ensuring that:

1. The property continues to be used for its intended (and approved) purpose;
2. The subrecipient keeps track of, and takes care of, the property; and
3. If the subrecipient sells or disposes of the property during the contract period, the subrecipient reimburses HCDD for the share of the property's value according to the agreement.

## RECORD KEEPING, RETENTION AND FILE MANAGEMENT

In accordance with HUD regulations, the GLO as the grantee, and HCDD as the sub- grantee and prime recipient of CDBG-DR funds follow the records retention requirements cited in 2 CFR 200, which includes financial records, supporting documents, statistical records and all other pertinent records. The compliance period for the retention requirements includes the duration of the GLO and City of Houston contract as well as a period of 3 years after the grant closeout between the GLO and HUD. HCDD establishes recordkeeping and retention requirements in its sub- recipient and contractor agreements in accordance with the guidelines stated in 24 CFR 570.503(b)(2).

## REPORTING

As a recipient of CDBG-DR funds, HCDD, working with the GLO, will establish reporting requirements in accordance with 24 CFR 570.503(b)(2). HCDD has established its own reporting requirements in accordance with the provisions as found in 2 CFR 200, as applicable:

- At execution of agreements;
- Monthly;
- Quarterly;
- Annually; and
- As required.

## RECORD RETENTION

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;

- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations;
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

#### ACCESS TO RECORDS (STATE – CITY)

24 CFR 570.49 Recordkeeping requirements:

- (c) Access to records.
- (5) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.
- (6) The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.

The availability of records is subject to the exemptions to public disclosure set forth in section 87(2) of the Public Officers Law. All Freedom of Information Law (FOIL) requests under the Public Officers Law must be made in writing to the Records Access Officer and will be processed in accordance with the procedures set forth therein.

#### AUDIT REQUIREMENTS

In accordance with Subpart F of 2 CFR 200, non-federal entities that expend \$750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal funds.

#### CONFIDENTIALITY/PRIVACY

The Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's policies describe how



information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed. The data collected from applicants for the Program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the program to perform a financial or programmatic audit of the program, may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements and State and local law.
- HCDD may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.

Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

#### CONFLICT OF INTEREST

All applicants will be subject to HCDD's Conflict of Interest Policy. No employee, agent, or officer, who exercises decision-making responsibility with respect to CDBG-DR funds and activities, is allowed to obtain a financial interest in or benefit from CDBG-DR activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. The Economic Development Program will establish safeguards to prohibit employees, officers, and agents from using their position for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties. HCDD may require disclosure of any potential conflict of interest to the governing body of the locality, to the recipient's legal counsel, and as otherwise may be appropriate.

#### ANTI-JOB PIRATING

Applicants will be subject to anti-job pirating as defined by 24 CFR § 570.210, which states that program funds "may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs."



## Changes, Waivers, and Conflict

Waivers to the requirements in these Guidelines can only be approved by HCDD and the GLO and must be provided in writing. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

HCDD will publish all Program Guidelines on the City's website [[www.recovery.houstontx.gov](http://www.recovery.houstontx.gov)]. All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of (7) seven days for public comment and the latest versions available on the City's website.

### *Waivers*

As the program matures, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by the GLO. To request a waiver, HCDD must submit a written request on HCDD letterhead that includes the following:

1. The Guideline for which the waiver applies
2. The requirement to be waived or altered
3. Alternative requirement or language
4. Detailed statement of how the request is necessary to address unmet recovery needs

### General Program Waiver Request

A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from the GLO is needed within thirty (30) days. The request must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

Waivers of this category must be published for seven (7) days and public comment received and addressed before implementation.

### Emergency Waiver Request

An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to GLO immediately and a response should be received from GLO within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that GLO and the City of Houston will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, GLO must notify the City of Houston via official letter of the necessary escalation to HUD and anticipated timing.

Additional requirements may be requested as required for submission depending on waiver type and category.

## Definitions

*Adjusted Gross Income (AGI):* AGI is an individual's total gross income minus specific deductions as shown on the federal tax return.

*Affirmatively Furthering Fair Housing (AFFH):* AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: [https://www.huduser.gov/portal/affht\\_pt.html](https://www.huduser.gov/portal/affht_pt.html).

*Area Median Family Income (AMFI):* Calculated annual limits based on HUD-estimated median family income. May also be referred to Area Median Income (AMI) in other program documents.

*Beneficiary:* The recipient deriving advantage from CDBG-DR funding.

*Duplication of Benefits:* The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

*General Land Office (GLO):* The Texas General Land Office is the lead agency for managing the State's Community Development Block Grant – Disaster Recovery grants.

*Grant Agreement:* A funding agreement detailing eligible program costs and project-specific award agreements between HUD and the GLO, including regulatory provisions, certifications, and requirements.

*Household:* A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living



arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

*Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984:* Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

*Housing and Urban Development Act of 1968, Section 3:* Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

*Low/Mod Income (LMI):* Activities which benefit persons of income that does not exceed 80 percent of the area median income:

- Extremely low: Household's annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size;
- Moderate: Household's annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

*Microenterprise, microbusiness:* A microenterprise or microbusiness shall be defined in this program as businesses with five or fewer employees, one or more of whom owns the enterprise.

*Microenterprise Development:* Microenterprise development refers to helping microenterprise owners most at risk (LMI and other disadvantaged individuals who do not typically have access to the full range of mainstream financial services) to create or expand their small businesses.

*Subrecipient:* Cities, counties, Indian tribes, local governmental agencies (including COGs), private non- profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.



*Vendor:* Vendors and private grant administrators procured by the city or contractors procured to provide supplies, equipment, or services necessary to implement the Program and to serve program needs. Upon approval, the vendor may implement the Program or act on behalf of the City.

## PSI Dimensions

### *Entrepreneurial Orientation*

Research findings indicate that, beyond financial skills, there are personal characteristics of entrepreneurs that seem to contribute to small business success.<sup>28</sup> In general, a term associated with these characteristics is Entrepreneurial Orientation (EO), and this is operationalized in varying ways across the literature. Typical indicators associated with this measure include: need for achievement, motivation, risk-taking propensity, and self-efficacy. The PSI operationalizes such entrepreneurial personal characteristics obtained through survey and interview questions incorporating metrics from the literature.

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<sup>28</sup> Hughes, M., & Morgan, R. E. (2007). Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth. *Industrial Marketing Management*, 36(5), 651–661; Kerr, S. P., Kerr, W., & Xu, T. (2017). Personality Traits of Entrepreneurs: A Review of Recent Literature; Kasemsap, K. (2017). Encouraging Internationalization and Entrepreneurial Orientation in Small and Medium Enterprises. *Handbook of Research on Small and Medium Enterprises in Developing Countries Advances in Business Strategy and Competitive Advantage*, 233–259.

Handwritten notes on lined paper, organized into several paragraphs with varying indentations. The text is illegible due to blurring. A small rectangular box is present at the bottom right of the writing area.



**EXHIBIT "E"**

**EXHIBIT "E"**

**Certification Regarding Lobbying**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds, other than Federally appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobby", in accordance with its instructions.

(3) This certification is material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certificate is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

**LIFTFUND INC.**, a Texas non-profit corporation

6/9/2021  
\_\_\_\_\_  
Date

DocuSigned by:  
By: Janie Barrera  
6186DE996C1F4F9...  
Name: Janie Barrera  
Title: President and CEO

**EXHIBIT "F"**



**EXHIBIT "F"**

**Certification for Debarment, Suspension, and Other Responsibility Matters**

The undersigned certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, State or local department or agency;
- (b) Have not within a three (3) year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph (b) of this certification; and
- (d) Have not within a three (3) year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000.00 or imprisonment for up to five (5) years, or both.

**LIFTFUND INC.**, a Texas non-profit corporation

Janie Barrera                      President and CEO

Type Name & Title of Authorized Representative

DocuSigned by:

*Janie Barrera*

Signature of Authorized Representative

6/9/2021

Date

☐ I am unable to certify to the above statements. My explanation is attached.

**EXHIBIT "G"**



**GLO CONTRACT NO. 21-134-000-C788**  
**COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM**  
**NON-RESEARCH & DEVELOPMENT**  
**HURRICANE HARVEY FUNDING**

The **GENERAL LAND OFFICE** (the "GLO"), a Texas state agency, and **CITY OF HOUSTON**, Texas Identification Number (TIN) **17460011640** ("Subrecipient"), each a "Party" and collectively "the Parties," enter into this Subrecipient agreement (the "Contract") under the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Disaster Recovery ("CDBG-DR") program to provide financial assistance with funds appropriated under (a) the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. No. 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332) and (b) the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Pub. L. No. 115-123), enacted on February 9, 2018, to address unmet disaster recovery needs through activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301, *et seq.*) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from damage caused by Hurricane Harvey. The referenced areas, collectively, have been identified as Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Numbers B-17-DM-48-0001, awarded February 9, 2018, and B-18-DP-48-0001, awarded August 17, 2018, as may be amended from time to time, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii"), as approved by the Texas Land Commissioner and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

**ARTICLE I - GENERAL PROVISIONS**

**1.01 SCOPE OF PROJECT AND SUBAWARD**

**(a) Scope of Project**

The purpose of this Contract is to set forth the terms and conditions of Subrecipient's participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall develop and implement the Programs listed in **Attachment A**, as applicable, in the City of Houston (the



“Project”). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in **Section 1.02** below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO. The aggregate use of CDBG-DR funds shall benefit low- and moderate-income families in a manner ensuring at least 70% of the Subaward is expended for Activities that benefit such persons, unless another percentage is permitted by HUD in a published waiver as specified in the Federal Registers.

(b) **Subaward**

Subject to the terms and conditions of this Contract, the GLO shall issue a subaward to Subrecipient in an amount not to exceed **\$835,087,843.00** (“Subaward”), payable as reimbursement of Subrecipient’s allowable expenses, to be used in strict conformance with the terms of this Contract, the Program Budgets listed in **Attachment A**, and the Performance Statements for the Programs, attached hereto and incorporated herein for all purposes.

The GLO, in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred before the Effective Date of this Contract, in accordance with federal law, but the GLO is not liable to Subrecipient for any costs incurred prior to August 25, 2017, or after the expiration or termination of this Contract.

All funds obtained by Subrecipient, regardless of the source, that are utilized on Subrecipient’s CDBG-DR Activities are subject to compliance with all applicable Federal and State regulations governing this Contract.

(c) **Approval Contingencies**

HUD must approve an eighth amendment to the Action Plan (“APA 8”), as drafted and posted for public comment by the GLO, for this Contract to be effective and enforceable. This Contract is expressly conditioned upon the occurrence of all of the following actions (collectively “Approval Contingencies”):

1. Approval of this Contract by City Council;
2. Execution of this Contract by the GLO’s Deputy Land Commissioner, the Mayor, and the Houston City Controller;
3. GLO’s publishing of APA 8 for public comment;
4. GLO’s submission of APA 8 to HUD; and
5. HUD’s approval of APA 8.

Unless all of the Approval Contingencies are completed and occur, this Contract shall be void and unenforceable and shall not be binding on any Party. The Parties have negotiated and signed this Contract in good faith under the assumption that HUD will approve or deny APA8 by June 30, 2021. In the event this assumption does not turn out to be correct, in that HUD has not approved or denied APA 8 by June 30, 2021, the Parties agree to explore ways to address materially adverse impacts, if any, associated with delays in such approval.

## **1.02 CONTRACT DOCUMENTS**

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

- ATTACHMENT A:** City of Houston Program Budgets
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** Monthly Activity Status Report
- ATTACHMENT G:** GLO Information Security Appendix for Subrecipients
- ATTACHMENT H:** Public Law 113-2 Contract Reporting Template
- ATTACHMENT I:** Program Completion Report
- PERFORMANCE STATEMENT 1:** Homeowner Assistance Program
- PERFORMANCE STATEMENT 2:** Single Family Development Program
- PERFORMANCE STATEMENT 3:** Multifamily Rental Program
- PERFORMANCE STATEMENT 4:** Small Rental Program
- PERFORMANCE STATEMENT 5:** Homebuyer Assistance Program
- PERFORMANCE STATEMENT 6:** Buyout Program
- PERFORMANCE STATEMENT 7:** Public Services Program
- PERFORMANCE STATEMENT 8:** Economic Revitalization Program
- PERFORMANCE STATEMENT 9:** City of Houston Planning Program
- PERFORMANCE STATEMENT 10:** City of Houston Administration

## **1.03 GUIDANCE DOCUMENTS**

Subrecipient is deemed to have read and understood, and shall abide by, all Guidance Documents applicable to the CDBG-DR program, including, without limitation:

- (a) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (b) the relevant Federal Register publications;
- (c) the Action Plan; and
- (d) other Guidance Documents posted at <https://recovery.texas.gov/>.

All Guidance Documents are incorporated herein in their entirety for all purposes and, once posted, shall be prospectively applicable to the Project unless required to be applied retroactively by law or by HUD regulations.



#### 1.04 DEFINITIONS

"Acquisition" means the purchase by Subrecipient of real property in a floodplain or Disaster Risk Reduction Area for any public purpose, as further defined in 42 U.S.C. §5305(a)(1). Subrecipient may acquire property through voluntary relinquishment by the property owner upon purchase or through its eminent domain authority.

"Act" means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

"Action Plan" means the State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, as amended and approved by HUD, found at <https://www.recovery.texas.gov/action-plans/hurricane-harvey/index.html>.

"Activity" means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in Subrecipient Performance Statements.

"Administrative and Audit Regulations" means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

"Amendment" means a written agreement, signed by the Parties hereto, that documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

"Attachment" means documents, terms, conditions, or additional information physically added to this Contract following the execution page or included by reference, as if physically attached.

"Benchmark" means the milestones identified in a Performance Statement that defines Deliverables required for release of funding throughout the life of the Contract and signifies Program progress.

"Budget" means the budget for the Programs and Activities funded by the Contract, as specified in **Attachment A** and the Performance Statements, respectively.

"Buyout" means an Acquisition by Subrecipient of real property in a floodplain or Disaster Risk Reduction Area with the intent to reduce risk of real and personal property damage from future flooding events. Real property purchased under a local Buyout program is subject to post-acquisition land use restrictions, which require any structures on the property to be demolished or relocated and the land reverted to a natural floodplain, converted into a retention area, or retained as green space for recreational purposes.

"CDBG-DR" means the U.S. Department of Housing and Urban Development's Community Development Block Grant Disaster Recovery program.

"C.F.R." means the United States Code of Federal Regulations.

"Contract" means this entire document, along with any Performance Statements or Attachments, both physical and incorporated by reference, and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued.

"Contract Documents" means the documents listed in **Section 1.02**.



“Contract Period” means the period of time between the effective date of the Contract and its expiration or termination date.

“Disaster Risk Reduction Area,” or “DRRA,” means a clearly delineated area established by Subrecipient in which real property suffered damage from Hurricane Harvey and the safety and well-being of area residents are at risk from future flooding events.

“Down-payment Assistance” means financial assistance provided under the Project to low-to moderate-income households to assist the households in purchasing residential properties in locations outside of floodplains or Disaster Risk Reduction Areas.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 C.F.R. § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **Section 3.03** herein.

“Federal Assurances” means Standard Form 424B (for non-construction projects) or Standard Form 424D (for construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the document titled “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, “Disclosure of Lobbying Activities,” also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices, including U.S. Department of Housing and Urban Development Federal Register Docket Nos. FR-6066-N-01 and FR-6109-N-01 and any other publication affecting Hurricane Harvey – Round 1 CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office and its officers, employees, and designees.

“GLO Implementation Manual” means the manual created by the GLO for subrecipients of CDBG-DR grant allocations to provide guidance and training on the policies and procedures required to effectively implement CDBG-DR programs and timely spend grant funds.

“Guidance Documents” means the documents referenced in **Section 1.03**.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR contract.

“Housing Quality Standards” means the minimum standards for new single-family homes and multifamily housing constructed under HUD Housing programs, as promulgated by HUD and outlined in 24 C.F.R. § 982.401.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

“Intellectual Property” means patents, rights to apply for patents, trademarks, trade names, service marks, domain names, copyrights and all applications and worldwide registration of such, schematics, industrial models, inventions, know-how, trade secrets, computer software programs, other intangible proprietary information, and all federal, state, or international registrations or applications for any of the foregoing.

“Monthly Activity Status Report” means Project Benchmark status reports required under **Section 4.02** and included as **Attachment F** of this Contract.

“Performance Statement” means a statement of work for each Program listed in **Attachment A**, which includes specific Benchmarks and Activities required under the Program. The Performance Statements for this Contract are listed in **Section 1.02** as **Performance Statement 1, Performance Statement 2, Performance Statement 3, Performance Statement 4, Performance Statement 5, Performance Statement 6, Performance Statement 7, Performance Statement 8, Performance Statement 9, and Performance Statement 10** and are substantially the forms attached hereto and incorporated herein.

“Program” means each Community Development Block Grant – Disaster Recovery program administered by the City of Houston and listed in **Attachment A**.

“Program Completion Report” means a report created by the GLO and included in **Attachment I**, containing an as-built accounting of all Programs completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Program Guidelines” means, collectively, the individual sets of guidelines, standard operating procedures, and policies adopted by Subrecipient and approved by the GLO governing the implementation of each Program under this Contract, as applicable.

“Project” means the work to be performed under this Contract, as described in **Section 1.01(a)**, including all Programs listed in **Attachment A**, and as further described in the Performance Statements.

“Project Manager” means the authorized representative of the GLO responsible for the day-to-day management of the Project and the direction of performance of work relating thereto.

“Prompt Pay Act” means Chapter 2251 of the Texas Government Code.



“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Relocation Assistance” means monetary or other assistance provided under the Project to assist in the relocation of homeowners out of a floodplain or Disaster Risk Reduction Area.

“Revision” means the GLO’s written approval of changes to deliverable due dates, movement of funds among budget categories, and other Contract adjustments the GLO may approve without a formal Amendment.

“Subrecipient” means City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as “Provider” herein.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the terms or requirements of this Contract, issued by the GLO and provided to Subrecipient, that is applicable to specific subject matters pertaining to this Contract and to which the addressed Program participants shall be subject.

“U.S.C.” means the United States Code.

#### **1.05 INTERPRETIVE PROVISIONS**

- (a) The meaning of a defined term applies to its singular and plural forms.
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, Attachment, or schedule of this Contract unless otherwise specified.
- (c) The term “including” means “including, without limitation.”
- (d) Unless otherwise expressly provided, a reference to a contract includes subsequent amendments and other modifications thereto executed according to the contract’s terms and a reference to a statute, regulation, ordinance, or other law includes subsequent amendments, renumbering, recodification, and other modifications thereto by the enacting authority.
- (e) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract.
- (f) The limitations, regulations, and policies contained herein are cumulative and each must be performed in accordance with its terms without regard to other limitations, regulations, and policies affecting the same matter.
- (g) Unless otherwise expressly provided, any GLO action taken under this Contract for the purposes of signaling consent, approval, or waiver shall be deemed performed at the GLO’s sole discretion. Notwithstanding the preceding sentence, the GLO shall not unreasonably withhold or delay any such approval, consent, or waiver.
- (h) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day of Subrecipient.
- (i) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received.



- (j) Time is of the essence in this Contract.
- (k) In the event of conflicts or inconsistencies between this Contract, its Attachments, federal and state requirements, and any documents incorporated herein by reference, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: all applicable laws, rules, and regulations, including, but not limited to, those included in **Attachment D**; the Contract; the GLO-approved Program guidelines; the Performance Statements; **Attachment A**; **Attachment E**; **Attachment B**; **Attachment C**; **Attachment F**; **Attachment G**; **Attachment H**; **Attachment I**; applicable Guidance Documents; and the GLO Implementation Manual. Conflicts or inconsistencies between GLO Implementation Manual and this Contract; any laws, rules, or regulations; or any of the Guidance Documents should be reported to the GLO for clarification of the GLO Implementation Manual.

## **ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME**

### **2.01 REIMBURSEMENT REQUESTS**

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. Requests for payment must be submitted 1) through the GLO's system of record, the Texas Integrated Grant Reporting (TIGR) system; and 2) in accordance with all written instructions provided by the GLO Project Manager. Written instructions provided by the GLO Project Manager will apply to submissions and resubmissions made after receipt of such instructions and will not be retroactive unless required by HUD or applicable law.

**With the exception of GLO-approved allowable Project costs incurred after August 25, 2017, and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statements.**

### **2.02 TIMELY EXPENDITURES**

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this Contract, at a minimum, monthly.

**NOTWITHSTANDING THE REQUIREMENTS OF ANY OTHER SECTION OF THIS CONTRACT, THE GLO MUST RECEIVE A REIMBURSEMENT REQUEST FOR AN EXPENSE FOR WHICH SUBRECIPIENT SEEKS REIMBURSEMENT NOT LATER THAN NINETY (90) DAYS FROM THE DATE SUBRECIPIENT PAYS FOR THE EXPENSE. THE GLO MAY, IN ITS SOLE DISCRETION, DENY REIMBURSEMENT REQUESTS THAT DO NOT MEET THIS REQUIREMENT. THIS PARAGRAPH SHALL NOT APPLY TO EXPENSES ALREADY PAID BY SUBRECIPIENT AS OF THE EFFECTIVE DATE; PROVIDED THAT SUBRECIPIENT SHALL ENDEAVOR TO TIMELY SUBMIT ALL PREVIOUSLY PAID BUT UNSUBMITTED EXPENSES TO THE GLO.**

Upon receipt of Subrecipient's initial reimbursement request, GLO shall use its best efforts to review and respond to the request within 14 days where practicable. Upon receipt of the Subrecipient's RFI response or follow up correspondence or submissions regarding a previously submitted reimbursement request, GLO shall use its best efforts to review and respond to the request within 7 days where practicable.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251 of the Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after this Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and de-obligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to de-obligate funds under this **Section 2.02** notwithstanding, the GLO shall pay all eligible reimbursement requests.

## **2.03 VARIANCE**

Amendments to decrease or increase the Subaward amount or to add or delete a Program or Activity may be made only by written agreement of the Parties, under the formal Amendment process described in **Section 8.16**, below. Upon completion of any Program, the GLO shall formally close out the Program by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

**SUBRECIPIENT SHALL SUBMIT FINAL BUDGETS AND ACTUAL EXPENDITURES AS PART OF THE PROGRAM COMPLETION REPORTS TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE PROGRAM COMPLETION REPORTS SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.**

## **2.04 PROGRAM INCOME**

In accordance with 24 C.F.R. § 570.489, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 24 C.F.R. § 570.489(e). Subrecipient shall report Program Income to the GLO in accordance with **ARTICLE IV** of this Contract. Subrecipient shall return all Program Income to the GLO at least quarterly, unless otherwise authorized by the GLO in writing. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO, HUD, and statutory restrictions and requirements.

## **ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT**

### **3.01 DURATION OF CONTRACT AND EXTENSION OF TERM**

This Contract shall become effective on the date HUD approves APA 8 ("Effective Date") and shall terminate on **August 31, 2024**, or upon the completion of all Benchmarks listed in the Performance Statements and required closeout procedures, whichever occurs first



**("Contract Period"). Subrecipient must meet all Program Benchmarks in the Performance Statements, in accordance with Section 3.05, below. Subrecipient's failure to meet any Benchmark as specified may result in suspension of payment or termination under Sections 3.02, 3.03, 3.04, or 8.16.**

### **3.02 EARLY TERMINATION**

The GLO may terminate this Contract by giving written notice specifying a termination date at least sixty-five (65) days after the date of the notice. On the specified termination date, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. GLO shall make reasonable efforts to process all then-pending eligible and complete draw requests by Subrecipient within forty-five (45) days of receipt of termination notice. The Parties acknowledge and agree that, after delivery of such termination notice, GLO shall not direct any new actual or potential Program beneficiaries to contact Subrecipient for any service relating to any terminated Program once the GLO has received all Program documentation. **If such early termination occurs, GLO shall pay or reimburse Subrecipient for all eligible costs and expenses (per the terms of this Contract) incurred or accrued by Subrecipient up to the date of termination, but not already paid for by GLO, up to the amount of Subaward funds remaining under this Contract.**

### **3.03 EVENTS OF DEFAULT**

Each of the following events shall constitute an Event of Default under this Contract: (a) Subrecipient fails to comply with any material term, covenant, or provision contained in this Contract, as "material" is defined at the GLO's sole discretion for the relevant term, covenant, or provision; (b) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; or (c) Subrecipient makes a representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract that Subrecipient knew or should have known, as determined by the GLO, was materially incorrect. Prior to a determination of an Event of Default, the GLO shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The GLO may extend the time allowed to cure any deficiency or potential cause of an Event of Default. The GLO shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

### **3.04 REMEDIES; NO WAIVER**

Upon the occurrence of any Event of Default, the GLO may avail itself of any equitable or legal remedy available to it, including without limitation, withholding payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The GLO's rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally



existing, upon the occurrence of an Event of Default. The GLO's failure to insist upon the strict observance or performance of any of the provisions of this Contract or to exercise any right or remedy provided in this Contract shall not impair, waive, or relinquish any such right or remedy with respect to another Event of Default.

### **3.05 PROGRAM BENCHMARKS**

The GLO shall provide Subrecipient with monthly progress reports reflecting whether, in the GLO's sole judgment, Subrecipient has timely met 30%, 50%, or 75% of each Program Benchmark. The Parties agree that this notice is for the sole purpose of enabling the Parties to confer and prevent any avoidable failures by either Party delaying achievement of the Program Benchmarks and shall not be construed to be a binding or determinative monitoring or audit finding or a binding determination of success or failure by Subrecipient to meet any Benchmark. Further, the GLO's failure to provide Subrecipient with a monthly progress report shall not relieve Subrecipient of its burden to meet any Benchmark.

The GLO shall not terminate a Program if Subrecipient is within a total of one million dollars of the relevant Program Benchmark by a specified deadline, as set forth in the Performance Statements (e.g. if the Benchmark is 30% of Program funds, or \$18,000,000, by Q2 2022, and Subrecipient achieves \$17,000,000 of the \$18,000,000 Benchmark by Q2 2022, the GLO shall not terminate the Program).

Nothing in this Section shall affect the GLO's right to terminate this Contract under this Article.

## **ARTICLE IV - CONTRACT ADMINISTRATION**

### **4.01 SUBMISSIONS – GENERALLY**

Except for legal notices that must be sent by specific instructions pursuant to **Section 8.10** of the Contract and all other reports and documentation the GLO requires, any report, form, document, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO. The GLO will use its best efforts to provide Subrecipient with written instructions relating to submissions prior to submission deadlines.

Required Program documentation previously approved by the GLO must be submitted for reapproval by the GLO program area. At the GLO's discretion, reapproval may be completed by a simple signoff, cursory review, or blanket approval of submissions (e.g. for previously approved environmental reviews, Program Guidelines, etc.) by the GLO program area.

**If Subrecipient fails to submit to the GLO any required Program documentation in a timely and satisfactory manner as required under this Contract, the GLO, in its sole discretion, may withhold any payments, pending Subrecipient's correction of the deficiency.**

#### **(a) Program Guidelines**

Not later than the close of business sixty (60) days after the Effective Date of this Contract, Subrecipient must submit to the GLO for approval or reapproval Program Guidelines for each Program to be operated by Subrecipient under this Contract

Subrecipient may submit revised versions of existing Program Guidelines previously approved by the GLO for Programs operated by Subrecipient..

(b) **Forms**

In conformance with required state and federal laws applicable to the Contract:

- (i) Subrecipient certifies, by the execution of this Contract, all statements in **Attachment C**, General Affirmations;
- (ii) Subrecipient must execute Standard Form 424D, Federal Assurances for Construction Programs, found at Page 1 of **Attachment B**;
- (iii) Subrecipient must execute the "Certification Regarding Lobbying Compliant with Appendix A to 24 C.F.R. Part 87," found at Page 3 of **Attachment B**; and
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, "Disclosure of Lobbying Activities," found at Page 4 of **Attachment B**.

**4.02 MONTHLY ACTIVITY STATUS REPORTS**

Subrecipient must provide monthly Activity status reporting, in the format prescribed in **Attachment F** (Monthly Activity Status Report), for each Program Activity identified in the Performance Statements, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in the Performance Statements shall be included as a part of the Monthly Activity Status Report for the period during which they are obtained, pursuant to **Section 8.01** herein. Subrecipient shall email Monthly Activity Status Reports to DR.Status.Reporting@recovery.texas.gov.

**4.03 HUD CONTRACT REPORTING REQUIREMENT**

HUD requires the GLO to maintain a public website that accounts for the use and administration of all GLO-administered CDBG-DR grant funds. To assist the GLO in meeting this requirement, Subrecipient must prepare and submit on the fifteenth day of each month to the GLO a written summary of all contracts procured by Subrecipient using grant funds awarded under this Contract. Reports shall be submitted to cdrsubsreporting@recovery.texas.gov, unless otherwise specified in a Technical Guidance Letter issued under this Contract. Subrecipient shall only report contracts as defined in 2 CFR § 200.22. Subrecipient must use a template developed by HUD to prepare the monthly reports, attached hereto as **Attachment H** and accessible online at <https://www.hudexchange.info/resource/3898/public-law-113-2-contract-reporting-template/>. Additional information about this reporting requirement is available in Federal Register publications governing the Hurricane Harvey CDBG-DR funding allocation.



## **ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT**

### **5.01 FEDERAL FUNDING**

- (a) Funding for this Contract is appropriated under (i) the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. No. 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332), and (ii) the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Pub. L. No. 115-123), enacted on February 9, 2018, to address unmet disaster recovery needs through Activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from damage caused by Hurricane Harvey. The referenced areas, collectively, have been identified as Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on the funds described above being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **All funds disbursed under this Contract are subject to recapture and repayment for non-compliance.**
- (b) **All CDBG-DR Program participants must have a Data Universal Numbering System (DUNS) number and a Commercial and Government Entity (CAGE) code. Subrecipient shall report its DUNS number and CAGE code to the GLO for use in various grant-reporting documents.** A DUNS number may be obtained by visiting the Dun & Bradstreet website: <https://www.dnb.com>. A CAGE code will be assigned when the obtained DUNS number is registered with the System for Award Management at <https://www.sam.gov>. Assistance with the System for Award Management website may be obtained by calling 866-606-8220. **Each CDBG-DR Program participant is responsible for renewing its registration with the System for Award Management annually and maintaining an active registration status throughout the Contract Period.**

### **5.02 STATE FUNDING**

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6, of the Texas Constitution, all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.



- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

#### **5.03 RECAPTURE OF FUNDS**

Subrecipient shall carry out the Activities under the Contract in a manner that complies with the terms and conditions of the Contract and all applicable laws. The GLO may recapture, and be reimbursed by Subrecipient for, any payments made by the GLO (a) that exceed the maximum allowable HUD rate; (b) that are not allowed under applicable laws, rules, and regulations; or (c) that are otherwise inconsistent with this Contract, including any unapproved expenditures. **This recapture provision applies to any funds expended for any Program or Activity that does not meet a CDBG-DR Program National Objective as specified in each Performance Statement or that is not otherwise eligible under CDBG-DR regulations.**

#### **5.04 OVERPAYMENT AND DISALLOWED COSTS**

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

#### **5.05 FINAL BENCHMARK**

To ensure all programmatic requirements are met for each Program, the GLO shall only release the final five percent (5%) of each Program Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in each Program's Performance Statement. The GLO shall disburse each Program's retained funds within thirty (30) days following approval of each Program Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

### **ARTICLE VI - INTELLECTUAL PROPERTY**

#### **6.01 OWNERSHIP AND USE**

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, drafts of reports, or other material, data, drawings, computer programs and codes associated with this Contract, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any

City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.

- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, drafts of reports, or other material, data, drawings, computer programs, and codes associated with this Contract, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract.
- (c) "City Materials" means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials. City Materials also includes all documents subject to attorney-client, work product, or other privilege.

#### **6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES**

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, the State of Texas, U.S. Government, or any government employee, endorses a product, service, or position the Subrecipient represents. Subrecipient may not release information relating to this Contract that states or implies that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient's work products or considers Subrecipient's work product to be superior to other products or services.

#### **6.03 DISCLAIMER REQUIRED**

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project or any Program are provided by Subrecipient and the Texas General Land Office through HUD's CDBG Program.

### **ARTICLE VII - RECORDS, AUDIT, AND RETENTION**

#### **7.01 BOOKS AND RECORDS**

Subrecipient shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in **Attachment D**.



## 7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO, the GLO's representatives or designees, or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity, or designee or representative of a federal or state entity, in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in **Attachment D**, governing audit requirements.

## 7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

### (a) Subrecipient Self-Audit

Upon the GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall



submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) **Targeted Audits and Monitoring Visits**

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

**7.04 PERIOD OF RETENTION**

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall State of Texas CDBG-DR program, in accordance with federal regulations set forth at 2 CFR § 200.333. **The GLO will notify all CDBG-DR program participants of the date upon which local records may be destroyed.**

**ARTICLE VIII - MISCELLANEOUS PROVISIONS**

**8.01 LEGAL OBLIGATIONS**

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the Monthly Activity Status Report for the period during which they are obtained.**

**8.02 INDEMNITY**

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;
- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, contractors, agents, representatives, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

#### 8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is authorized by Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.
- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled "Assurances – Construction Programs," and Subrecipient shall maintain such documentation.**

#### 8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision, Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered and/or the services rendered by Subrecipient and/or any of its subcontractors comply with all the terms and provisions of this Contract.



For subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all documentation required to ensure compliance with the Federal Labor Standards. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such subcontract have been satisfied.

#### **8.05 PROCUREMENT**

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:  
<https://comptroller.texas.gov/purchasing/>;

and the Federal General Services Administration's System for Award Management at:  
<https://www.sam.gov>.

#### **8.06 PURCHASES AND EQUIPMENT**

Any purchase of Equipment or computer software made pursuant to this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment or computer software unless and until disposed of in accordance with federal regulations. For the duration of the record retention period specified in Section 7.04, Subrecipient shall provide the GLO full access to and, if required, a license to use, Equipment and computer software necessary to access or obtain all Project data; in the alternative, Subrecipient may upload all Project data, in readable and accessible formats, to the GLO's system of record prior to disposing of or removing the GLO's access to the Equipment or computer software in question. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment and computer software purchased with Program funds under the Contract, including the name of the manufacturer, the model number, and the serial number, if applicable. The disposition of any Equipment or computer software shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

#### **8.07 COMMUNICATION WITH THIRD PARTIES**

The GLO and the authorities named in **Article VII**, above, may initiate, in accordance with this Contract or any legal authority granted by statute, regulation or rule, communications with any subcontractor of Subrecipient, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards interviews, and gather additional information as provided in **ARTICLE VII** herein. The results of such communications will be shared with Subrecipient, in writing, prior to any publication.



#### **8.08 RELATIONSHIP OF THE PARTIES**

Subrecipient is associated with the GLO only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for, and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

#### **8.09 COMPLIANCE WITH OTHER LAWS**

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

#### **8.10 NOTICES**

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail (certified, postage paid, return receipt requested) or with a common carrier (overnight, signature required) to the appropriate address below. For the convenience of the Parties only, a duplicate copy of all notices deposited in the U.S. mail or with a common carrier shall also be emailed to the other Party.

##### **GLO**

Texas General Land Office  
1700 N. Congress Avenue, 7<sup>th</sup> Floor  
Austin, TX 78701  
Attention: Contract Management Division

Email: [Joseph.Cardona@glo.texas.gov](mailto:Joseph.Cardona@glo.texas.gov), [Heather.Lagrone.glo@recovery.texas.gov](mailto:Heather.Lagrone.glo@recovery.texas.gov),  
and [Ginger.Mills@glo.texas.gov](mailto:Ginger.Mills@glo.texas.gov)

##### **Subrecipient**

City of Houston  
2100 Travis Street, 9<sup>th</sup> Floor  
Houston, TX 77002  
Attention: Director of Housing and Community Development Department

Email: [Tom.McCasland@houstontx.gov](mailto:Tom.McCasland@houstontx.gov) and [Kennisha.London@houstontx.gov](mailto:Kennisha.London@houstontx.gov)

Notice may be given by personal service or via email and shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

#### **8.11 GOVERNING LAW AND VENUE**

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

#### **8.12 SEVERABILITY**

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

#### **8.13 DISPUTE RESOLUTION**

Except as otherwise provided by statute, rule or regulation, Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitutes grounds for Subrecipient to suspend performance of this Contract. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

#### **8.14 CONFIDENTIALITY**

To the extent permitted by law, Subrecipient and the GLO shall keep all information, in whatever form produced, prepared, observed, or received by Subrecipient or the GLO, confidential to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by Subrecipient or the GLO; or (c) information that Subrecipient or the GLO is otherwise required to keep confidential by this Contract. Subrecipient must not make any communications or announcements relating to this Contract through press releases, social media, or other public relations efforts without notice to the GLO and the City shall use its best efforts to provide such notice in advance of the communication, where feasible.

#### **8.15 PUBLIC RECORDS**

The GLO shall post this Contract to the GLO's website. Subrecipient understands that the GLO will comply with the Texas Public Information Act (Texas Government Code Chapter 552, the "PIA"), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas (the "Attorney General"). Information, documentation, and



other material in connection with this Contract may be subject to public disclosure pursuant to the PIA. Upon the GLO's written request, Subrecipient will make any information the GLO requests that was created or exchanged by or on behalf of Subrecipient with the GLO or State of Texas pursuant to the Contract, and not otherwise excepted from disclosure under the PIA, available to the GLO in portable document file (".pdf") format or any other format agreed upon between the Parties that is accessible by the public at no additional charge to the GLO or State of Texas. By failing to mark any information that Subrecipient believes to be excepted from disclosure as "confidential" or a "trade secret," Subrecipient waives any and all claims it may make against the GLO for releasing such information without prior notice to Subrecipient. The Attorney General will ultimately determine whether any information may be withheld from release under the PIA. Subrecipient shall notify the GLO's Office of General Counsel by the close of Subrecipient's next business day of receipt of any third-party written requests for information and forward a copy of said written requests to [PIALegal@glo.texas.gov](mailto:PIALegal@glo.texas.gov). If a request for information was not written, Subrecipient shall use its best efforts to forward the third party's contact information to the above-designated e-mail address.

**Subrecipient shall, in accordance with the PIA, release the following information upon receipt of an open records request:**

- (a) The amount of CDBG-DR funds expected to be made available;
- (b) The range of Activities that may be undertaken with CDBG-DR funds;
- (c) The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- (d) The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

#### **8.16 AMENDMENTS TO THE CONTRACT**

Amendments to decrease or increase the Subaward, to add or delete a Program or an Activity, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal Amendment process outlined below, except that:

- (a) upon completion of a Program, the GLO shall issue a close-out letter pursuant to **Section 2.03**; and
- (b) in the event Subrecipient fails to meet a Program Benchmark as scheduled in a Performance Statement, the GLO may, at its discretion, and in strict accordance with this Contract, including Section 3.05, unilaterally terminate the related Program and Program funding under this Contract and modify the Contract through a Revision to the reflect the same.

The formal Amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by



way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail. Unless the Parties mutually agree otherwise in writing or otherwise required by law or HUD regulation, such Revision or Technical Guidance Letter shall become effective and apply prospectively to matters that were not yet in progress as of the date of the Revision or Technical Guidance letter.

Pursuant to **Section 2.03** hereof, final **Program Completion Reports** for all Programs performed under this Contract shall be submitted to the GLO and shall include all such informal revisions approved by the GLO and acknowledged by Subrecipient over the life of the Contract.

#### **8.17 REVISIONS TO PERFORMANCE STATEMENTS**

Notwithstanding the requirements in **Section 8.16**, Performance Statements, including any Program Benchmark(s) stated in any Performance Statement, may be revised by Subrecipient quarterly and submitted to the GLO for approval. Unless required under **Section 8.16**, a proposed Revision to any Performance Statement does not require application of the formal Amendment process, but must be approved by the GLO, in writing, in order to take effect.

#### **8.18 ENTIRE CONTRACT AND MODIFICATIONS**

This Contract, its Attachments, and any Amendments, Technical Guidance Letters, and/or Revisions issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the subject matter hereof. Any additional or conflicting terms in each Attachment, Technical Guidance Letter, and Revision shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

#### **8.19 PROPER AUTHORITY**

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract. Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

#### **8.20 COUNTERPARTS**

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

#### **8.21 SURVIVAL**

The provisions of **Articles V, VI, and VII** and **Sections 1.01, 1.03, 2.05, 3.02, 3.04, 3.05, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15, and 8.16** of this Contract and any

other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

#### **8.22 CONTRACT CLOSEOUT**

Upon completion of all Programs and Activities required for the Contract, and, pursuant to **Section 2.03** hereof, Subrecipient shall prepare final **Program Completion Reports** confirming final performance measures, budgets, and expenses. The GLO will close the Contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines consistent therewith. The GLO will notify Subrecipient via official closeout letter upon review and approval of the final Program Completion Report.

#### **8.23 INDIRECT COST RATES**

Unless, under the terms of 2 C.F.R. Part 200, Appendix V, Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, or is exempt from such negotiations and has developed and maintains an auditable central service cost allocation plan, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

#### **8.24 CONFLICT OF INTEREST**

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts, which standards may be located in various Subrecipient governing documents, including but not limited to, state law, the Subrecipient's Charter, Code of Ordinances, Administrative Procedures, Administrative Policies, Executive Orders, and departmental policies and procedures.

#### **8.25 FORCE MAJEURE**

Except with respect to the obligation of payments under this Contract, if either of the Parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected Party (collectively referred to as "Force Majeure"), then, while so prevented, the affected Party's obligation to comply with such covenant shall be suspended, and the affected Party shall not be liable for damages for failure to comply with such covenant. In any such event, the Party claiming Force Majeure must promptly notify the other Party of the Force Majeure in writing and, if possible, such notice must set forth the extent and duration thereof. The Party claiming Force Majeure must exercise due diligence to prevent, eliminate, or overcome such Force Majeure event when it is possible to do so and shall resume performance at the earliest possible date. However, if nonperformance continues for more than thirty (30) days, the GLO may terminate this



Contract immediately upon written notification to Subrecipient. If such early termination occurs, the GLO shall pay or reimburse Subrecipient for all eligible costs and expenses (per the terms of this Contract) incurred or accrued by Subrecipient up to the date of termination, but not already paid for by the GLO, up to the amount of Subaward funds remaining under this Contract.

#### **8.26 ENVIRONMENTAL CLEARANCE REQUIREMENTS**

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare an environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance, for GLO review and authorization to use grant funds. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO. To the extent Subrecipient already conducted and received GLO approval of an ERR or obtained environmental clearance for an Activity, such review or clearance shall be treated as if performed pursuant to this Section 8.26(a) as of the date the authorization to use grant funds was issued and Subrecipient shall not be required to conduct another duplicative review or obtain a duplicative clearance.
- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreements into this contract via a Technical Guidance Letter.

#### **8.27 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS**

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Programs, including ensuring that Program information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
  - (i) The amount of CDBG-DR funds expected to be made available;
  - (ii) The range of Activities that may be undertaken with the CDBG-DR funds;



- (iii) The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
  - (iv) A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.
- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business, so they may obtain a copy of these written procedures.
- (c) Technical Assistance: Subrecipient shall provide technical assistance to all Program participants, regardless of income, abilities, or LMI status, and shall make reasonable accommodations for any potential Program participant who requires assistance to access any Program. For example, Subrecipient shall provide an alternative means for completing a Program application for any applicant who is unable to access an online application.
- (d) Subrecipient shall maintain a citizen participation file that includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

#### **8.28 SIGNAGE REQUIREMENTS**

On any public building or public facility funded under this Contract, Subrecipient shall place permanent signage. Signs shall be placed in a prominent, visible public location. Subrecipient shall format each sign to best fit the architectural design of the building or facility but the sign should be legible from a distance of at least three (3) feet.

For other construction projects (e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation) funded under this Contract, Subrecipient shall place temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality.

All signage required under this Section shall contain the following:

"This project is funded by the City of Houston, the Texas General Land Office of the State of Texas, and the United States Department of Housing and Urban Development through the Community Development Block Grant Program to provide for disaster recovery and restoration of infrastructure for communities impacted by Hurricane Harvey."

#### **8.29 PROCUREMENT OF RECOVERED MATERIALS**

- (a) To the extent applicable, Subrecipient shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

- (i) Competitively within a timeframe providing for compliance with the Contract performance schedule;
  - (ii) In a way that meets Contract performance requirements; or
  - (iii) At a reasonable price.
- (b) Additional information about the requirement in 2 CFR § 200.322 for the maximum use of recovered/recycled materials, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines website, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>, along with the list of EPA-designated items.

### **8.30 EQUAL OPPORTUNITY CLAUSE**

Subrecipient hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 C.F.R. Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause quoted and bolded below:

**"During the performance of this contract, the contractor agrees as follows:**

**(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:**

**Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.**

**(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.**

**(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing,**



or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

*Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."*

Subrecipient further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided, That if Subrecipient so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.*

Subrecipient agrees that it will assist and cooperate actively with the GLO and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the



equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the GLO and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the GLO in the discharge of the GLO's primary responsibility for securing compliance.

Subrecipient further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts, as defined in 41 C.F.R. § 60-1.3, and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, Subrecipient agrees that if it fails or refuses to comply with these undertakings, the GLO may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this Contract; refrain from extending any further assistance to Subrecipient under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from Subrecipient; and refer the case to the Department of Justice for appropriate legal proceedings.

Subrecipient may make such necessary changes in language in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

#### **8.31 INFORMATION AND DATA SECURITY STANDARDS**

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix for Subrecipients**, incorporated herein for all purposes as **Attachment G**.

#### **8.32 STATEMENTS OR ENTRIES**

**WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE CLAIM OR STATEMENT TO HUD MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES UNDER 18 U.S.C. § 287, 18 U.S.C. § 1001, AND 31 U.S.C. § 3729.**

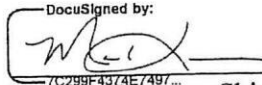
Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme, or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document despite knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001.

**Under penalties of 18 U.S.C. § 287, 18 U.S.C. § 1001, and 31 U.S.C. § 3729, the undersigned Subrecipient representative hereby declares that he/she has examined this Contract and Attachments, and, to the best of his/her knowledge and belief, any statements, entries, or claims made by Subrecipient are true, accurate, and complete.**






**SIGNATURE PAGES FOLLOW**

**GLO SIGNATURE PAGE FOR GLO CONTRACT No. 21-134-000-C788**  
**SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

**GENERAL LAND OFFICE**

DocuSigned by:  
  
7C289F437AE7497...  
Mark A. Havens, Chief Clerk/  
Deputy Land Commissioner

Date of execution: 2/10/2021

OGC   
PM   
SDD   
DGC   
GC 

**ATTACHED TO THIS CONTRACT:**

- ATTACHMENT A:** City of Houston Program Budgets
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** Monthly Activity Status Report
- ATTACHMENT G:** GLO Information Security Appendix for Subrecipients
- ATTACHMENT H:** Public Law 113-2 Contract Reporting Template
- ATTACHMENT I:** Program Completion Report
- PERFORMANCE STATEMENT 1:** Homeowner Assistance Program
- PERFORMANCE STATEMENT 2:** Single Family Development Program
- PERFORMANCE STATEMENT 3:** Multifamily Rental Program
- PERFORMANCE STATEMENT 4:** Small Rental Program
- PERFORMANCE STATEMENT 5:** Homebuyer Assistance Program
- PERFORMANCE STATEMENT 6:** Buyout Program
- PERFORMANCE STATEMENT 7:** Public Services Program
- PERFORMANCE STATEMENT 8:** Economic Revitalization Program
- PERFORMANCE STATEMENT 9:** City of Houston Planning Program
- PERFORMANCE STATEMENT 10:** City of Houston Administration

**CITY OF HOUSTON SIGNATURE PAGE FOLLOWS**

**CITY OF HOUSTON SIGNATURE PAGE FOR GLO CONTRACT No. 21-134-000-C788**  
**SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

DS  
**ATTEST/SEAL:**



DocuSigned by:  
*Pat Jefferson-Daniel*  
2F30A8306C0B4B1...  
City Secretary

**APPROVED:**

DocuSigned by:  
*Tom McLasland*  
8B4243B4070F4BF...  
Director, Housing and Community  
Development Department

**APPROVED AS TO FORM:**

DocuSigned by:  
*Deidra Penny*  
8DADC1F77230449...  
First Assistant City Attorney  
L.D. File No. 0292001029001

**CITY OF HOUSTON, TEXAS**  
Signed by:

DS  
*[Signature]*  
Mayor  
DocuSigned by:  
*Brenda Bonham*  
9722041C8B344EC...

**COUNTERSIGNED BY:**

DS  
*[Signature]*  
City Controller  
DocuSigned by:  
*Unard Polk*  
69DD4F50D145438...

**DATE COUNTERSIGNED:**

2/9/2021

**ATTACHMENTS FOLLOW**



**CITY OF HOUSTON PROGRAM BUDGETS**

<b>Program</b>	<b>Grant Funds</b>	<b>Other Funds</b>	<b>Total</b>
Homeowner Assistance Program	\$82,184,209.00		\$82,184,209.00
Single Family Development Program	\$60,000,000.00		\$60,000,000.00
Multifamily Rental Program	\$450,050,472.00		\$450,050,472.00
Small Rental Program	\$25,000,000.00		\$25,000,000.00
Homebuyer Assistance Program	\$33,688,328.00		\$33,688,328.00
Buyout Program	\$55,800,000.00		\$55,800,000.00
Public Services Program	\$60,000,000.00		\$60,000,000.00
Economic Revitalization Program	\$30,264,834.00		\$30,264,834.00
City of Houston Planning Program	\$23,100,000.00		\$23,100,000.00
City of Houston Administration	\$15,000,000.00		\$15,000,000.00
<b>Total</b>	<b>\$835,087,843.00</b>		<b>\$835,087,843.00</b>

## ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009  
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.  
SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

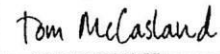
**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.



11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
DocuSigned by: 		Director	
APPLICANT ORGANIZATION		DATE SUBMITTED	
City of Houston		2/5/2021	

SF-424D (Rev. 7-97) Back

THIS FORM MUST BE EXECUTED



**CERTIFICATION REGARDING LOBBYING  
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871***Certification for Contracts, Grants, Loans, and Cooperative Agreements:*

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

*Statement for Loan Guarantees and Loan Insurance:*

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

NAME OF APPLICANT  
City of Houston

AWARD NUMBER AND/OR PROJECT NAME  
21-134-000-C788

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE  
Tom McCasland Director

SIGNATURE DocuSigned by:

Tom McCasland

DATE

2/5/2021

1 24 C.F.R. 87 App. A, available at <https://www.gpo.gov/fdsys/granule/CFR-2011-title24-vol1/CFR-2011-title24-vol1-part87-appA>. Published Apr. 1, 2011. Accessed Aug. 1, 2018.

**Disclosure of Lobbying Activities**Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure)OMB Number: 4040-0013  
Expiration Date: 02/28/2022

<b>1. *Type of Federal Action:</b> a. contract ____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	<b>2. *Status of Federal Action:</b> a. bid/offer/application ____ b. initial award c. post-award	<b>3. *Report Type:</b> a. initial filing ____ b. material change
<b>4. Name and Address of Reporting Entity:</b> ____ Prime ____ Subawardee Name: _____ Street 1: _____ Street 2: _____ City: _____ State: _____ Zip: _____ Congressional District, <i>if known</i> : _____	<b>5. If Reporting Entity in No. 4 is Subawardee,</b> Enter Name and Address of Prime:    Congressional District, <i>if known</i> : _____	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/Description:</b>  CFDA Number, <i>if applicable</i> : _____	
<b>8. Federal Action Number, <i>if known</i>:</b>	<b>9. Award Amount, <i>if known</i>:</b> \$ _____	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i>	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
<b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b>	Signature: _____  Print Name: _____  Title: _____  Telephone No.: _____ Date: _____	
<b>Federal Use Only</b>	Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)	



**INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

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According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.



### General Affirmations

To the extent they apply, Subrecipient affirms and agrees to the following, without exception:

1. Subrecipient represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Subrecipient nor the firm, corporation, partnership, or institution represented by Subrecipient, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Subrecipient.
2. If the Contract is for services, Subrecipient shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the vendor or applicant [Subrecipient] certifies that the individual or business entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Subrecipient certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Subrecipient certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Subrecipient represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Subrecipient owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support, regardless of when the debt or delinquency arises.
8. Upon request of the GLO, Subrecipient shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Subrecipient certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Subrecipient's submission of its offer to provide consulting services to the GLO or, in the alternative, Subrecipient, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, except as otherwise provided by statute, rule, or regulation, Subrecipient must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract. NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, and except as otherwise provided by statute, rule, or regulation, Subrecipient shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. Except as otherwise provided by statute, rule, or regulation, in accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d). NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.
  - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Subrecipient's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Subrecipient may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Subrecipient as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Subrecipient must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Subrecipient seeks as damages; and (3) the legal theory of recovery.
  - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Subrecipient in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.



- c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.
  - d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Subrecipient's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
  - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas or Subrecipient. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the Subrecipient or State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO and Subrecipient do not waive any privileges, rights, defenses, or immunities available to them by entering into this Contract or by their conduct, or by the conduct of any representative of the Parties, prior to or subsequent to entering into this Contract.
  - f. Except as otherwise provided by statute, rule, or regulation, compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Subrecipient: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. If Chapter 2271 of the Texas Government Code applies to this Contract, Subrecipient verifies that it does not boycott Israel and will not boycott Israel during the term of the Contract.
13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Subrecipient understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
14. Subrecipient certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.



15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Subrecipient certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.
16. Subrecipient represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Subrecipient certifies that neither Subrecipient nor any person or entity represented by Subrecipient has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Subrecipient from providing free technical assistance.
18. Subrecipient represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. In accordance with Section 2252.901 of the Texas Government Code, for the categories of contracts listed in that section, Subrecipient represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract. Solely for professional services contracts as described by Chapter 2254 of the Texas Government Code, Subrecipient further represents and warrants that if a former employee of the GLO was employed by Subrecipient within one year of the employee's leaving the GLO, then such employee will not perform services on projects with Subrecipient that the employee worked on while employed by the GLO.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT, TO THE EXTENT ALLOWED BY LAW, SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES,



AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. SUBRECIPIENT HAS NOT APPROPRIATED ANY MONEY FOR PAYMENT UNDER THIS CONTRACT AND NOTHING IN THIS PROVISION REQUIRES THAT FUNDS BE ASSESSED OR COLLECTED OR THAT A SINKING FUND BE CREATED FOR ANY CLAIMS ARISING UNDER THIS CONTRACT.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT, TO THE EXTENT ALLOWED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO SUBRECIPIENT'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO SUBRECIPIENT, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. SUBRECIPIENT HAS NOT APPROPRIATED ANY MONEY FOR PAYMENT UNDER THIS CONTRACT AND NOTHING IN THIS PROVISION REQUIRES THAT FUNDS BE ASSESSED OR COLLECTED OR THAT A SINKING FUND BE CREATED FOR ANY CLAIMS ARISING UNDER THIS CONTRACT.



23. TO THE EXTENT ALLOWED BY LAW, SUBRECIPIENT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF SUBRECIPIENT PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR SUBRECIPIENT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY SUBRECIPIENT OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF SUBRECIPIENT'S PERFORMANCE UNDER THE CONTRACT. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. SUBRECIPIENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, SUBRECIPIENT WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF SUBRECIPIENT OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND SUBRECIPIENT WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL. SUBRECIPIENT HAS NOT APPROPRIATED ANY MONEY FOR PAYMENT UNDER THIS CONTRACT AND NOTHING IN THIS PROVISION REQUIRES THAT FUNDS BE ASSESSED OR COLLECTED OR THAT A SINKING FUND BE CREATED FOR ANY CLAIMS ARISING UNDER THIS CONTRACT.

24. Subrecipient has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.

25. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.



26. Subrecipient understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Subrecipient shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Subrecipient and legally empowered to contractually bind Subrecipient to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Subrecipient shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.
29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Subrecipient shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Subrecipient certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Subrecipient expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Subrecipient represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other

technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.

32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Subrecipient certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.
33. Pursuant to Section 572.069 of the Texas Government Code, Subrecipient certifies it has not employed and will not employ a former state officer or employee who participated in a procurement or contract negotiations for the GLO involving Subrecipient within two (2) years after the date that the contract is signed or the procurement is terminated or withdrawn. This certification only applies to former state officers or employees whose state service or employment ceased on or after September 1, 2015.
34. The GLO does not tolerate any type of fraud. GLO policy promotes consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Subrecipient shall report any possible fraud, waste, or abuse that occurs in connection with the Contract to the GLO's Fraud Reporting hotline at (877) 888-0002.
35. The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and Subrecipient agrees that the Contract can be terminated if Subrecipient knowingly or intentionally fails to comply with a requirement of that subchapter.
36. If Subrecipient, in its performance of the Contract, has access to a state computer system or database, all Subrecipient employees, vendors, contractors, and individuals acting for or on behalf of Subrecipient pursuant to this Contract with access to the state system or database must complete a cybersecurity training program certified under Texas Government Code Section 2054.519, as selected by the GLO, during the initial term of the Contract and during any renewal period. Subrecipient must verify in writing to the GLO the completion of the cybersecurity training program when such training is required by this clause.



37. Under Section 2155.0061, Texas Government Code, Subrecipient certifies that the entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.



### **NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS**

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

**Provider is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:**

#### **GENERALLY**

The Acts and Regulations specified in this Contract;

Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56);

Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018) (Public Law 115-123);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301 *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual; and

State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, dated April 6, 2018, as amended.

#### **CIVIL RIGHTS**

Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

#### **LABOR STANDARDS**

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

#### **EMPLOYMENT OPPORTUNITIES**

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

#### **GRANT AND AUDIT STANDARDS**

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards, issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

#### **LEAD-BASED PAINT**

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

#### **HISTORIC PROPERTIES**

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;



Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960, as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

#### **ENVIRONMENTAL LAW AND AUTHORITIES**

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

#### **FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION**

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121 particularly Sections 2 and 5.

#### **COASTAL ZONE MANAGEMENT**

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

#### **SOLE SOURCE AQUIFERS**

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e) (42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. part 149.).

#### **ENDANGERED SPECIES**

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

#### **WILD AND SCENIC RIVERS**

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

#### **AIR QUALITY**

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. § 7506(c) and (d)).

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 C.F.R. Parts 6, 51, and 93).



**FARMLAND PROTECTION**

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture-7 C.F.R. part 658).

**HUD ENVIRONMENTAL STANDARDS**

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

**ENVIRONMENTAL JUSTICE**

Executive Order 12898 of February 11, 1994—Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

**SUSPENSION AND DEBARMENT**

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

**OTHER REQUIREMENTS**

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

**ACQUISITION / RELOCATION**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

**FAITH-BASED ACTIVITIES**

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

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### **SPECIAL CONDITIONS**

If applicable to a Program or Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Programs or Activities anticipated.

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Programs or any Activity under this Contract:

#### **A. REIMBURSEMENT, GENERALLY**

As provided for in Public Law 115-56, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

#### **B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE**

1. Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
2. Where Activities specified in a Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
3. Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
  - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001- 4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
    - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
    - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
  - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
  - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:



- i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
- ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

#### **C. PROJECT MAPPING/DESIGN INFORMATION**

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

#### **D. WATER SYSTEM IMPROVEMENTS**

1. Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
2. Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
3. Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in a Performance Statement, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

#### **E. SEWER SYSTEM IMPROVEMENTS**

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in the Performance Statements, Subrecipient shall provide notification of the start of construction on any sewer treatment plant of other system-related improvements included in this Contract.

#### **F. WASTEWATER TREATMENT CONSTRUCTION**

Prior to incurring costs for any wastewater treatment construction in the Performance Statements, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.



In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

#### **G. SEPTIC SYSTEM IMPROVEMENTS**

1. Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
2. Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
3. Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

#### **H. BUILDING CONSTRUCTION**

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

#### **I. BRIDGE CONSTRUCTION/REHABILITATION**

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

#### **J. DISASTER SHELTERS**

Subrecipient shall ensure that the primary purpose of a facility designated a "disaster shelter" is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition, Subrecipient shall prepare or be incorporated into an approved emergency management plan, as prescribed by the Texas Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

#### **K. DEBRIS REMOVAL**

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris

identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

#### **L. USE OF BONDS**

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the Project funded under this Contract.

#### **M. PROGRAM GUIDELINES**

Prior to the selection of beneficiaries for each Program, Subrecipient shall provide to the GLO, for GLO review and approval, a copy of its proposed guidelines for the Program. The guidelines must meet or exceed the requirements in the Federal Registers. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation), as applicable.

#### **N. COMPLIANCE PERIODS FOR PROGRAMS**

Subrecipient shall adopt appropriate compliance periods for each Program or Activity, as applicable, in accordance with Federal Register regulations. The specific compliance period and loan term requirements will be recorded in the Program Guidelines, subject to GLO approval.

#### **O. COASTAL MANAGEMENT**

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

#### **P. INELIGIBLE HOUSING ACTIVITIES**

The following are ineligible housing activities:

- (1) Forced mortgage payoff
- (2) Incentive payments to households that move to disaster-impacted floodplains
- (3) Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives



- (4) Rehabilitation/reconstruction of homes located in the floodway
- (5) Rehabilitation/reconstruction of a home where:
  - i. the combined household income is greater than 120 percent AMI or the national median, and
  - ii. the property was as located in a floodplain at the time of the disaster, and
  - iii. the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.
- (6) Assistance for the repair, replacement, or restoration of a property to a person who has failed to meet Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which states that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.



Subrecipient must provide Monthly Activity Status Reporting at the site level for all sites identified in the Performance Statements and relevant to the Milestones therein. The Report is due the fifteenth day of each month for the duration of the Contract. Submit the report via email to: DR.Status.Reporting@recovery.texas.gov.

Preparer Name: \_\_\_\_\_ Contact Information: \_\_\_\_\_

[illegible]

## **GLO Information Security Appendix for Subrecipients**

### **1. Definitions**

"Breach of Security" or "Breach" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

"GLO Data" means any data, document, or information, which includes PII and/or SPI, as defined below, provided by the GLO to Provider for the purpose of providing disaster assistance to individuals in the performance of the Contract. GLO data does not include other information that is publicly available or lawfully made available to Provider through other sources.

"Personal Identifying Information" or "PII" has the meaning defined at Tex. Bus. & Com. Code § 521.002(a)(1).

"Sensitive Personal Information" or "SPI" has the meaning defined in Tex. Bus. & Com. Code § 521.002(a)(2). SPI does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

All defined terms found in the Contract shall have the same force and effect, regardless of capitalization.

### **2. Security and Privacy Compliance**

- 2.1. Provider shall keep all GLO Data received under the Contract and any documents containing GLO Data strictly confidential.
- 2.2. Provider shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Provider shall implement administrative, physical, and technical safeguards to protect GLO Data that are no less rigorous than accepted industry practices, including, without limitation, the guidelines in the National Institute of Standards and Technology ("NIST") Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws. Provider shall provide within thirty (30) days of execution of the Contract and annually thereafter certification or attestation of meeting or exceeding accepted industry best practices. Such certification or attestation may be satisfied by the submission of Provider's information security program documentation demonstrating alignment to accepted industry practices.
- 2.4. Provider will legally bind any Subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Provider shall

ensure that the requirements stated herein are imposed on any Subcontractor of Provider's Subcontractor(s).

- 2.5. Provider will not share PII or SPI Data with any third parties, except as necessary for Subrecipient's performance under the Contract.
- 2.6. Provider will ensure that annual privacy and security training is completed by its employees or Subcontractors that have access to GLO Data or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII and/or SPI on behalf of the agency. Provider agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any GLO Data maintained or stored by Provider or any Subcontractor must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

### **3. Data Ownership and Return of Data**

- 3.1. The GLO shall retain full ownership of all GLO Data, which includes PII and/or SPI, disclosed to Provider or to which Provider otherwise gains access by operation of the Contract or any agreement related thereto.
- 3.2. If any part of the GLO Data, in any form, provided to Provider ceases to be necessary for Provider's performance under the Contract, Provider shall promptly thereafter securely return such GLO Data to the GLO, or, at the GLO's written request and/or approval, destroy, uninstall, and/or remove all copies of GLO Data in Provider's possession or control and certify to the GLO that such tasks have been completed. If such return of GLO Data is infeasible, as mutually determined by the GLO and Provider, the obligations set forth in this Attachment, with respect to GLO Data, shall survive termination of the Contract and Provider shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements applicable to the Contract.

### **4. Data Mining**

- 4.1. Provider agrees not to use GLO Data for unrelated commercial purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in this Contract or any document related thereto.
- 4.2. Provider agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of GLO Data occurs.



## **5. Breach of Security**

- 5.1. Provider agrees to provide the GLO with the name and contact information for an employee of the Provider which shall serve as the GLO's primary security contact.
- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by Provider, Provider agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than 24 hours after discovery. Within five business days from the date Provider notifies GLO of the Breach of Security or suspected Breach of Security, Provider agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected, to the extent such information is known and available to Provider at that time.
- 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at [informationsecurity@glo.texas.gov](mailto:informationsecurity@glo.texas.gov).
- 5.4. Provider agrees to take all reasonable steps to promptly mitigate a Breach of Security and take steps designed to reduce the risk of any further Breach of Security.
- 5.5. Provider agrees that it shall not inform any third party of any Breach of Security or suspected Breach of Security without obtaining GLO's prior written consent unless such action is required by law or court order, is in connection with a law enforcement or investigative activities, or notification to the third party is done for the purpose of containing or remediating a Breach of Security.
- 5.6. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Provider agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.

## **6. Completion of Security Questionnaire**

- 6.1. At the GLO's request, Provider agrees to promptly and accurately complete a written information security questionnaire provided by the GLO regarding Provider's business practices and information technology environment in relation to GLO Data.
- 6.2. Upon obtaining Provider's responses to GLO's information security questionnaire regarding Provider's business practices and information technology environment, GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by Provider under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.

## P.L. 113-2 Contract Reporting Template

Grantees are to use this template to summarize all procured contracts, including those procured by the grantee, recipients, or subrecipients. For the purposes of this requirement, recipients and subrecipients are defined as any entity receiving funds directly from the grantee. Definitions of each field can be found below.

Grantees are to update and upload this template to their website and to DRGR using the Lead Agency's Administration activity each quarter as part of their QPR submissions by selecting the "add additional documents" link in page 1 of the edit activity screen. Please note the specific activity title and number where the template has been uploaded within the QPR's Overall Progress narrative. Please contact your CDP representative with any questions about the requirements pertaining to this template or submit a question to <https://www.onecpd.info/get-assistance/my-question/> for DRGR technical assistance.

**Data Fields:**

Grantee	Enter grantee title as displayed in DRGR system.
Grant Number	Enter grant number as displayed in DRGR system.
Date Updated	Enter date template last updated.
A. Contractor Name	Enter name of Contracted Party
B. DUNS Number	Enter Data Universal Numbering System number of the Contractor. <u>Note:</u> Entering the DUNS into this template does not fulfill the requirement for grantees to enter DUNS into the DRGR Action Plan at the activity level. Refer to the Notice published July 11, 2014 for more information on this separate requirement.
C. Procured by	Enter name of entity that procured Contract - HUD grantee (state or local government), partner agency, a subrecipient of a state or local government, or a recipient of a state government.
D. Contract Execution Date	Enter date the Contract was executed.
E. Contract End Date	Enter date the Contract will expire.
F. Total Contract Amount	Enter total amount of executed Contract.
G. Amount of CDBG-DR Funds	Enter amount of CDBG-DR funds from this grant used to fund the Contract.
H. Brief Description of Contract	Enter a brief, one sentence description of the purpose of the Contract.

To insert additional ROWS, go to HOME menu, and select INSERT from the top left.

Grantee:  
Grant Number:  
Date Updated:

[illegible]

### Reporting of Contractors





**Texas General Land Office**  
**Community Development & Revitalization Program**  
**HOUSING**  
**Program Completion Report**

Subrecipient/Grant Administrator: \_\_\_\_\_

GLO Contract Number: \_\_\_\_\_

DUNS No. \_\_\_\_\_

Contract Start Date: \_\_\_\_\_

Contract End Date: \_\_\_\_\_

☐ HOUSING**Part I. General Reports****Certificate of Expenditures:**

Activity	GLO-CDR Budget	GLO-CDR Funds Drawn To-Date	GLO-CDR Funds not Received (including pending draws)		Local Contribution	Percent Matched
			GLO-CDR Reserved Funds	Unutilized Funds (Deob)		
Total						0 %

**Civil Rights & Citizen Participation:**

Requirements met and forms attached: ☐ Equal Employment Opportunity ☐ Section 3 ☐ Excessive Force Policy and Resolution ☐ Section 504

Fair Housing Activity (describe): \_\_\_\_\_

Work Completed Date: \_\_\_\_\_

**Certifications:**

As Executive Director, I certify that:

- a. All activities undertaken with funds provided under the contract identified in this report, have, to the best of my knowledge, been carried out in accordance with the contract agreement;
- b. The information contained in this Project Completion Report is accurate to the best of my knowledge;
- c. All records related to contractor activities are available for review;
- d. GLO-DR funds were not used to reduce the level of local financial support for housing and community development activities;
- e. The persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving service or a benefit from the use of the new or improved facilities and activities;
- f. For all activities undertaken with funds provided under the contract identified in this report, promotion of MBE participation has been undertaken;
- e. All requirements to Affirmatively Further Fair Housing have been met; and
- f. Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims and the State of Texas is under no obligation to make any further payment to the recipient under the contract agreement in excess of the amount identified in the Certificate of Expenditures table as "GLO-CDR Reserved Funds".

Name and Title (Print)	Signature	Date
------------------------	-----------	------

**Attachments:** The following documents support this report.

☐ Original Submittal,  
also submitted via email☐ Revision Date revised:**Part II. Performance Report**

Report work performed, performance measures and beneficiary data for each contract budget activity.

**Actual Accomplishments:**

Activity/Project:			
Project Description/Location:			
Project Accomplishments:		Total #:	

**HUD Performance Measures:**

Activity	Objective	Outcome
Benefit Indicator		
Special Category		

**Beneficiary Detail - Activities**

Identify all activities that benefit the persons reported on this sheet; report beneficiary details for those persons and households.

Activity:

**Beneficiaries by Demographic:**

Gender	No. of Persons			No. of Households (demographics of the Head of Household)		
	Male	Female	Total	Male	Female	Total
Race	Non-Hispanic	Hispanic	Sub-Total	Non-Hispanic	Hispanic	Sub-Total
Grand Total:						

**Beneficiaries by Income:**

Income Level	No. of Persons	No. of Owner Occupied Households	No. of Renter Occupied Households
Very Low (at or below 30% of the AMFI)			
Low (31-50% of the AMFI)			
Moderate (51-80% of the AMFI)			
Non-Low/Moderate (above 80% of the AMFI)			
Total			

Subtotal - All Low/Mod

Percent Low/Mod

0.00%

0

**Click "+" button to include another Activity/Project.****Part III Final Financial Interest Report**

Report all contracts executed under this CDBG-DR contract that are valued at or above \$2,000.

**Contracts with no subcontractors**

Type of Services	Business Name	Contract Amount			Qtr Executed
		CDBG-DR Funds	Other Funds	Total Dollars	

☐ At least one contract executed under this CDBG-DR contract includes subcontracts valued at or above \$10,000.☐ No contracts executed under this CDBG-DR contract include subcontracts valued at or above \$10,000.



## CITY OF HOUSTON

## HOMEOWNER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following Housing Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Homeowner Assistance Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Homeowner Assistance Program (HoAP)

Subrecipient will provide rehabilitation, reconstruction, and reimbursement Activities for Low- to Moderate-Income (LMI) individual households and non-LMI individuals that were affected by Hurricane Harvey in order to meet the dual National Objectives of benefiting LMI persons and meeting an urgent need (UN), thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible Housing Activities allowed under CDBG-DR; Sections 105(a)(1), 105(a)(3-4), 105(a)(8), 105(a)(11), 105(a)(18), and 105(a)(25) of the Act; and 24 C.F.R. § 570.201(g) include, but are not limited to, single-family owner-occupied rehabilitation and reconstruction, hazard mitigation, relocation assistance, demolition only, other Activities associated with the recovery of impacted single-family housing stock, and payment of non-federal share. A waiver eligible under FR-6066-N-01 permits housing incentives and other requirements for one-for-one replacement housing, relocation, and real property acquisition requirements.

The following types and estimated numbers of Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Rehabilitation	LMI	360
Rehabilitation	UN	11
Reimbursement	LMI	221
Reimbursement	UN	205
Total		797

Subrecipient will perform the following Housing Activities as part of the Homeowner Assistance Program (HoAP) within the city limits of Houston. The HoAP program will operate under the Subrecipient's HoAP Guidelines, which GLO has already approved and which may be amended from time to time upon GLO's approval. Subrecipient may refer to the GLO Homeowner Assistance Program Guidelines for further technical guidance regarding this Program. Upon approval by the GLO, Subrecipient's HoAP Program Guidelines must be posted on Subrecipient's website.

### Rehabilitation and Reconstruction

Subrecipient will provide homeowner rehabilitation (including elevation) and reconstruction assistance Activities for an estimated 371 households, of which it is anticipated that 360 will be LMI households. Subrecipient will manage and complete the construction process for the rehabilitation or reconstruction of damaged homes on behalf of homeowners. Subrecipient anticipates contracting with a firm(s) to provide design and construction services for the rehabilitation or reconstruction of damaged properties.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes and that the entire structure complies with local health and safety codes and standards; all applicable federal, state, and local building codes; Housing Quality Standards; and one of the Green Building Standards as required by the Harvey Federal Register.

All reconstructed Housing Units must comply with the universal design features in new construction (as established by the GLO's Construction Standards and Specifications, Energy Standards verified by a U.S. Department of Energy Building Energy Codes Program, RESCHECK Certification, the International Residential Codes and as required by Subchapter G, Chapter 214, Local Government Code) and specifications such as Energy Standards verified by a U.S. Department of Energy Building Energy Codes Program. All replacement housing, including manufactured housing units or modular homes, must comply with HUD, Program Guidelines, construction standards, and state, local, or regional building codes, as applicable.

Subrecipient shall conduct at a minimum a 50% inspection and final inspection, as required by the GLO rehabilitation and reconstruction standards, to meet the requirements of the International Residential Code 2012 or the Local, County, State, or Federal Code, whichever is most stringent. If any Housing Units are located within a Catastrophe Area, as defined in Section 2210.005 of the Texas Insurance Code, and suffer damage due to windstorms and/or hail, Subrecipient must obtain certificates of completion from the Texas Department of Insurance pursuant to the requirements of Section 2210.2515 of the Texas Insurance Code and Subrecipient's permitting office. Costs for rehabilitation, reconstruction, and new construction must be reasonable and consistent with market costs at the time and place of construction.

### Reimbursement

Subrecipient will offer a reimbursement option to an estimated 426 households, of which it is estimated that 221 will be LMI households. The assisted households will have completed partial or full repairs on their homes before applying to the Program. Households may be eligible for reimbursement of eligible expenses incurred, prior to application to the Program, for work performed to minimum Program standards, following an environmental clearance. Xactimate® or a similar industry-standard tool will be used to ensure cost reasonableness, and the work will be verified through an on-site inspection by Subrecipient or Subrecipient's designee.

Subrecipient shall conduct a final inspection (site inspection verifying completion of repairs).

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**City of Houston Homeowner Assistance Program Benchmarks**

Program Benchmark	Deadline <sup>1</sup>
15% of Program funds drawn by Subrecipient	Q2 2021
50% of Program funds drawn by Subrecipient	Q4 2021
75% of Program funds drawn by Subrecipient	Q2 2022
95% of Program funds drawn by Subrecipient	Q4 2022
95% of Program funds drawn by Subrecipient	Q2 2023
95% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of Program funds drawn by Subrecipient	At Project Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Homeowner Assistance Program Project Delivery Benchmarks**

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.



**City of Houston Homeowner Assistance Program Budget**

HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
Rehabilitation/ reconstruction of residential structures	Rehabilitation & Reconstruction - LMI	\$59,416,298	\$0	\$59,416,298
Rehabilitation/ reconstruction of residential structures	Rehabilitation & Reconstruction – Project Delivery - LMI	\$6,601,811	\$0	\$6,601,811
Rehabilitation/ reconstruction of residential structures	Rehabilitation & Reconstruction - UN	\$1,837,618	\$0	\$1,837,618
Rehabilitation/ reconstruction of residential structures	Rehabilitation & Reconstruction – Project Delivery - UN	\$204,180	\$0	\$204,180
Rehabilitation/ reconstruction of residential structures	Reimbursement - LMI	\$6,600,836	\$0	\$6,600,836
Rehabilitation/ reconstruction of residential structures	Reimbursement - Project Delivery - LMI	\$733,426	\$0	\$733,426
Rehabilitation/ reconstruction of residential structures	Reimbursement - UN	\$6,111,036	\$0	\$6,111,036
Rehabilitation/ reconstruction of residential structures	Reimbursement – Project Delivery - UN	\$679,004	\$0	\$679,004
<b>TOTAL</b>		<b>\$82,184,209</b>	<b>\$0</b>	<b>\$82,184,209</b>

## CITY OF HOUSTON

## SINGLE FAMILY DEVELOPMENT PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following Housing Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Single Family Development Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will provide new affordable single family Housing Units for Low- to Moderate-Income ("LMI") individual households affected by Hurricane Harvey in order to meet the National Objective of benefiting LMI persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

New construction is eligible based on information provided in the Federal Register waiving the requirements of 42 U.S.C. § 5305(a) and Sections 105 (a)(1), 105(a)(4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15) of the Act; a waiver eligible under FR-6066-N-01 permits new housing construction.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Single Family Development	LMI	226

Single Family Development Program

Subrecipient will offer a Single Family Development Program to 226 new, affordable single family Housing Units for LMI homebuyers. This Program will work in conjunction with other recovery programs to provide housing options for those directly impacted by Hurricane Harvey and those indirectly impacted due to the resulting shortage of available housing.

The construction cost is limited to two hundred thousand dollars (\$200,000) per home; however, additional allocations, above the two hundred thousand-dollar (\$200,000) threshold, may be provided to address certain site-specific conditions including land acquisition costs, accessibility needs, environmental issues, resiliency/mitigation measures, municipal ordinances, and neighborhood requirements. Additional allocations may be allowed based on the submitted applications, onsite inspections, and additional requirements that will be outlined in the Program Guidelines. Subrecipient will work with applicants who require Americans with Disabilities (ADA) accommodations to select properties that satisfy their ADA needs and/or will incorporate



ADA construction for new homes built on empty lots. The maximum award of assistance was estimated utilizing information from existing repair and reconstruction programs. If needed, the City may use funds to purchase vacant lots or land suitable for new construction for this Program.

**City of Houston Single Family Development Program Benchmarks**

Program Benchmark	Deadline <sup>1</sup>
10% of Program funds drawn by Subrecipient	Q4 2021
25% of Program funds drawn by Subrecipient	Q2 2022
45% of Program funds drawn by Subrecipient	Q4 2022
60% of Program funds drawn by Subrecipient	Q2 2023
75% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Single Family Development Project Delivery Benchmarks**

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Program Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.



**City of Houston Single Family Development Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Construction of new housing	Single Family Development Program - LMI	\$54,000,000	\$0	\$54,000,000
Construction of new housing	Single Family Development Program - Project Delivery - LMI	\$6,000,000	\$0	\$6,000,000
<b>TOTAL</b>		<b>\$60,000,000</b>	<b>\$0</b>	<b>\$60,000,000</b>

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## CITY OF HOUSTON

## MULTIFAMILY RENTAL PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following Housing Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Multifamily Rental Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will repair multifamily properties and build new multifamily developments for Low-to Moderate-Income (LMI) individual households affected by Hurricane Harvey in order to meet the National Objective of benefiting LMI persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible Activities include rehabilitation, reconstruction, new construction, and acquisition allowed under Sections 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15) of the Act. A waiver eligible under FR-6066-N-01 permits new Housing construction.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Multifamily Rental Program	LMI	1,967

Multifamily Rental Program

Subrecipient will offer a Multifamily Rental Housing Program to provide an additional 1,967 affordable Housing Units for LMI households within the City of Houston. The Program will include new construction, acquisition, and/or rehabilitation of multifamily rental housing, and strategic land Acquisition for multifamily developments. The Program will address the affordable housing shortage and meet the needs of disaster-impacted rental households, including those in public housing. The Program will also provide housing designed to meet the needs of special populations. Subrecipient will prioritize transactions leveraged with housing tax credits, conventional equity, conventional debt, tax-exempt debt, deferred developer fees, seller notes, in-kind equity, and other potential funding sources. The maximum award is forty million dollars (\$40,000,000) per development. The eligibility criteria include the following:

- i. Projects must meet CDBG-DR eligibility requirements.
- ii. Development must be located within the city limits of Houston, except in certain cases where Subrecipient and Harris County partner on projects that provide housing.
- iii. At a minimum, fifty-one percent (51%) of the Housing Units rehabilitated or developed will be reserved for a lien period for LMI households earning eighty percent (80%) or less of the Area Median Family Income (AMFI) at affordable rents. For rehabilitation, the lien period

will be a minimum of fifteen (15) years, and, for reconstruction or new construction, the lien period will be a minimum of twenty (20) years.

- iv. Lien periods will be established and affordable rents with the Low-Income Housing Credit rent limits, 26 U.S.C. § 42 (g)(2)(A), and other existing Land Use Restriction Agreement (LURA) restrictions, as applicable. Housing Tax Credit (HTC) rent limits will be used to identify rents for target AMFI levels to align with the Local Needs Assessment.
- v. Any substantial rehabilitation, as defined by 24 C.F.R. § 5.100, or new construction of a building with more than four (4) rental Housing Units will include installation of broadband infrastructure, as required.
- vi. Projects with eight (8) or more Housing Units must ensure construction costs are reasonable and consistent with market costs at the time and place of construction.
- vii. Property owners receiving disaster assistance that triggers the requirement to purchase flood insurance have a statutory responsibility to notify in writing any transferee of the requirement to obtain and maintain flood insurance and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so.
- viii. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. § 5154(a)) prohibits flood disaster assistance in certain circumstances. In general, it provides that no federal disaster-relief assistance in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received federal flood-disaster assistance that was conditioned on the person first having obtained flood insurance under applicable federal law and the person subsequently failed to obtain and maintain flood insurance on such property as required under applicable federal law. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Refer to the approved Multifamily Rental Program Guidelines for further technical guidance.

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**City of Houston Multifamily Rental Program Benchmarks**

Program Benchmark	Deadline <sup>1</sup>
15% of Program funds drawn by Subrecipient	Q2 2021
30% of Program funds drawn by Subrecipient	Q4 2021
45% of Program funds drawn by Subrecipient	Q2 2022
60% of Program funds drawn by Subrecipient	Q4 2022
75% of Program funds drawn by Subrecipient	Q2 2023
90% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Multifamily Rental Project Delivery Benchmarks**

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Multifamily Rental Program Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.

**City of Houston Multifamily Rental Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Affordable Rental Housing	Multifamily Rental Program - LMI	\$434,050,472	\$0	\$434,050,472
Affordable Rental Housing	Multifamily Project Delivery- LMI	\$16,000,000	\$0	\$16,000,000
	<b>TOTAL</b>	<b>\$450,050,472</b>	<b>\$0</b>	<b>\$450,050,472</b>

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**CITY OF HOUSTON****SMALL RENTAL PROGRAM PERFORMANCE STATEMENT**

Subrecipient shall carry out the following Housing Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Small Rental Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

**Project Description**

Subrecipient will rehabilitate small rental properties (defined in this program as individual buildings with no more than seven (7) residential units) for Low- to Moderate-Income (LMI) individual households affected by Hurricane Harvey in order to meet the National Objective of benefiting LMI persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible Program Activities under Sections 105(a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15) of the Act include Rehabilitation, Reconstruction, New Construction, and Acquisition. A waiver eligible under FR-6066-N-01 permits new Housing construction.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Small Rental Program	LMI	86

**Small Rental Program**

Subrecipient will provide a Small Rental Program to rebuild the affordable rental housing stock by rehabilitating small rental properties (defined in this program as individual buildings with no more than seven (7) residential units) and create new housing stock through infill development of new small rental properties. This Program, along with the Multifamily Rental Program, intends to meet the increased demand for affordable rental housing in Houston by rehabilitating or building approximately (86) rental Housing Units, which will be available to LMI households. The Program will provide financial assistance through forgivable loans to property owners and developers who serve an LMI market. The Program eligibility criteria include the following:

- i. Property owner applicants must provide proof that the property taxes are current, have an approved payment plan for the property taxes, or have an approved property-tax exemption in place. Applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey according to duplication-of-benefits requirements and agree to lien period and lien requirements.
- ii. Properties must not be in a floodway and must have an environmental clearance.
- iii. Developments must meet CDBG-DR eligibility requirements and be located within the city limits of Houston (except in certain cases where Subrecipient and Harris County partner on



projects that provide Housing).

- iv. At a minimum, fifty-one percent (51%) of the contiguous Housing Units rehabilitated or developed must be reserved for LMI households. If a single-family rental Housing Unit is rehabilitated or developed, it must be reserved for LMI households. At least two (2) Housing Units in a duplex or triplex must be reserved for LMI households. Any substantial rehabilitation, as defined by 24 C.F.R. § 5.100, or new construction of a building with more than four (4) rental units will include installation of broadband infrastructure, as required. Developments may include more than one (1) property, such as with a scattered-site rental development.
- v. Property owners receiving disaster assistance that triggers the requirement to purchase flood insurance have a statutory responsibility to notify in writing any transferee of the requirement to obtain and maintain flood insurance and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. § 5154(a)) prohibits flood disaster assistance in certain circumstances. In general, it provides that no federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable federal law and the person subsequently failed to obtain and maintain flood insurance on such property as required under applicable federal law. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.
- vi. Applicable elevation requirements will apply to development and rehabilitation.

Refer to the approved Small Rental Program Guidelines for further technical guidance.

**City of Houston Small Rental Program Benchmarks**

<b>Program Benchmark</b>	<b>Deadline<sup>1</sup></b>
10% of Program funds drawn by Subrecipient	Q4 2021
25% of Program funds drawn by Subrecipient	Q2 2022
50% of Program funds drawn by Subrecipient	Q4 2022
75% of Program funds drawn by Subrecipient	Q2 2023
90% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Small Rental Project Delivery Benchmarks**

<b>Benchmark</b>	<b>Incremental Cap for Charges by Benchmark for Project Delivery Funds</b>	<b>Cumulative Billing Cap by Benchmark for Project Delivery Funds</b>
Approval of Small Rental Program Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.

**City of Houston Small Rental Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Affordable Rental Housing	Small Rental Program - LMI	\$22,500,000	\$0	\$22,500,000
Affordable Rental Housing	Small Rental Program - Project Delivery- LMI	\$2,500,000	\$0	\$2,500,000
	<b>TOTAL</b>	<b>\$25,000,000</b>	<b>\$0</b>	<b>\$25,000,000</b>

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## CITY OF HOUSTON

## HOMEBUYER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following Housing Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Homebuyer Assistance Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will provide a Homebuyer Assistance Program to provide funds for down payments, closing costs, principal buydowns, and other direct financial assistance for Low- to Moderate-Income (LMI) individual households and households earning between eighty percent (80%) and one hundred twenty percent (120%) of the Area Median Income (AMI) in order to meet the dual National Objectives of benefiting LMI persons and meeting an urgent need (UN), thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

This Activity is eligible for CDBG-DR funds as listed in 24 C.F.R. § 570.201(n) and Section 105(a)(24) of the Act. A waiver eligible under FR-6066-N-01 permits homeownership assistance for households earning up to one hundred twenty percent (120%) of the AMI and Down-payment Assistance for up to one hundred percent (100%) of the down payment.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Homebuyer Assistance Program	LMI	708
Homebuyer Assistance Program	UN	303
Total		1011

Homebuyer Assistance Program

Subrecipient will provide a Homebuyer Assistance Program, which will assist eligible applicant households earning up to one hundred twenty percent (120%) of the AMI with purchasing a home. The Program will assist approximately one thousand and eleven (1,011) eligible households, of which it is estimated seven hundred and eight (708) will be LMI households. The Homebuyer Assistance Program will prioritize households that were impacted by Hurricane Harvey to facilitate the movement of LMI households into new homes after their homes were damaged by Hurricane Harvey. Assistance may include Down-payment Assistance, closing-cost assistance, principal buydowns, and other direct financial assistance to homebuyers to finance the purchase of a home. Direct homeownership assistance under 24 C.F.R. § 570.201(n) allows Subrecipient to

pay up to one hundred percent (100%) of the down-payment amount required by the lender. Subrecipient may also utilize other forms of direct homebuyer assistance such as subsidizing interest rates and mortgage principal amounts, including making grants to reduce the effective interest rate on the amount needed by the eligible household to achieve an affordable mortgage-payment level. The maximum amount of assistance to be provided under the Program per unit is thirty thousand dollars (\$30,000). Refer to the GLO's Homebuyer Assistance Program Guidelines for additional technical guidance.

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**City of Houston Homebuyer Assistance Program Benchmarks**

Program Benchmark	Deadline <sup>1</sup>
15% of Program funds drawn by Subrecipient	Q2 2021
30% of Program funds drawn by Subrecipient	Q4 2021
45% of Program funds drawn by Subrecipient	Q2 2022
60% of Program funds drawn by Subrecipient	Q4 2022
75% of Program funds drawn by Subrecipient	Q2 2023
90% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Homebuyer Assistance Project Delivery Benchmarks**

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Homebuyer Assistance Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.



**City of Houston Homebuyer Assistance Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Homeownership assistance to low- and moderate-income	Homebuyer Assistance Program - LMI	\$21,223,646	\$0	\$21,223,646
Homeownership assistance (with waiver only)	Homebuyer Assistance Program - UN	\$9,095,849	\$0	\$9,095,849
Homeownership assistance to low- and moderate-income	Homebuyer Assistance Program-Project Delivery-LMI	\$2,358,183	\$0	\$2,358,183
Homeownership assistance (with waiver only)	Homebuyer Assistance Program-Project Delivery-UN	\$1,010,650	\$0	\$1,010,650
<b>TOTAL</b>		<b>\$33,688,328</b>	<b>\$0</b>	<b>\$33,688,328</b>

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**CITY OF HOUSTON****BUYOUT PROGRAM PERFORMANCE STATEMENT**

Subrecipient shall carry out the following Housing activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Buyout Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

**Project Description**

Subrecipient will provide a Buyout Program to remove homes from the housing stock that are in areas with a high risk of flooding or in areas at a high risk of flooding for Low-to-Moderate Income (LMI) individual households affected by Hurricane Harvey. Subrecipient may offer buyouts to LMI individual households under the Low-to-Moderate Buyout (LMB) or Low-to-Moderate Income Incentive (LMI) National Objectives, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible activities for the funds are as listed in Sections 105(a)(1), 105(a)(7-9), 105(a)(24-25), and 5305(a)(8) of the Act and 24 C.F.R. § 570.201. Eligible activities for the funds include, but are not limited to, Buyouts, demolition, Relocation Assistance, payment of non-federal share, and Housing incentives. A waiver eligible under FR-6066-N-01 permits Housing incentives and other requirements for one-for-one replacement housing, relocation, and real property Acquisition requirements.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout Program	LMI	273
Total		273

**Buyout Program**

Subrecipient will offer a Buyout Program that will remove approximately 273 multifamily units from areas with high flood risk. The maximum assistance provided for the acquisition of each property will be limited to the current fair market value of the property, not to exceed the Program budget. Allowable costs can be applied to the following: Acquisition of existing multifamily properties and land to create green spaces and/or detention; post-closing costs related to acquiring the property; and demolition, which will serve to reduce density in vulnerable areas. The Program is voluntary and is intended to assist residents with moving out of areas that have been impacted by multiple disasters or are at high risk of flooding from future disasters. The Program is also intended to reduce the impact of future disasters while encouraging targeted revitalization efforts and the creation of open space.

Subrecipient may work with designees, such as the Harris County Flood Control District or other City Departments, to implement this Program. If a designee of Subrecipient is selected, Subrecipient will work with the designee to choose Buyout project locations. Buyouts under this Program may be part of a larger City or County Buyout strategy, in accordance with a long-term plan for the property to become a future open space or detention area, to avoid removing a viable property from the housing market.

To be eligible for assistance, the rental property must have been renter-occupied at the time of the storm; have sustained damage from Hurricane Harvey; have been environmentally cleared; and be located in a DRRA, repetitive flood risk area, or floodplain. Rental property owners must furnish evidence that their property taxes are current, they are under an approved payment plan, or that they have an exemption under current laws.

Buyout Program Guidelines will detail applicant or project eligibility requirements, application process, requirements for compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) regulations, and other information.

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**City of Houston Buyout Program Benchmarks**

<b>Program Benchmark</b>	<b>Deadline<sup>1</sup></b>
10% of Program funds drawn by Subrecipient	Q2 2021
30% of Program funds drawn by Subrecipient	Q4 2021
45% of Program funds drawn by Subrecipient	Q2 2022
60% of Program funds drawn by Subrecipient	Q4 2022
75% of Program funds drawn by Subrecipient	Q2 2023
90% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Buyout Project Delivery Benchmarks**

<b>Benchmark</b>	<b>Incremental Cap for Charges by Benchmark for Project Delivery Funds</b>	<b>Cumulative Billing Cap by Benchmark for Project Delivery Funds</b>
Approval of Housing Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.

**City of Houston Buyout Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Acquisition - buyout of residential properties	Buyout Program - LMI	\$54,300,000	\$0	\$54,300,000
Acquisition - buyout of residential properties	Buyout Program - Project Delivery - LMI	\$1,500,000	\$0	\$1,500,000
<b>TOTAL</b>		<b>\$55,800,000</b>	<b>\$0</b>	<b>\$55,800,000</b>

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## CITY OF HOUSTON

## PUBLIC SERVICES PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following public services Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Public Services Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will provide public services to approximately thirty-thousand (30,000) Low- to Moderate-Income (LMI) persons affected by Hurricane Harvey to support residents in finding housing, remedying housing issues, or becoming more resilient in future disasters in order to meet the National Objective of benefiting LMI persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs, as defined in the Action Plan, will not exceed ten percent (10%) for Housing Activities and six percent (6%) for non-Housing Activities of the total grant allocation for both non-rental and rental Activities. An environmental review must be conducted on all projects prior to the execution and commencement of work. Eligible Activities include the provision of public services as listed in Section 105(a)(8) of the Act.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Persons Served
Public Services	LMI	30,000

Public Services Program

Subrecipient will provide public services to approximately thirty thousand (30,000) LMI persons. The Program will provide a comprehensive approach to recovery for city residents. These services will support city residents in find housing, remedying housing issues, and/or becoming more resilient in future disasters, thus creating a stronger, more prepared community. Services will be made accessible to individuals with wide-ranging barriers through varying outreach strategies, partnerships with organizations serving people with disabilities, and accommodations, as needed.

Public services may include housing counseling, legal assistance, transportation services, fair housing services, health/mental health services, employment training, workforce development, and other services to address the needs of those impacted by Hurricane Harvey. Housing counseling and legal assistance services will assist in furthering fair housing by addressing housing barriers and allowing residents greater choice in moving to neighborhoods with more opportunities available. Employment training and workforce development programs, including those that support housing recovery and housing construction, will address the need for job skills to support recovery. In addition, workforce development will help boost long-term recovery by supplying residents of impacted communities with the necessary skills and opportunities to increase household income. To address the needs of those impacted who have become homeless or are at risk of becoming homeless, services may include case management and other services to assist in



housing and/or rehousing this population.

The provision of public services is also intended to assist residents in preparing and qualifying for different types of Housing programs offered throughout the city by a variety of different organizations. Remedying title or tax issues through legal services and providing housing counseling for LMI communities may prepare more residents to become eligible for programs such as Subrecipient's Homeowner Assistance Program and Homebuyer Assistance Program.

Refer to the approved Public Services Guidelines for further technical guidance.

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**City of Houston Public Services Project Benchmarks**

<b>Program Benchmark</b>	<b>Deadline<sup>1</sup></b>
11% of Program funds drawn by Subrecipient	Q2 2021
18% of Program funds drawn by Subrecipient	Q4 2021
30% of Program funds drawn by Subrecipient	Q2 2022
45% of Program funds drawn by Subrecipient	Q4 2022
60% of Program funds drawn by Subrecipient	Q2 2023
80% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Public Services Project Delivery Benchmarks**

<b>Benchmark</b>	<b>Incremental Cap for Charges by Benchmark for Project Delivery Funds</b>	<b>Cumulative Billing Cap by Benchmark for Project Delivery Funds</b>
Approval of Public Services Guidelines	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or Activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.

**City of Houston Public Services Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Public Services	Public Services - LMI	\$56,400,000	\$0	\$56,400,000
Public Services	Public Services - Project Delivery - LMI	\$3,600,000	\$0	\$3,600,000
	<b>TOTAL</b>	<b>\$60,000,000</b>	<b>\$0</b>	<b>\$60,000,000</b>

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## CITY OF HOUSTON

## ECONOMIC REVITALIZATION PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following economic revitalization Activities in the City of Houston in strict accordance with the terms of Subrecipient's approved Economic Revitalization Program Guidelines, the Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will provide an Economic Revitalization Program to help create job for Low- to Moderate-Income ("LMI") individuals and to improve the economic viability of areas affected by Hurricane Harvey in order to meet the National Objective of benefiting LMI persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5304(b)(3)). Project Delivery costs will not exceed six percent (6%) of the total grant allocation, as defined in the Action Plan.

Economic revitalization Activities that are eligible for funding are listed in Sections 105(a)(17), 105(a)(19), and 105(a)(22) of the Act. Economic revitalization Activities must contribute to the long-term recovery and restoration of housing. A waiver eligible under FR-6066-N-01 permits other national objective documentation and public benefit standards.

The following Activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Economic Revitalization Program	LMI	350
Total		350

Economic Revitalization Program

Subrecipient will offer an Economic Revitalization Program, which will support a comprehensive recovery by creating or retaining 100 – 300 jobs. The Activity will include creation or retention of jobs for LMI persons through the provision of capital, credit, and technical assistance to businesses, including microenterprises. Assistance may be provided through loans or grants, and assistance may be part of a revolving loan fund. Economic revitalization Activities must contribute to the long-term recovery and restoration of housing. Subrecipient may utilize public and private nonprofit agencies, authorities, or organizations and for-profit organizations to carry out the program. The application or Notice of Funding Availability / Request for Proposal (NOFA/RFP) process will clearly establish the process and acceptance period, threshold criteria, and the award process for the Program. Selection criteria will likely include the applicant's need for the Program, cost reasonableness and effectiveness, activity management and implementation, and experience / past performance. Eligible subrecipients include public or private nonprofit agencies, authorities, or organizations and for-profit organizations.

Cost verification controls must be in place to assure that construction costs are reasonable and consistent with market costs at the time and place of construction. Any projects funding for-profit entities must be evaluated and selected in accordance with guidelines established in Appendix A to 24 C.F.R. Part 570 and comply with HUD underwriting guidance.

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**City of Houston Economic Revitalization Program Benchmarks**

<b>Program Benchmark</b>	<b>Deadline<sup>1</sup></b>
0% of Program funds drawn by Subrecipient	Q2 2021
15% of Program funds drawn by Subrecipient	Q4 2021
45% of Program funds drawn by Subrecipient	Q2 2022
60% of Program funds drawn by Subrecipient	Q4 2022
75% of Program funds drawn by Subrecipient	Q2 2023
90% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Economic Revitalization Project Delivery Benchmarks**

<b>Benchmark</b>	<b>Incremental Cap for Charges by Benchmark for Project Delivery Funds</b>	<b>Cumulative Billing Cap by Benchmark for Project Delivery Funds</b>
Approval of Notice Housing Guidelines, or NOFA/RFP.	15%	15%
15% of Program funds drawn by Subrecipient	15%	30%
25% of Program funds drawn by Subrecipient	15%	45%
50% of Program funds drawn by Subrecipient	15%	60%
75% of Program funds drawn by Subrecipient	15%	75%
100% of Program funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.



**City of Houston Economic Revitalization Program Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Econ. development or recovery Activity that creates/retains jobs	Economic Revitalization - LMI	\$28,448,944	\$0	\$28,448,944
Econ. development or recovery Activity that creates/retains jobs	Economic Revitalization - Project Delivery - LMI	\$1,815,890	\$0	\$1,815,890
<b>TOTAL</b>		<b>\$30,264,834</b>	<b>\$0</b>	<b>\$30,264,834</b>

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**CITY OF HOUSTON**  
**PLANNING PROGRAM PERFORMANCE STATEMENT**

Subrecipient shall carry out the following planning Activities in the City of Houston in strict accordance with the terms of Subrecipient's Contract and all Attachments, whether attached physically or incorporated by reference. Subrecipient may work with other local jurisdictions, universities, and advocates on various types of planning projects.

Project Description

Planning Activities will include community engagement to inform Subrecipient's recovery plan development and to support various city-wide Housing Activities. Subrecipient may also use these funds to study specific topics related to mitigation or resilience or plan for specific projects that could address impacts of Hurricane Harvey or the recurring nature of disasters in Houston. The types of studies or plans could include flood control, drainage improvement, resilient housing solutions, fair housing, homelessness, surge protection, economic development, infrastructure improvements, or other efforts to further recover from Hurricane Harvey, mitigate future damage, and establish plans for comprehensive recovery efforts.

Planning Activities will strive to promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible floodplain management and take into account possible future extreme weather events and other natural hazards and long-term risks.

Eligible Activities: The eligible Activities are planning, urban environmental design, and policy-planning-management-capacity building Activities as listed in 24 C.F.R. § 570.205.

Selection Criteria: Projects and/or subrecipients will be selected through an application process, Notice of Funding Availability (NOFA) or Request for Proposal (RFP), or other competitive process. The application or NOFA/RFP will clearly establish the process and acceptance period, threshold criteria, selection criteria, and the award process. Selection criteria will be established in the application, NOFA/RFP, or a competitive process and will likely include the planning Activity/project description, organizational experience, cost reasonableness and effectiveness, and management of Activity/project. Priorities for Activities include those that deepen the understanding of housing issues in Houston, evaluate the impact of funding, and support the development of required HUD documents.

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**City of Houston Planning Program Benchmarks**

Program Benchmark	Deadline <sup>1</sup>
3% of Program funds drawn by Subrecipient	Q2 2021
10% of Program funds drawn by Subrecipient	Q4 2021
25% of Program funds drawn by Subrecipient	Q2 2022
50% of Program funds drawn by Subrecipient	Q4 2022
60% of Program funds drawn by Subrecipient	Q2 2023
80% of Program funds drawn by Subrecipient	Q4 2023
95% of Program funds drawn by Subrecipient	Q2 2024
100% of all Program funds drawn by Subrecipient	At GLO Closeout

Subrecipient's failure to achieve a Program Benchmark in accordance with Section 3.05 of the Contract may result in the termination of the Program and/or funds being removed from the Contract, at the GLO's discretion.

**City of Houston Planning Funds Release Benchmarks**

Planning Benchmark	Incremental Cap for Charges by Benchmark for Planning Funds	Cumulative Billing Cap by Benchmark for Planning Funds
Approval of Action Plan by HUD	10%	10%
*Approval of Application/RFP or NOFA by GLO	20%	30%
Planning Study Completed by Subrecipient	70%	100%

\*If multiple Applications/RFPs/NOFAs are developed by Subrecipient, Subrecipient may submit a request to draw the applicable % of planning funds for GLO approval.

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<sup>1</sup> Note that the deadline is by the final calendar day of the quarter defined in the table.



**City of Houston Planning Budget**

<b>HUD Activity Type</b>	<b>Program Activity Type</b>	<b>Grant Award</b>	<b>Other Funds</b>	<b>Total</b>
Planning	Planning Program	\$23,100,000	\$0	\$23,100,000
	<b>TOTAL</b>	\$23,100,000	\$0	\$23,100,000

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**CITY OF HOUSTON**

**ADMINISTRATION PERFORMANCE STATEMENT**

Subrecipient shall carry out the following administration Activities in the City of Houston in strict accordance with the terms of Subrecipient's Contract and all Attachments, whether attached physically or incorporated by reference.

Administration

Subrecipient's administrative costs will not exceed two and a half percent (2.5%) of the allocation, which will be provided from the State's Administrative Fund set-aside. This amount is in compliance with the Action Plan. The GLO will allow up to ten percent (10%) of the Program amounts for costs directly related to implementation (project delivery) of housing activities and six percent (6%) of the Program amounts for costs related to infrastructure/non-housing activities. The GLO has capped engineering and design activities at fifteen percent (15%) of the total project award, unless special services are necessary and are subject to GLO approval. Subrecipient will use funding for administrative Activities to utilize, expend, and seek reimbursement for pre-award costs, in compliance with 24 C.F.R. 570.200(h), for planning, purchase, and expansion of software systems; standing up of intake and call centers for Housing Programs; program management; and administrative functions.

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**City of Houston Administration Funds Release Benchmarks**

Benchmark	Incremental Cap for Charges by Benchmark for Administration Funds	Cumulative Billing Cap by Benchmark for Administration Funds
Approval of all Program Guidelines	15%	15%
15% of all Project funds drawn by Subrecipient	15%	30%
25% of all Project funds drawn by Subrecipient	15%	45%
50% of all Project funds drawn by Subrecipient	15%	60%
75% of all Project funds drawn by Subrecipient	15%	75%
100% of all Project funds drawn or activities closed by Subrecipient	20%	95%
Closeout of all Programs accepted	5%	100%

**City of Houston Administrative Budget**

HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
Administration	Administration	\$15,000,000	\$0	\$15,000,000
	<b>TOTAL</b>	\$15,000,000	\$0	\$15,000,000

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**EXHIBIT "H"**

## **EXHIBIT "H"**

### **Federal Contract Requirements**

All references to "Contractor" in this Exhibit shall apply to any Contractor, Subrecipient or Subcontractor performing work on behalf of the Contractor or Subrecipient pursuant to the foregoing Agreement/Contract, as applicable. The following Federal Contract Requirements will generally apply to all Contractors. Also see 2 CFR Part 200; applicable federal program requirements at 24 CFR Part 570 (CDBG), 24 CFR Part 92 (HOME), 24 CFR Part 574 (HOPWA), 24 CFR Part 576 (Emergency Solutions Grant); and applicable laws, rules and regulations relating to other programs administered by the U.S. Department of Housing and Urban Development ("HUD").

### **SECTION 1**

#### **Public Law 88-352 and Public Law 90-284; Affirmatively Furthering Fair Housing;** **Executive Order 11063**

A. The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352 42 U.S.C. §2000d et seq.) ("Title VI") and with Title 24 Code of Federal Regulations (CFR) Part 1, which implements Title VI. In accordance with Title VI, no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor receives federal financial assistance. The Contractor will immediately take any measures necessary to comply with Title VI. If any real property or structure thereon is provided or improved with the aid of federal financial assistance, this clause shall obligate the owner, or in the case of any transfer of such property, any transferee, to comply with the requirements and restrictions contained in this clause for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

B. The Contractor shall comply with Public Law 90-284, which refers to Title VII of the Civil Rights Act of 1968, also known as the Fair Housing Act (42 U.S.C. §3601 et seq.), which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any person from discriminating in the sale of rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex or national origin. In accordance with the Fair Housing Act, the Secretary of HUD requires that grantees administer all programs and activities related to housing and urban development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to take meaningful actions to further the goals identified in the grantee's AFH conducted in accordance with the requirements of 24 CFR §§5.150 - 5.180 and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

C. Executive Order 11063, as amended by Executive Order 12259 (3 CFR §§1959-1963 Com., p. 652; 3 CFR §1980 Comp., p 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR Part 107, as applicable.

## **SECTION 2**

### **Non-Discrimination in Programs and Activities**

The Contractor shall comply with the Age Discrimination Act of 1975 and implementing federal regulations, 42 U.S.C. §6101 et seq., issued pursuant to the Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act, or with respect to an otherwise qualified handicapped individual as provided in Chapter 126 of Title 42 and chapter 5 of Title 47 shall also apply to any such program or activity. (Also see 29 U.S.C.A. §794)

## **SECTION 3**

### **National Flood Insurance Program**

A. If applicable, this Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234) for areas identified by HUD as having special flood hazards. The use of any funds provided for acquisition or construction in identified areas shall be subject to the Mandatory Purchase of Flood Insurance requirements of section 102(a) of said act.

B. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this Agreement shall contain, if the land is located in an area identified by HUD as having a special flood hazard, provisions which obligate the transferee and its successors or assigns to obtain and maintain, during the life of the project, flood insurance as required under section 102(a) of the Flood Disaster Protection Act of 1973, as amended. These provisions shall be required notwithstanding the fact that the construction on the land is not itself funded with funds provided under this Agreement.

## **SECTION 4**

### **Displacement, Relocation, Acquisition and Replacement of Housing**

Contractor understands that projects funded hereunder may be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. §4601-4655), as applicable; and that individuals or businesses that are required to move from real property, permanently or involuntarily as a direct result of rehabilitation, demolition, or acquisition for the project assisted hereunder must be compensated pursuant to the URA.

## **SECTION 5**

### **Employment and Contracting Opportunities**

A. **Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (Equal Employment Opportunity)**



The Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion sex, or national origin. Contractor will take affirmative action to ensure applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (3) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor set forth at 41 CFR Part 60.
- (5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of the U.S. Department of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of the U.S. Department of Labor, or as otherwise provided by law.
- (7) The Contractor will include provisions similar to paragraph 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the

Secretary of the U.S. Department of Labor, issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon subcontractors or vendors. The Contractor will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions including sanctions for noncompliance: PROVIDED, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the City, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. **Section 3 Of The Housing and Urban Development Act of 1968**

(1) The work to be performed under this Agreement is on a project assisted under a program providing federal financial assistance from the Department of Housing and Urban Development (HUD). Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. §1701u, "Section 3") and implementing regulations at 24 CFR Part 135 apply to the Agreement. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000, the Contractor shall give opportunities for training and employment to lower-income residents of the City and shall award contracts for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.

(2) The Contractor will comply with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Agreement. The Contractor certifies and agrees that there is no contractual or other disability which would prevent compliance with these requirements.

(3) The Contractor shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of the commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(4) The Contractor will include or have included a Section 3 clause in every subcontract for work in connection with the project. The Contractor shall, at the direction of the City, take appropriate action pursuant to any subcontract upon a finding that the subcontractor is in violation of this Section 3 clause. The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135. The Contractor shall not let any subcontract unless the subcontractor has provided the Contractor with a preliminary statement of ability to comply with the requirements of this Section 3 clause.

(5) Compliance with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement shall be a condition of the



federal financial assistance provided to the project. These provisions are binding upon the City, its contractors and subcontractors, their successors and assigns. Failure to fulfill these requirements shall subject the City, its contractors and subcontractors, their successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided.

(6) The Contractor shall have completed, signed and delivered a Voluntary Compliance Form (provided by the City) to the Director prior to the execution of this Agreement.

#### **SECTION 6**

##### **Lead-Based Paint Poisoning Prevention Act**

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 the implementing regulations at 24 CFR Part 35, Subparts A, B, J, K and R may apply to activities under the Agreement.

#### **SECTION 7**

##### **Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients**

(a) The Contractor shall not employ, award contracts to, or otherwise engage the services of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 5 or under the authority of the City.

(b) The Contractor shall not use federal funds for any contract for the construction, alteration or repair of the project funded under this Agreement with any contractor or subcontractor listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR Part 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

#### **SECTION 8**

##### **Uniform Administrative Requirements, Cost Principles and Audit Requirements**

The Contractor shall comply with "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" as set forth under 2 CFR Part 200, as applicable.



## **SECTION 9**

### **Conflict of Interest**

A. In the procurement of supplies, equipment, construction, and services by the City or a subrecipient, the conflict of interest provisions in 2 CFR Part 200, Subpart B - General Provisions, shall apply.

B. In all cases not governed by 2 CFR Part 200, Subpart B, the provisions of this section shall apply. Such cases include, but may not be limited to, the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities).

- (i) No persons described in paragraph (ii) (below) who exercise or have exercised any functions or responsibilities with respect to federal activities or who are in a position to participate in a decision-making process or gain inside information with regard to federal assisted activities, may obtain a personal or financial interest or benefit from, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter with respect to the federal assisted activity, or with respect to the proceeds of the federal assisted activity.
- (ii) The requirements of paragraph (i) apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, of any designated public agency, or subrecipient which receives funds under the federal grant.

## **SECTION 10**

### **Eligibility for Aliens Not Lawfully Present in U.S.**

Contractor understands that aliens not lawfully present in the U.S., as described in 49 CFR §24.208, are not eligible to apply for benefits under certain federal activities.

## **SECTION 11**

### **Compliance with Clean Air and Water Acts**

This Agreement may be subject to the requirements of the Clean Air Act, as amended (42 U.S.C. §§7401-7671q), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387) and the regulations issued under the Clean Air Act and the Federal Water Pollution Control Act and by the Environmental Protection Agency. In compliance with, the regulations, Contractor agrees that:

- A. No facility to be utilized in the project or program is on the list of Violating Facilities issued by the U.S. Environmental Protection Agency (EPA) pursuant to **40 CFR §15.20**.

B. The Contractor will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, (42 U.S.C. §§7401-7671q), and the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387).

C. As a condition for the award of this Agreement, the Contractor shall give prompt notice to the City of any notification of violations received from the Office of Federal Activities or the EPA, indicating that a facility utilized or to be utilized is under consideration to be listed on the EPA List of Violating Facilities.

D. The Contractor will include or cause to be included the requirements contained in paragraphs A through C of this clause in every lower-tier nonexempt contract and will take such action as the City may direct as a means of enforcing such provisions.

E. In no event shall any amount of the funds provided under the Agreement be utilized with respect to a facility which has given rise to a conviction under section 113(c)(1) of the Clean Air Act or section 309(c) of the Federal Water Pollution Control Act.

F. Contractors who receive subcontracts/subgrants of amounts in excess of \$150,000 are required to agree to 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, as amended (33 U.S.C. §§1251-1387).

G. Any violations of this Section 12 must be reported to the Federal awarding agency, the Regional Office of the Environmental Protection Agency (EPA), and the City.

## **SECTION 12**

### **Architectural Barriers Act**

The Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR §40.2 or the definition of "building" as defined in 41 CFR §101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures, and Appendix A to 41 CFR Part 101-19, Subpart 10119.6, for general type buildings).



**SECTION 13**  
**The Americans with Disabilities Act**

The Americans with Disabilities Act, also referred to as the ADA (42 U.S.C. §12131; 47 U.S.C. §§155, 201, 218 and 225), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 25, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

**SECTION 14**  
**Records for Audit Purposes**

Without limitation to any other provision of the foregoing Agreement/Contract the Contractor shall maintain all records concerning the program or project financed under this Agreement which the City reasonably requires from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient pursuant to 2 CFR §200.333. The Contractor shall maintain records required by **24 CFR §135.92** for the period required under 2 CFR §200.333. The Contractor will give the City, HUD, the Comptroller General of United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the acquisition and construction of the project and the operation of the program or project. The right to access shall continue as long as the records are required to be maintained **under 2 CFR §200.336**.

**SECTION 15**  
**Audit Requirements**

A. Limited Scope Audit - Contractor understands that Non-Federal entities that expend less than \$750,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review and audit as described hereinabove at Section 17. Contractor further understands that limited scope audits can and may be required by the City for non-Federal entities that expend less than \$750,000. If the City requires such limited scope audits, same shall be performed in accordance with 2 CFR Part 200, Subpart F - Audit Requirements.

B. Single Audit - Single Audit - Contractor further understands that non-Federal entities that expend \$750,000 or more a year in Federal awards shall have a single audit conducted pursuant to 2 CFR Part 200, Subpart F - Audit Requirements, except when an election is made to have a program specific audit pursuant to and described in 2 CFR



Part 200, Subpart F - Audit Requirements. Once the Contract is executed, Contractor understands that it is barred from considering such audit and must have a single audit conducted as described hereinabove.

## **SECTION 16**

### **Additional Federal Requirements under 2 CFR PART 200, Appendix II, as applicable**

(A) **Simplified Acquisition Threshold.** Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. §1908, as may be amended from time to time, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) **Contract Minimum for Termination for Cause and Convenience.** All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

(C) **Davis Bacon Act, as amended (40 U.S.C. §§3141–3148).** When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(D) **Copeland Anti-Kick Back Act.** Contracts must also include a provision for compliance with the Copeland “Antikickback” Act (40 U.S.C. §3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) **Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701–3708).** Where applicable, all contracts awarded by the nonfederal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §3702 and §3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under

40 U.S.C. §3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. §3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) **Rights to Inventions made under a Contract or Agreement.** If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) **Energy Policy and Conservation Act.** Contractor must comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. §6201).

(H) **Byrd Anti-Lobbying Amendment (31 U.S.C. §1352).** Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. §1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(I) **Procurement of Recovered Materials.** See 2 CFR §200.322.