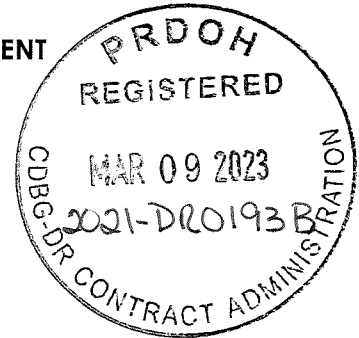




**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
SOCIAL INTEREST HOUSING PROGRAM (SIH)**

**AMENDMENT B TO THE SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND THE  
ESTANCIA CORAZÓN INC.  
Contract No. 2021-DR0193  
Amendment No. 2021-DR0193B**



This **AMENDMENT B TO THE SUBRECIPIENT AGREEMENT** ("**AMENDMENT B**") is entered into this 8 day of March, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** ("**PRDOH**"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the "**Department of Housing Organic Act**" ("**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the Estancia Corazón Inc. ("**Subrecipient**"), nonprofit corporation with principal offices at Carr 2 Centro Médico de Mayagüez Casa de la Salud FL 4 Mayagüez, Puerto Rico, represented herein by its Executive Director, Ivonne Santiago Nieves, of legal age, single, and resident of Ponce, Puerto Rico; collectively the "**Parties**".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on May 4, 2021, the PRDOH and the Subrecipient executed a Subrecipient Agreement, registered as Contract Number **2021-DR0193** ("**Agreement**"), for **ONE MILLION TWO HUNDRED FIFTY-EIGHT THOUSAND FOUR HUNDRED FIFTY-EIGHT DOLLARS (\$1,258,458.00)**, for the Subrecipient to undertake its activities under the **Social Interest Housing Program** ("**Program**"). The Parties agreed on a performance period of **two (2) years** from the day of the execution of the Agreement, ending on **May 4, 2023**.

**WHEREAS**, on September 9, 2022, the PRDOH and the Subrecipient executed **Amendment A**, Contract Number **2021-DR0193A** ("**Amendment A**") to modify or amend certain terms and conditions of the Agreement, including, several exhibits. Via Amendment A, the **PERIOD OF PERFORMANCE** and **END DATE** of the Agreement were extended for an additional term of six (6) months, resulting in a new performance period of thirty (**30**) **months** from the date of the execution of the Agreement ending on **November 4, 2023**. In addition, modifications of **Exhibit B** (Timelines and Performance Goals), **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit F** (HUD General Provisions), and **Exhibit H** (Subrogation and Assignment Provisions) were included. Amendment A did not affect the overall budget amount of the Agreement.

**WHEREAS**, as per Section IX (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

**WHEREAS**, this **AMENDMENT B** does not constitute an extinctive novation of the obligations of the Parties under the Agreement.

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**WHEREAS**, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the Federal laws and regulations creating and allocating funds to the CDBG-DR Program, and the current Action Plan, to enter into this **AMENDMENT B**.

**WHEREAS**, the Subrecipient has duly adopted a Corporate Resolution dated March 25, 2022, authorizing the Subrecipient via its Executive Director Ivonne Santiago Nieves to enter into this **AMENDMENT B** with the PRDOH, and by signing this **AMENDMENT B**, the Subrecipient assures PRDOH that it shall comply with all the requirements described herein.

**NOW, THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Subrecipient agree to execute this **AMENDMENT B** subject to the following:

## II. TERMS AND CONDITIONS

### A. SAVINGS CLAUSE

The information included in this **AMENDMENT B** serves the purpose of modifying and amending certain terms and conditions under the Agreement, as established in the following sections B and C of this **AMENDMENT B**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

### B. SCOPE OF THE AMENDMENT

The Social Interest Housing Program (SIH) aims to increase, create or expand existing housing solutions across Puerto Rico through grant funds to Non-profit, Non-Governmental Organizations (NGOs) that demonstrate eligible activities for approved program projects serving highly vulnerable populations. In order to achieve the Program goals and to ensure that all the CDBG-DR funding allocated to each Subrecipient is used to its fullest, the Parties acknowledge and agree that it is necessary to amend **Exhibit B** (Timelines and Performances Goals) to remove the Environmental Review activity that will be provided by PRDOH's Environmental Consultant and extend the **END TERM** of the Agreement to **May 4, 2024**. Modifications and changes to the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement, **Section II. ATTACHMENTS**, **Section V. EFFECTIVE DATE AND TERM**, and **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** of the Agreement are being incorporated via this **AMENDMENT B**. Moreover, **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** is being added to the Agreement.

Due to the aforementioned changes, the parties agree to incorporate updated versions of **Exhibit B** (Timelines and Performances Goals), and **Exhibit F** (HUD General Provisions), to the Agreement. Additionally, a new **Exhibit J** (Non-Conflict of Interest Certification) is incorporated by reference into the Agreement. As stated before, all other provisions of the original Agreement, including the total budget amount, remain unaltered.

### C. AMENDMENTS

- a. The Parties wish to amend the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement as follows:

CDBG-DR Grantee Federal Award Identification Number:	B-18-DP-72-0001
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CDBG-DR Grantee Federal Award Date:	February 21, 2020
CDBG-DR Grantee Unique Identifier:	Unique Entity ID: FFMUBT6WCM1
Federal Award project description:	See <b>Exhibit A</b> ("Scope of Work")
Subrecipient Contact Information:	Ivonne Santiago Nieves Executive Director Estancia Corazón Inc. P.O. BOX 3309 Mayagüez, PR 00681 Phone: 787-831-5995 Email: ecorazonpr@gmail.com
Subrecipient Unique Identifier:	Unique Entity ID #: US5UQ8JY5HK3
Subaward Period of Performance:	Start Date: Effective Date, as defined in <b>Section V</b> of the Agreement, as amended. End Date: <b>May 4, 2024</b>
Funds Certification:	Date: April 26, 2021 Authorized Amount: <b>\$1,258,458.00</b> Funds Allocation: CDBG-DR " R02H11SIH-DOH-LM " Account Number: 6090-01-000 See <b>Exhibit E</b> ("Funds Certification")

b. **Section II. ATTACHMENTS** of the Agreement is being amended as follows:

The following attachments are incorporated into this Agreement by reference and are hereby made part of this Agreement:

- Exhibit A      Scope of Work
- Exhibit B      Timelines and Performance Goals
- Exhibit C      Key Personnel
- Exhibit D      Budget
- Exhibit E      Funds Certification
- Exhibit F      HUD General Provisions
- Exhibit G      Special Conditions
- Exhibit H      Subrogation and Assignment Provisions
- Exhibit I      Insurance Requirements
- Exhibit J      *Non-Conflict of Interest Certification*

[...]

c. **Section V. EFFECTIVE DATE AND TERM** of the Agreement is being amended as follows:

*This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement extends from the date of its execution to **May 4, 2024**.*

The End of Term shall be the later of: (i) **May 4, 2024**; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements<sup>2</sup> have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this agreement.

[...]

- d. **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** of the Agreement is being amended to include an additional paragraph that makes reference to the new **Exhibit J** (Non-Conflict of Interest Certification):

[...]

Moreover, **Exhibit J** ("Non-Conflict of Interest Certification"), attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. The aforementioned certification aids PRDOH, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential, or actual conflicts of interest related to CDBG-DR funded projects, activities, and/or operations.

[...]

- e. The Parties agree to add **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** as follows:

The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a **Notice to Proceed** from PRDOH.

- f. **Exhibit B** (Timelines and Performances Goals) of the Agreement is being replaced by an updated version of **Exhibit B** (Timelines and Performances Goals), hereto incorporated by reference into the Agreement. (See **Attachment I**).

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<sup>2</sup> "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

- g. **Exhibit F** (HUD General Provisions) of the Agreement is being replaced by an updated version of **Exhibit F** (HUD General Provisions) hereto incorporated by reference into the Agreement. (See **Attachment II**).
- h. A new **Exhibit J** (Non-Conflict of Interest Certification) is incorporated by reference into the Agreement. (See **Attachment III**).

### III. SEVERABILITY

If any provision of this **AMENDMENT B** is held invalid, the remainder of **AMENDMENT B** shall not be affected thereby, and all other parts of this **AMENDMENT B** shall nevertheless be in full force and effect.

### IV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT B** are included for convenience only and shall not limit or otherwise affect the terms of the Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this **AMENDMENT B**.

### V. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this **AMENDMENT B** to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this **AMENDMENT B** and any subsequent amendment thereto. The services object of this **AMENDMENT B** may not be invoiced or paid until this **AMENDMENT B** has been registered by the PRDOH at the Comptroller's Office, under Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

### VI. ENTIRE AGREEMENT

The Agreement, as amended, constitutes the entire agreement among the Parties for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties concerning the Agreement, as amended.

### VII. FEDERAL FUNDING

The fulfillment of the Agreement, as amended, is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under the Agreement, as amended, must be made in accordance with the Agreement, as amended, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

### VIII. COMPLIANCE WITH INSURANCE & BONDING REQUIREMENTS

PRDOH will execute this **AMENDMENT B** conditioned to the submission by the Subrecipient of the required insurance policies within **thirty (30)** calendar days of the signing of this **AMENDMENT B**. Failure to comply with the submission of the insurance policies may result in the withholding of reimbursements or the termination of the Agreement.

**[SIGNATURES ON THE FOLLOWING PAGE.]**

**IN WITNESS THEREOF**, the Parties hereto execute this **AMENDMENT B** in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF HOUSING**  
**CDBG-DR Grantee**

*William O. Rodríguez Rodríguez*  
By: William O. Rodríguez Rodríguez (Mar 8, 2023 17:37 AST)  
Name: William O. Rodríguez Rodríguez  
Title: Secretary

**ESTANCIA CORAZÓN INC.**  
**Subrecipient**

*Ivonne Santiago*  
By: Ivonne Santiago (Mar 7, 2023 12:19 AST)  
Name: Ivonne Santiago Nieves  
Title: Executive Director



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## ATTACHMENT I

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### EXHIBIT B

## TIMELINES AND PERFORMANCE GOALS

## SOCIAL INTEREST HOUSING PROGRAM

## ESTANCIA CORAZÓN, INC.

### 1. PROGRAM OBJECTIVE:

The Program aims to provide funding to applicants who are committed to providing Social Interest Housing and to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions and meet compliance with construction codes. The Program provides funding to NGOs who aim to increase housing opportunities for vulnerable individuals while also improving existing housing conditions to meet decent, safe, resilient, and sanitary standards in disaster impacted areas.

The National Objective of this Program is to benefit Low- and Moderate-Income (LMI) persons (below eighty percent (80%) Area Median Family Income (AMFI) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico), through the Limited Clientele (LC) LMI sub-category.

### 2. TERMS:

- **Design Build** – A method of project delivery in which architects, engineers, and contractors are a single business entity and provide their services, (from initial design concept through construction completion). The Design Build firm will enter into a single contract, offering their combined services as one business entity. (**Note:** NGO may choose to perform separate procurement processes which may include but is not limited to equipment, additional purchases of goods or services to achieve SRA Goals, as long the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)
- **Key Objective** – The major objective the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.

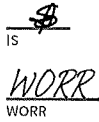


- **Source of Verification** – The documentation used to verify that the indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the indicators.

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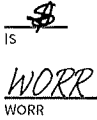
### 3. TIMELINES & PERFORMANCE GOALS



KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	1.1 Project Design Development is completed and delivered	# of Organizational Structure Charts approved	Approved Organizational Structure Charts	1 Organizational Chart submitted	Within <b>ten (10) business days</b> of the Subrecipient Agreement Execution
		(#) of procurement conducted	Procurement Process completed	1 procurement process completed for Inspection Services	<b>Q1 2023</b>
		(#) of projects that receive 30% design approval, Project Design Development & permits are initiated	Submission of Project Design Development at 30% design threshold initiating & permits	1 procurement process completed for Design Build Services	<b>Q1 2023</b>
				1 Projects submitted for 30% of the Project Design Development; Preliminary drawings are submitted for permitting	<b>Q2 2023</b>



KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
		(#) of projects that receive 60% approval of Project Design Development	Submission of Project Design Development at 60% threshold	1 Projects submitted for 60% of the Project Design Development	<b>Q2 2023</b>
		(#) of projects that receive 90% approval of Project Design Development	Submission of Project Design Development submission at 90% threshold;	1 Projects submitted for 90% of the Project Design Development;	<b>Q2 2023</b>
		(#) of projects that submit the 100% Project Design Development to PRDOH and to Government agency permit Office	Construction reached 100% completion and Permitting office approve final Project Design Development	1 Project Design Development submitted at 100% threshold for Construction and Permits	<b>Q2 2023</b>
		(#) of Constructions Projects that reach completion, Permits Closeout is reached	Construction reached 100% completion and permitting closeout	Construction has been completed	<b>Q1 2024</b>

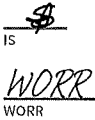


KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	1.2 Project Delivery & Closeout. Proper documentation is provided to ensure that construction was complete to standard	(#) projects that achieve project completion	Closeout Binder-delivered and includes Final Completion Report	1 Projects complete Closeout process and submit complete required documentation as per Exhibit A	Q1 2024
		(#) Certificates of Occupancy	Certificate of Occupancy- ("Permiso de Uso")	1 Certificate of Occupancy	Q1 2024
	1.3 Affordability Period	(#) affordable units provided	Annual Reports	10 units occupied.	Q1 2024
		% of units that remain affordable		<b>100% units remain affordable</b>	<b>*Annually until 2038*</b>

**KEY ACTIVITY 1.1 PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED**

After PRDOH has delivered the SRA Agreement, the Project Design Development must be completed to initiate the Environmental Review and Construction Phase. Amidst Construction Phase, it is critical to ensure that construction practices are met, and the project timeline is maintained. To ensure this, PRDOH will require the Subrecipient to submit Monthly Inspection Reports and SRA Monthly Administrative Reports. The Key Objective #1 outlines the requirements of this workflow specifically within a Design Build scenario; which deploys a single contract to procure both design and construction services simultaneously.

The Subrecipient must conduct procurement following the applicable federal procurement rules and regulations.



- Design-Build

After being awarded the RFP Bid, a Design Build firm will enter into a single contract, offering their combined services as one business entity. Since a Design Build firm would enter into a single contractual agreement with Estancia Corazón, Inc., the “design to construction” process is streamlined, allowing for a *fast-track* approach. This streamlined form of practice and communication is ideal for all project types especially ones that are using existing conditions, where oftentimes unforeseen construction circumstances may occur, (New Construction<sup>1</sup>, Rehabilitation<sup>2</sup>, and Renovation<sup>3</sup> projects). The design process is also streamlined, usually resulting in a shortened design development phase that is combined with construction documentation. Lastly, Design Build workflows eliminate the need to procure separate construction services. Instead, design team, (which is comprised of both licensed Architects and licensed Engineers) is part of the same team of licensed professionals that conduct construction services. (**Note:** NGO may choose to perform separate procurement processes which may include but is not limited to equipment, additional purchases of goods or services to achieve SRA Goals, as long the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)

- Inspection Services

Prior to the execution of an Inspection Service contract, these services shall be procured. The services will be performed in parallel with the Design Build Services timeline. After being awarded the Small Purchase, the Inspection firm will enter into a single contract with Estancia Corazón, Inc. Since a Design-Build firm will be responsible for design and building the approved CDBG-DR project, the Inspection company shall work in conjunction with the “fast-track” construction timeline. Since the design process is also streamlined, it will result in a shortened design development phase that occurs alongside the construction documentation and

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<sup>1</sup> New Construction refers to site preparation for, and construction of, entirely new structures and/or significant extensions or the way that something is put together. Homes or structures considered as new construction usually are built within the past year and a half.

<sup>2</sup> Rehabilitation refers to returning a structure exterior or interior to a useful state by means of repair, modification, or alteration and additions while preserving/retaining those portions or features which convey its historical, cultural, or architectural values

<sup>3</sup> Renovation refers to the process of returning existing old structures, typically damaged, defective, or out of code compliance, up to a modern, improved state, meeting new code requirements regulated by federal or local law. Typically, major elements of the structure are added, relocated, or reconfigured for functional, efficiency or marketability reasons.

consequently, reporting phase. Ultimately, this will allow a third party, such as the Inspection Services, to advocate on behalf of the Subrecipient to ensure Quality Assurance/Quality Control (QA/QC) of performed construction services.

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### **KEY ACTIVITY 1.2 PROJECT DELIVERY & CLOSEOUT**

For the Project(s) to be considered "complete," milestones must be delivered to ensure the safety of the Project's user(s). The Project's completion is not marked solely upon the completion of the Project's Construction Phase but is also marked by the approval of the project closeout binder.

### **KEY ACTIVITY 1.3: AFFORDABILITY PERIOD**

It is essential to provide continued satisfaction to the Project's user and ensure that the Project(s) has a continued ability to provide shelter and community to its targeted population. A method to consider when maintaining the Project's continued success is to evaluate the Project on an annual basis. This allows the proper parties involved to be updated regularly on any developments and ensure that the cost of living does not rise.

Annual Reports can summarize changes in a timely manner, which can help the proper parties mitigate concerns more quickly and efficiently. In the long term, Post Construction Annual Reports for the established period of fifteen (15) years for rehabilitation or reconstruction of multi-family rental projects with eight or more units ensuring the lasting quality and resilience of the community.

**END OF DOCUMENT**



## EXHIBIT F

### HUD GENERAL PROVISIONS SOCIAL INTEREST HOUSING (SIH) PROGRAM ESTANCIA CORAZON, INC.

Given that the Subrecipient Agreement (**SRA**) involves funds for which the U.S. Department of Housing and Urban Development (**HUD**) is the oversight agency, the following terms and conditions may apply to this Subrecipient Agreement. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federal-labor-standards-provisions/>.

The SUBRECIPIENT (also referred to as the "**Partner**") shall include these terms and conditions in all subcontracts or purchase orders directly servicing the SRA.

These general provisions may be updated from time to time. It is the sole responsibility of the SUBRECIPIENT to be aware of any changes hereto, to amend and implement such changes and to ensure subcontracts terms and conditions are modified as necessary, if any.

#### General Provisions:

##### 1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this AGREEMENT shall be deemed to be inserted herein and the AGREEMENT shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the AGREEMENT shall forthwith be physically amended to make such insertion or correction.

##### 2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

##### 3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

The PRDOH reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this AGREEMENT, in instances where the SUBRECIPIENT or any of its subcontractors violate or breach any AGREEMENT term. If the SUBRECIPIENT or any of its subcontractors violate or breach any AGREEMENT term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the AGREEMENT documents, and the rights and remedies



available thereunder, shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

#### **4. REPORTING REQUIREMENTS**

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

#### **5. ACCESS TO RECORDS**

The Government of Puerto Rico, the PRDOH, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have, at any time and from time to time during normal business hours, access to any work product, books, documents, papers, and records of the SUBRECIPIENT which are related to this AGREEMENT, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

#### **6. MAINTENANCE/RETENTION OF RECORDS**

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year** period, whichever is longer. (See 2 C.F.R. § 200.334 and 24 C.F.R. § 570.490(d).)

#### **7. SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS**

The SUBRECIPIENT will take necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used in subcontracting when possible. Steps include, but are not limited to:

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
- (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

Additionally, for contracts of \$10,000 or more, the SUBRECIPIENT shall file Form HUD 2516 (Contract and Subcontract Activity) with the PRDOH on a quarterly basis.



#### **8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT**

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 C.F.R. 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 HUD.

#### **9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

The SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin. Policies and practices that have such an effect must be eliminated unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

#### **10. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex 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 made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

#### **11. SECTION 504 OF THE REHABILITATION ACT OF 1973**

The SUBRECIPIENT shall comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as amended, and any applicable regulations.

The SUBRECIPIENT agrees that no qualified individual with a disability shall, solely on the basis of their disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance from HUD.

#### **12. AGE DISCRIMINATION ACT OF 1975**

The SUBRECIPIENT shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 *et seq.*), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under, any program or activity receiving Federal financial assistance.

#### **13. DEBARMENT, SUSPENSION, AND INELIGIBILITY**

The SUBRECIPIENT represents and warrants that it and its subcontractors are not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs subject to 2 C.F.R. Part 2424.



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#### 14. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this AGREEMENT or any aspect related to the anticipated work under this AGREEMENT raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

#### 15. SUBCONTRACTING

When subcontracting, the SUBRECIPIENT shall solicit for and contract with such subcontractors in a manner providing for fair competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (ii) Requiring unnecessary experience and excessive bonding;
- (iii) Noncompetitive pricing practices between firms or between affiliated Companies;
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest;
- (vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and
- (vii) Any arbitrary action in the procurement process.

The SUBRECIPIENT represents to the PRDOH that all work shall be performed by personnel experienced in the appropriate and applicable profession and areas of expertise, taking into account the nature of the work to be performed under this AGREEMENT.

The SUBRECIPIENT will include these HUD General Provisions in every subcontract issued by it, so that such provisions will be binding upon each of its subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors.

#### 16. ASSIGNABILITY

The SUBRECIPIENT shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the PRDOH.

#### 17. INDEMNIFICATION

The SUBRECIPIENT shall indemnify, defend, and hold harmless the Government of Puerto Rico and PRDOH, its agents and employees, from and against any and all claims, actions, suits, charges, and judgments arising from or related to the negligence or willful misconduct of the SUBRECIPIENT in the performance of the services called for in this AGREEMENT.

#### 18. COPELAND "ANTI-KICKBACK" ACT

##### **(Applicable to all construction or repair contracts)**

Salaries of personnel performing work under this AGREEMENT shall be paid unconditionally and not less often than once a month without payroll deduction or



rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

**19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**  
**(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)**

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act, and the SUBRECIPIENTS and subcontractors shall comply with all regulations issued pursuant to that act and with other applicable Federal laws and regulations pertaining to labor standards.

**20. DAVIS-BACON ACT**  
**(Applicable to construction contracts exceeding \$2,000 when required by Federal program legislation.)**

The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. § 3141, *et seq.*) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this AGREEMENT, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall 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.

On a semi-annual basis, the SUBRECIPIENT shall submit Form HUD 4710 (Semi-Annual labor Standards Enforcement Report) to PRDOH.

**21. TERMINATION FOR CAUSE**  
**(Applicable to contracts exceeding \$10,000)**

If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this AGREEMENT, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this AGREEMENT, the PRDOH shall thereupon have the right to terminate this AGREEMENT by giving written notice to the SUBRECIPIENT of such termination and specifying the effective date thereof, **at least five (5) days** before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECIPIENT shall not be relieved of liability to the Government of Puerto Rico and PRDOH for damages sustained by the Government of Puerto Rico and/or



PRDOH by virtue of any breach of the Agreement by the SUBRECIPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECIPIENT for the purpose of set-off until such time as the exact Agreement of damages due to the Government of Puerto Rico and/or PRDOH from the SUBRECIPIENT is determined.

## **22. TERMINATION FOR CONVENIENCE**

### **(Applicable to contracts exceeding \$10,000)**

The PRDOH may terminate this AGREEMENT at any time by giving **at least ten (10) days'** notice in writing to the SUBRECIPIENT. If the AGREEMENT is terminated by the PRDOH as provided herein, the SUBRECIPIENT will be paid for the time provided and expenses incurred up to the termination date.

## **23. SECTION 503 OF THE REHABILITATION ACT OF 1973**

### **(Applicable to contracts exceeding \$10,000)**

The SUBRECIPIENT shall comply with Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 793), as amended, and any applicable regulations.

Equal Opportunity for Workers with Disabilities:

- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
  - (i) Recruitment, advertising, and job application procedures;
  - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - (iii) Rates of pay or any other form of compensation and changes in compensation;
  - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
  - (v) Leaves of absence, sick leave, or any other leave;
  - (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
  - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
  - (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy



Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual or may lower the posted notice so that it might be read by a person in a wheelchair).

- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

#### **24. EQUAL EMPLOYMENT OPPORTUNITY**

##### **(Applicable to construction contracts and subcontracts exceeding \$10,000)**

The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60).

During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that 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.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor



union or workers' representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- 5) The SUBRECIPIENT 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 SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting 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 SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as 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) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

**25. CERTIFICATION OF NONSEGREGATED FACILITIES  
(Applicable to construction contracts exceeding \$10,000)**

The SUBRECIPIENT certifies that it does not maintain or provide for its establishments, and that it does not permit employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for employees any segregated facilities at any of its establishments, and it will not permit employees to perform their services at any location under its control where segregated facilities are maintained. The SUBRECIPIENT agrees that a breach of this certification is a violation of the equal opportunity clause of this Agreement.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are, in fact, segregated on the basis of race, color, religion, or national origin because of habit, local custom, or any other reason.



The SUBRECIPIENT further agrees that (except where it has obtained for specific time periods) it will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the equal opportunity clause; that it will retain such certifications in its files; and that it will forward the preceding notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

## **26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS**

### **(Applicable to contracts exceeding \$100,000)**

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 15 and 32, as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the owner, the following:

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.
- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

## **27. ANTI-LOBBYING**

### **(Applicable to contracts exceeding \$100,000)**

By the execution of this AGREEMENT, the SUBRECIPIENT 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 SUBRECIPIENT, 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 SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.
- 3) The SUBRECIPIENT 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.

#### **28. BONDING REQUIREMENTS**

##### **(Applicable to construction and facility improvement contracts exceeding \$100,000)**

The SUBRECIPIENT shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the SUBRECIPIENT shall comply with the following minimum bonding requirements:

- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.
- 3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

#### **29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968**

- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.



- B.** The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the in 24 C.F.R. Part 75 regulations.
- C.** The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D.** The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E.** The SUBRECIPIENT acknowledges that SUBRECIPIENTS, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or SUBRECIPIENT agreements, program regulatory agreements, or contracts.
- F.** The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- G.** Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- H.** With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b)





agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

- I. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

### **30. FAIR HOUSING ACT**

SUBRECIPIENT shall comply with the provisions of the Fair Housing Act of 1968, as amended. The Act prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, disability, or familial status. The Equal Opportunity in Housing Act prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.

### **31. ENERGY POLICY AND CONSERVATION ACT**

SUBRECIPIENT shall comply with mandatory standards and policies relating to energy efficiency as contained in the Government of Puerto Rico's energy conservation plan, issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. § 6201 et seq).

### **32. HATCH ACT**

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 76-252, as amended.

The Hatch Act applies to political activities of certain state and local employees. As a Puerto Rico Department of Housing PARTNER, you may do any of the following activities: be a candidate in nonpartisan elections; attend political meetings and conventions; contribute money; campaign in partisan elections; and hold office in political parties.

The SUBRECIPIENT may not do the following activities: be a candidate in partisan elections; use official influence to interfere in elections; coerce political contributions from subordinates in support of political parties or candidates the office of special counsel operates a website that provides guidance concerning hatch act issues.

### **33. HEALTH AND SAFETY STANDARDS**

All parties participating in this project agree to comply with Sections 107 and 103 of the Contract Work Hours and Safety Standards Act. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation.

### **34. PERSONNEL**

The SUBRECIPIENT represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be



employees of, or have any contractual relationship with, the contracting party. All the services required hereunder will be performed by the SUBRECIPIENT or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. No person who is serving sentence in a penal or correctional institution shall be employed on work under this AGREEMENT.

### **35. WITHHOLDING OF WAGES**

If in the performance of this Agreement, there is any underpayment of wages by the SUBRECIPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECIPIENT out of payment due to him or her an Agreement sufficient to pay to employees underpaid the difference between the wages required thereby to be paid and the wages actually paid such employees for the total number of hours worked. The Agreements withheld may be disbursed by the PRDOH for and on account of the SUBRECIPIENT or subcontractor to the respective employees to whom they are due.

### **36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES**

Claims and disputes pertaining to wage rates or to classifications of professional staff or technicians performing work under this AGREEMENT shall be promptly reported in writing by the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

### **37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS**

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

### **38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS**

The SUBRECIPIENT agrees to establish safeguards to prohibit employees from using positions 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 a family, business, or other tie. The SUBRECIPIENT will be aware of and avoid any violation of the laws of this State which prohibit municipal officers and employees from having or owning any interest or share, individually or as agent or employee of any person or corporation, either directly or indirectly, in any contract made or let by the governing authorities of such municipality for the construction or doing of any public work, or for the sale or purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

The SUBRECIPIENT will also be aware of and avoid any violation of the laws of this State which prescribe a criminal penalty for any public officer who has an interest in any contract passed by the board of which he or she is a member during the time he or she was a member and for one year thereafter.

### **39. INTEREST OF CERTAIN FEDERAL OFFICERS**



No member of, or delegate to, the Congress of the United States and no Resident Commissioner shall be admitted any share or part of this Agreement or to any benefit to arise therefrom.

**40. INTEREST OF SUBRECIPIENT**

The SUBRECIPIENT agrees that it presently has no interest and shall not acquire any interest, direct or indirect, in the above described project or any parcels therein or any other interest which would conflict in any manner or degree with the performance of the Work hereunder. The SUBRECIPIENT further agrees that no person having any such interest shall be employed in the performance of this Agreement.

**41. POLITICAL ACTIVITY**

The SUBRECIPIENT will comply with the provisions of the Hatch Act (5 U.S.C. § 1501 *et seq.*), which limits the political activity of employees.

**42. RELIGIOUS ACTIVITY**

The SUBRECIPIENT agrees to abstain from using any funds related to this Agreement for inherently religious activities prohibited by 24 C.F.R. § 570.200(j), such as worship, religious instruction, or proselytization.

**43. FLOOD DISASTER PROTECTION ACT OF 1973**

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found in the Flood Disaster Protection Act of 1973, 24 C.F.R. § 570.605.

**44. LEAD BASED PAINT**

The SUBRECIPIENT must comply with the regulations regarding lead-based paint found at 24 C.F.R. Part 35 on LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES with regards to all housing units assisted using CDBG-DR funds.

**45. VALUE ENGINEERING**

**(Applicable to construction contracts exceeding \$2,000 when required by Federal program legislation.)**

The SUBRECIPIENT must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 2 C.F.R. § 200.318(g).

**46. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT (URA)**

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 *et seq.*, and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD). The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR programs.



The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

When CDBG-DR funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR funds to complete the project or an interdependent phase of the project. SUBRECIPIENTS are responsible for ensuring URA compliance throughout the design, proposal, and implementation of any project that includes real property acquisition or displacement of residential or business occupants.

#### **47. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT)**

The SUBRECIPIENT shall comply with the Occupational Safety and Health Act of 1970 (OSH Act) as supplemented by the Department of Labor regulations. This Act created the Occupational Safety and Health Administration (OSHA). OSHA sets and enforces protective standards of safety and health in the workplace. Under the OSH Act, employers have a responsibility to provide a safe workplace.

Employers must comply with the 29 CFR 1910 General Obligations Clause of the OSH Act. This clause requires employers to maintain their workplaces free from serious recognized hazards. This includes the adoption of safety and health guidelines and the subsequent training of the employer's workforce in these.

Subrecipient whose Scope of Work includes construction activities must comply with the General Clauses, and also with provisions of 29 CFR 1926 "Construction Health and Safety Regulations". It shall be a condition of any contract for construction, alteration and/or repair, including painting and decorating, that no contractor or subcontractor for any part of the contract work shall require any worker or mechanic employed in the performance of the contract to work in an environment or in unhealthy, hazardous or dangerous working conditions to their health or safety.

**END OF DOCUMENT**



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# EXHIBIT J

## SOCIAL INTEREST HOUSING PROGRAM (SIH)

### NON-CONFLICT OF INTEREST CERTIFICATION

#### ESTANCIA CORAZÓN INC.

The Subrecipient certifies that to the best of its knowledge:

1. No public servant of this executive agency has a pecuniary interest in this agreement, contract, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
5. I have no kinship relationship, within the fourth degree of consanguinity and second of affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."

Ivonne Santiago-Nieves  
Signature

February 21, 2023  
Date

Ivonne Santiago-Nieves  
Printed Name

Executive Director  
Position










# ESTANCIA CORAZÓN - AMENDMENT B - SIH

Final Audit Report

2023-03-08

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