



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY
(CDBG-DR)

AMENDMENT A TO
SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
PUERTO RICO HOUSING FINANCE AUTHORITY



This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "Amendment") is entered into this 18th day of September, 2019, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Fernando A. Gil-Enseñat, of legal age, attorney, married, and resident of Guaynabo, Puerto Rico; and the **Puerto Rico Housing Finance Authority** (the "Subrecipient"), a public agency created under Act No. 103, of August 11, 2001, as amended, 7 LPRA § 924 et seq., known as the "Puerto Rico Housing Financing Authority Act", with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Deputy Executive Director, Pablo G. Muñoz Reyes, of legal age, married, and resident of Guaynabo, Puerto Rico, collectively the "Parties".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on September 2017, Hurricanes Irma and María made landfall in Puerto Rico causing catastrophic island wide damage, knocking out power, water, and telecommunications for the entire island and its island municipalities. Hurricane María caused major structure and infrastructure damage to family homes, businesses and government facilities triggering the displacement of thousands of residents of the Island from their homes and jobs.

WHEREAS, thousands of homes suffered damage from Hurricanes Irma and Maria, rental properties are no exception. Resilient affordable rental housing is needed. The CDBG-DR Gap to Low Income Housing Tax Credits (LIHTC) will create rental-housing stock to address rental-housing needs at affordable rents


WHEREAS, under the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017, signed into law September 8, 2017 (Pub. L. 115-56), \$1.5 billion were allocated by the U.S. Department of Housing and Urban Development (HUD) for disaster recovery assistance to the Government of Puerto Rico under the CDBG-DR. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid.

WHEREAS, on February 9, 2018, a Notice was published in the Federal Register, Vol. 83, No. 28 (83 FR 5844), that allocated \$1.5 billion for disaster recovery assistance to the Government of Puerto Rico.

WHEREAS, pursuant to a letter dated February 23, 2018, sent by the Governor of Puerto Rico, Hon. Ricardo Rosselló Neváres, to the Hon. Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated by the Governor of Puerto Rico as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

WHEREAS, on August 14, 2018, an additional allocation of \$8.22 billion for recovery was allocated to Puerto Rico under Federal Register Vol. 83, No. 157, (83 FR 40314). With these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding. On September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed the Grant Agreement.

WHEREAS, on November 29, 2018 PRDOH and the Subrecipient executed a Subrecipient Agreement, Contract Number 2019-000062, to undertake the CDBG-DR LIHTC Program, for a term of **thirty-six (36) months**, ending on November 29, 2021, where the PRDOH would pay a maximum amount not to exceed **ONE HUNDRED MILLION DOLLARS** (\$100,000,000) from **Account: CDBG-DR#B-17-DM-72-0001**. This Amendment does not affect the term nor the amount of the Agreement.



WHEREAS, PRDOH has partnered with Subrecipient, to select projects proposed by developers qualified to use LIHTC. Projects will be evaluated based on cost reasonableness, developer capacity, number of beneficiaries served and shovel readiness. Currently, 1,533 units are in the pipeline with 9% low income housing tax credits program and will be completed within 24 months of each project start. CDBG-DR loans with 9% LIHTC will leveraged to stretch both funding sources and to create projects that accomplish several goals. Each project will include multiple individual housing units.

WHEREAS, as per Section VIII (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, it is the intention of the parties that this Amendment is not intended to effect nor does it constitute an extinctive novation of the obligations of the parties under the Subrecipient Agreement but is rather a modification and amendment of certain terms and conditions under the Agreement.

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, as amended, *supra*, the federal laws and regulations creating and allocating funds to the CDBG-DR program and the current Action Plan, to issue and award the subaward, enter and perform under this Agreement; and

WHEREAS, the Subrecipient, in accordance with its enabling statute has duly adopted the Resolution dated May 2, 2019 and with Identification No. 2019-18 authorizing the Subrecipient to enter into this Amendment A to the Subrecipient Agreement with the PRDOH, and by signing this Amendment A, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

NOW, THEREFORE, in consideration of the need for recovery from Hurricanes Irma and Maria and the premises and mutual covenants described herein, the Parties mutually agree to the terms described in this Amended Agreement.



TERMS AND CONDITIONS

II. SAVINGS CLAUSE

The information included in this **Amendment A** serves the purpose of conforming the Subrecipient Agreement to federal and state regulations and statutes as set forth in the sections below. All provisions of the Subrecipient Agreement shall continue to be in full force and effect.

III. SCOPE OF AMENDMENT

The PRDOH and the Subrecipient have agreed to enter into this Amendment with the purpose of conforming the Subrecipient Agreement to federal and state regulations and statutes.

IV. AMENDMENTS¹

- A. **Exhibit B** (Timelines and Performance Goals) of the Agreement is being replaced by a modified **Exhibit B** hereto incorporated by reference into the Agreement and this Amended Agreement and made part of the Agreement and Amended Agreement.
- B. **Exhibit D** (Budget) of the Agreement is being replaced by a modified **Exhibit D** (Budget-Amended) hereto incorporated by reference into the Agreement and this Amended Agreement and made part of the Agreement and Amended Agreement.
- C. **Exhibit C** (Key Personnel) of the Agreement is being replaced by a modified **Exhibit C** (Key Personnel) hereto incorporated by reference into the Agreement and this Amended Agreement and made part of the Agreement and Amended Agreement.
- D. The following attachment is hereby incorporated into the Agreement and into this Amended Agreement by reference and made part of the Agreement and the Amended Agreement:

Exhibit E

HUD General Provisions

All Attachments hereto are fully incorporated into the Agreement and Amended Agreement such that the terms and conditions of the Attachments shall be as binding as any terms and conditions of the executed written Agreement and Amended Agreement. Should any inconsistency appear between the Attachments and the Agreement or Amended Agreement, the Agreement and Amended Agreement shall prevail.

- E. The parties intend to amend **SECTION II. SCOPE OF WORK, (A) General Administration** of the Subrecipient Agreement, to include the following paragraphs therein:

Subrecipient Management Responsibilities

1. As a condition of receiving this Subaward, the Subrecipient shall assist the PRDOH in procurement, management, monitoring and reporting of the services included in the **Exhibit A** for the Program.
2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.

¹ For easier review, Amendments will appear in *italics* throughout the Amended Agreement.

3. The services contracts will be subject to the previous written approval of PRDOH to become effective and will incorporate any clauses or dispositions required by PRDOH, including, but not limited to, the Contract termination for convenience of the PRDOH.

4. The Subrecipient will develop plans in accordance with the Exhibit A. The PRDOH reserves authority and discretion to review and approve such plans.

- E. The parties intend to amend **SECTION II. SCOPE OF WORK, (F) Staffing** of the Subrecipient Agreement, to include the following paragraphs at the end of such subsection:

Depending on the needs of the Program activity, the Subrecipient shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program activities included in the Scope of Work, shall solely perform those tasks and shall be remunerated hourly.

*The Subrecipient shall monitor the performance of its staff, and contractors against the goals and performance standards as stated in **Exhibit B** ("Timelines and Performance Goals").*

- F. The parties intend to replace **SECTION III. PERFORMANCE MONITORING & REPORTING, (A) Monitoring** of the Subrecipient Agreement, with the following paragraphs:

*The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in **Exhibit B** associated with the activities included in the Scope of Work (**Exhibit A**).*

This review shall include: (1) reviewing financial and performance reports required by the PRDOH; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 CFR §200.521.

Prior to issuing the management decision, the PRDOH may request additional information or documentation from the Subrecipient, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the Subrecipient. While not required, PRDOH may also issue a management decision on findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS).

*If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, which term may be extended if a reasonable requested is submitted by the*



Subrecipient, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 CFR 200.338.

- G. The parties intend to amend **SECTION IV. EFFECTIVE DATE AND TERM** of the Subrecipient Agreement, to include the following therein:

Contract Extensions:

PRDOH may, at its sole discretion, extend the Agreement's term for an additional two terms of **twelve (12) months**, upon mutual written agreement of the parties. The term of this Agreement shall not exceed a period of **five (5) years from the day of original execution**, including options for renewal or extension.

- H. The parties intend to amend the unnumbered section of **SECTION V. BUDGET** to include the following paragraphs therein:

Any proposed budget to be managed by the Subrecipient shall clearly specify proposed funding for administrative costs and/or program delivery costs and/or planning costs, to the extent that such costs are considered applicable categories for funding.

The Budget may include a reserve of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program. The Subrecipient may not access the reserve identified in the Budget without written consent from the PRDOH.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH and the Subrecipient.

Unallowable costs will not be reimbursed by the PRDOH. It is impossible to compile an all-inclusive list of costs which will not be reimbursed by PRDOH; so when considering whether or not to make an expenditure, the Subrecipient should first assume that a cost will not be reimbursed unless the the **Exhibit D** (Budget) clearly state that it is allowable.

Payments made for costs determined to be unallowable by the PRDOH, either as direct or indirect costs, must be refunded (including interest) to the PRDOH. See 2 C.F.R. § 200.410.

- I. The parties intend to amend **SECTION V. BUDGET, (A) Indirect Costs** to include the following paragraph at the end of such subsection:

Indirect costs invoiced, if any, must be consistent with the conditions set forth herein. Indirect costs may be charged to PRDOH under a cost allocation plan prepared in accordance with 2 CFR part 200, subpart E, and as approved by PRDOH in accordance with written policies and procedures, shall be included in the Budget (**Exhibit D**).



- J. The parties intend to amend **SECTION V. BUDGET, (B) Program Income** to replace the second paragraph with the following paragraph:

The Subrecipient shall report monthly all Program Income², if any, generated by activities carried out with CDBG-DR funds made available under this Agreement. As per stated in 83 FR 5844, Program income in the form of repayments to, or interest earned on, a revolving fund as defined in 24 C.F.R. § 570.500(b) may be retained by the Subrecipient for use in the program activities under this agreement so long as the program income is substantially disbursed from the fund before additional grant funds are drawn from the U.S. Treasury for the same activity and shall be reported to PRDOH.

- K. The parties intend to amend **SECTION VI. PAYMENT, Requests for Payment** to replace the second paragraph of the unnumbered subsection with the following paragraph:

The Subrecipient shall submit Requests for Reimbursements to the PRDOH, on the form and with the content specified and required by the PRDOH. The Requests for Reimbursements must be submitted with all supporting invoices, bills, time sheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by PRDOH. The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.

- L. The parties intend to replace **SECTION VIII. AMENDMENT AND TERMINATION, (B)(1) Termination for Cause** to with the following paragraph:

*The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days'** notice, whenever it determines that the Subrecipient has failed*

² As defined in section VI(A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD), Program Income is:

[...] gross income generated from the use of CDBG-DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State or a Subrecipient of a State."

[...]

Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG-DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG-DR funds, less costs incidental to generation of the income (i.e., net income); (d) Net income from the use or rental of real property owned by a State, local government, or Subrecipient thereof, that was constructed or improved with CDBG-DR funds; (e) Payments of principal and interest on loans made using CDBG-DR funds; (f) Proceeds from the sale of loans made with CDBG-DR funds; (g) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds; (h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account; (i) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not low- and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement; (j) Gross income paid to a State, local government, or a Subrecipient thereof, from the ownership interest in a for profit entity in which the income is in return for the provision of CDBG-DR assistance.

to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:

- a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, PRDOH's Program Guidelines, as applicable, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
- c. Ineffective or improper use of funds provided under this Agreement; or
- d. Submission of reports by the Subrecipient to the PRDOH that are incorrect or incomplete in any material respect.

The Subrecipient shall have up to **thirty (30) days** to resolve issues listed above to the satisfaction of PRDOH. If the Subrecipient does not resolve the issues, PRDOH may suspend this Agreement in whole or in part. PRDOH may also immediately terminate the agreement.

- M. The parties intend to amend **SECTION VIII. AMENDMENT AND TERMINATION** to include the following paragraphs at the end of such section:

4. Unilateral Termination

The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the Subrecipient a **thirty (30) day** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. The Subrecipient may notify in writing to the PRDOH if special circumstances require that an additional term be granted in order to perform additional tasks or terminate activities. The PRDOH must answer such request in writing. Upon receipt of such notice, the Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

5. Suspension

The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Subrecipient **five (5) days'** written notice of such suspension, the reasons for the suspension, and a term for which the Agreement is suspended. If the Agreement is suspended for more than **thirty (30) days**, PRDOH will send subsequent notifications every **thirty (30) days** informing the Subrecipient of the suspension status. Upon receipt of said notice the Subrecipient shall immediately discontinue all Services affected.



6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This shall also section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 4, 2018, as amended, known as the "Anti-Corruption Code for the New Puerto Rico". The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph. Any termination under this section must be notified in writing.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdrawn or canceled, this Agreement will be immediately terminated.

7. Period of Transition.

Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Subrecipient agrees to make himself available to assist the PRDOH with the transition of services assigned to Subrecipient by the PRDOH. Subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the Services to the PRDOH or a third party designated by the PRDOH. The Parties agree to execute a Transition Services Agreement for the Transition Period and Subrecipient will be paid at a reasonable, agreed upon hourly rate for any work performed for the PRDOH during the Transition Period.

8. Availability of Funds


This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Contract is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH has the right upon **ten (10) working days** written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.



- N. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD** to replace the first unnumbered paragraph with the following paragraph:

The "HUD General Provisions", which are attached to, and made an integral part of the Agreement and this Amended Agreement as **Exhibit F**, set forth certain requirements imposed by HUD with respect to the PRDOH's Federal award or CDBG-DR Grant. The Subrecipient agrees to carry out its obligations under the Agreement and this Amended Agreement in compliance with all the requirements described **Exhibit F** to the Agreement and this Amended Agreement to the extent that such requirements are applicable to programs such as the program contemplated in the Agreement and this Amended Agreement.

This Agreement also includes terms and conditions of the PRDOH's Federal Award or CDBG-DR Grant that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all the obligations described in this Agreement.

The parties intend to amend **SECTION IX. OTHER FEDERAL REQUIREMENTS, (A) General Compliance** of the Subrecipient Agreement to add the following paragraph:

The Subrecipient shall also comply with applicable PRDOH's policies and guidelines as established in Program Guidelines and their amendments, if any, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which are herein included and made integral part of this Agreement, as it may be updated from time to time.

- O. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (G)(3) Record Retention and Transmission of Records to the PRDOH** to renumber the subsection with the letter I and to replace said subsection with the following paragraph:

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. § 200.333 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.




- P. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (O)(5) Affirmative Action** to replace the entire subsection with the following paragraphs:

5. *Affirmative Action*

- a. *The Subrecipient shall take affirmative steps to comply with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60.*

b. *Women- and Minority-Owned Businesses (W/MBE)*



The Subrecipient shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

c. *Notifications*

The Subrecipient will send to each labor union or representative of workers with which it 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 worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. *Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement*

The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

- Q. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (P)(1) Labor Standards** to include the following paragraph at the end of such subsection:

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.


[Remainder of page left blank intentionally]



- R. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (Q)(1) Compliance** to include the following paragraph at the end of such subsection:

The Subrecipient agrees to submit, and shall cause its subcontractors to submit, quarterly reports to the PRDOH detailing the number of new employees hired, the number of new Section 3 employees hired, and any affirmative efforts made to direct hiring efforts to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing during the previous quarter.

- S. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (R)(2) Conflict of Interest** to include the following paragraph as subsection (d):



d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests the Subrecipient certifies that: (1) No public servant of the Subrecipient has pecuniary interest in this contract. (2) No public servant of the Subrecipient has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the Subrecipient related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the Subrecipient has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the Subrecipient has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this contract.

- T. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, (R) Conduct** to include the following paragraph as subsection (4):

4. Subcontracts

- a. Approvals: The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the PRDOH prior to the execution of such agreement.
- b. Monitoring: The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- c. Content: The Subrecipient shall cause all the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.



d. *Selection Process: The Subrecipient shall insure that all subcontracts for the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the PRDOH along with documentation concerning the selection process.*

- U. The parties intend to amend **SECTION IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD** to include the following paragraph as a new subsection (U):

U. Logos Clause

The Parties hereto will not use the name of the other party, seals, logos, emblems or any distinctive trademark/ trade name, without the prior written express authorization of the other party.

- V. The parties intend to amend **SECTION IX. OTHER FEDERAL REQUIREMENTS** of the Subrecipient Agreement to add new Subsection (V) as follows:

V. Citizen Grievances

If the Subrecipient receives any complaint or grievance, it shall refer said complaint or grievance immediately to the PRDOH CDBG-DR Program so that PRDOH may respond appropriately.

V. **FEDERAL FUNDING**

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

VI. **RECAPTURE OF FUNDS**

PRDOH may recapture payments it makes to Subrecipient that (i) exceed the maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with this Agreement, including any unapproved expenditures. Subrecipient must refund such recaptured payments within **thirty (30) days** after the PRDOH issues notice of recapture to Subrecipient.

VII. **OVERPAYMENT**

Subrecipient shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. Subrecipient shall reimburse such disallowed costs from funds other than those Subrecipient received under this Agreement.

VIII. **SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Amended Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Amended Agreement.



IX. WAIVER

The PRDOH's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

X. GOVERNING LAW: JURISDICTION

This Amended Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The Parties further agree to assert any claims or causes of action that may arise out of this Amended Agreement in the Puerto Rico Court of First Instance, San Juan Part, notwithstanding jurisdiction may be averred in any U.S. District Court, including for diversity of citizenship.

XI. COMPLIANCE WITH LAW

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in this Amended Agreement should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in correct form, then this Agreement shall forthwith, upon the application of any Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of any Party.

XII. SUBROGATION

The Subrecipient acknowledges that funds provided through this Amended Agreement are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Amended Agreement are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and subject to Federal regulation, however, the Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of this Amended Agreement for any reason.

XIII. COMPTROLLER REGISTRY

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

XIV. ENTIRE AGREEMENT

The Agreement and this Amended Agreement constitute the entire agreement among the Parties for the use of funds received under the Agreement and this Amended Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to the agreement.



XV. CONSOLIDATIONS, MERGERS, OR DISSOLUTION

In the event that Subrecipient is consolidated or merged with another entity or agency, Subrecipient will notify PRDOH of such action within a **fifteen (15) day** period of being notified of it. PRDOH will have **fifteen (15) days** to state its position. With PRDOH's written approval, the Subrecipient must ensure that the resulting entity becomes responsible for Subrecipient's tasks under this legal agreement. A timeframe of no more than **fifteen (15) days** from the date that any merger or consolidation becomes effective will be provided to make amendments or transitory changes, so that the tasks assigned to personnel at Subrecipient under this Subrecipient Agreement and Amendment are carried out by the resulting entity with little or no lapse in performance objectives and the ability to fulfill the scope of work for the program as outlined in **Exhibits A, B, C and D**. Subrecipient is to provide notice to any other agency or entity it may consider consolidating or merging with in advance, to advise and provide orientation on Subrecipient's duties under this Subrecipient Agreement and make the survival or transfer of those tasks a condition to any merger, consolidation, or dissolution involving Subrecipient during the time span of this Subrecipient Agreement.

XVI. SEVERABILITY

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

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

PUERTO RICO DEPARTMENT OF HOUSING, CDBG-DR GRANTEE

By: 
Name: Fernando A. Gil-Enseñat
Title: Secretary

PUERTO RICO HOUSING FINANCE AUTHORITY, SUBRECIPIENT

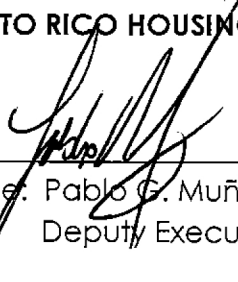
By: 
Name: Pablo G. Muñoz Reyes
Title: Deputy Executive Director





EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS
(LIHTC) PROGRAM TIMELINE

Dates	Description
December 2018	<ol style="list-style-type: none">1. Execution of Subrecipient Agreement (SRA) between the Puerto Rico Department of Housing (PRDOH) and the Puerto Rico Housing Finance Authority (PRHFA);2. Issuance of preliminary determinations of CDBG-DR Funds letters to project developers.
January – November 2019	<ol style="list-style-type: none">1. Develop Technical Review and Financial Review processes and documentation;2. Develop systems intake portal;3. CDBG-DR orientation session for developers;4. PRHFA review of revised Project Applications;5. Final review, analysis, underwriting and allocation of CDBG-DR Funds.
November 2019 – December 2023	<ol style="list-style-type: none">1. Begin closing with project developers;2. Project construction begins;3. Disbursement of CDBG-DR funds during construction, and compliance reviews are completed for all Davis-Bacon applicable work;4. Within 18-20 months of construction the tenant selection process for each project begins;5. Lease up process following construction completion;

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	<div><div>6. Interim financing will convert to Permanent Loan, when applicable, up to a year after construction ends;</div><div>7. Final Cost Certifications and Project Closeout</div></div>
2024 – 2044	<div>1. Compliance monitoring for 20-year affordability period after project completion (15-year for rehabilitation projects)</div>

Add or Delete rows as needed.



EXHIBIT C

KEY PERSONNEL


[CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS PROGRAM] – KEY PERSONNEL

Below is the Staffing Plan for the CDBG-DR [CDBG-DR LOW INCOME HOUSING TAX CREDITS Program, which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR [GAP TO LIHTC] Program.

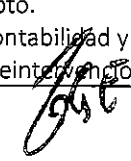
Position	Total Cost Salary & Benefits	Percentage of time	Percentage of Cost Reclaimed	Department
Administ. de Sistemas Oficina	\$ 31,070.35	40%	\$ 12,428.14	Dept. Administracion
Directora de Administracion	\$ 81,175.13	40%	\$ 32,470.05	Dept. Administracion
Gerente de Administracion	\$ 64,425.11	40%	\$ 25,770.04	Dept. Administracion
Secretaria	\$ 33,770.63	50%	\$ 16,885.32	Depto. Contabilidad y Preinter
Gerente de Preintervención	\$ 80,531.39	60%	\$ 48,318.83	Depto. Contabilidad y Preinter
Contador	\$ 44,739.93	30%	\$ 13,421.98	Depto. Contabilidad y Preinter
Recaudador	\$ 29,214.67	30%	\$ 8,764.40	Depto. de Finanzas y Riesgo
Director de Finanzas y Riesgo	\$ 124,395.32	50%	\$ 62,197.66	Depto. de Finanzas y Riesgo
Secretaria	\$ 39,606.33	30%	\$ 11,881.90	Depto. de Finanzas y Riesgo
Gerente Finanzas y Presupuesto	\$ 80,531.39	30%	\$ 24,159.42	Depto. de Finanzas y Riesgo
Analista Financiero	\$ 46,530.04	30%	\$ 13,959.01	Depto. de Finanzas y Riesgo

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Subrecipient Agreement CDBG-DR Programs
Exhibit C – Key Personnel
September 2019 - V 1.0




Position	Total Cost Salary & Benefits	Percentage of time	Percentage of Cost Reclaimed	Department
Oficial Financ y Cred Corp Sen	\$ 58,349.47	80%	\$ 46,679.58	Depto. Financiam y Credit Contr
Administ. de Sistemas Oficina	\$ 69,797.19	80%	\$ 55,837.75	Depto. Financiam y Credit Contr
Oficial Financ y Cred Corp Sen	\$ 58,349.47	90%	\$ 52,514.53	Depto. Financiam y Credit Contr
Dir Financ y Credito Contribut	\$ 109,503.83	85%	\$ 93,078.26	Depto. Financiam y Credit Contr
Oficial de Financ y Cred Contr	\$ 44,742.67	75%	\$ 33,557.00	Depto. Financiam y Credit Contr
Recepcionista	\$ 27,176.58	30%	\$ 8,152.98	Depto. Servicios Administracio
Analista de Sistemas	\$ 53,698.04	30%	\$ 16,109.41	Depto. Sistemas de Informacion
Ofic Seg Sist Informacion I	\$ 60,277.84	30%	\$ 18,083.35	Depto. Sistemas de Informacion
Tecnico de Servicio al Usuario	\$ 55,714.38	30%	\$ 16,714.31	Depto. Sistemas de Informacion
Ofic Seg Sist Informacion II	\$ 48,610.79	30%	\$ 14,583.24	Depto. Sistemas de Informacion
Técnico Sistemas Informacion	\$ 37,274.16	30%	\$ 11,182.25	Depto. Sistemas de Informacion
Project Manager	\$ 77,309.79	70%	\$ 54,116.85	Depto. Sistemas de Informacion
Ger Analisis Sist y Des Aplica	\$ 92,782.41	50%	\$ 46,391.21	Depto. Sistemas de Informacion
Director de Sistemas de Informacion	\$ 128,092.55	50%	\$ 64,046.27	Depto. Sistemas de Informacion
Supervisor Contabilidad	\$ 75,419.94	50%	\$ 37,709.97	Dpto. Contabilidad y Preintervencion
Supervisor Contabilidad	\$ 64,425.11	50%	\$ 32,212.56	Dpto. Contabilidad y Preintervencion
Director Contabilidad y Preintervencion	\$ 108,934.21	50%	\$ 54,467.10	Dpto. Contabilidad y Preintervencion



Subrecipient Agreement CDBG-DR Programs
Exhibit C – Key Personnel
September 2019 - V 1.0

Position	Total Cost Salary & Benefits	Percentage of time	Percentage of Cost Reclaimed	Department
Coordinador Vivienda Justa	\$ 53,686.64	60%	\$ 32,211.99	Ofic Cumplimiento Fondos Feder
Director Cumplimiento Fondos Federales	\$ 109,503.83	60%	\$ 65,702.30	Ofic Cumplimiento Fondos Feder
Oficinista Recursos Humanos	\$ 43,092.52	50%	\$ 21,546.26	Ofic. Recursos Hum y Rel Labor
Dir Rec Humanos y Rel Laborale	\$ 109,503.89	50%	\$ 54,751.94	Ofic. Recursos Hum y Rel Labor
Esp Rec Humanos y Rel Laborale	\$ 76,075.07	50%	\$ 38,037.53	Ofic. Recursos Hum y Rel Labor
Administ. de Sistemas Oficina	\$ 48,024.02	50%	\$ 24,012.01	Ofic. Multifamiliar
Secretaria Legal	\$ 41,984.79	50%	\$ 20,992.39	Oficina de Asesoramiento Legal
Director de Servicios Legales	\$ 137,526.45	50%	\$ 68,763.22	Oficina de Asesoramiento Legal
Oficial Juridico - Adm Contratos	\$ 67,646.65	40%	\$ 27,058.66	Oficina de Asesoramiento Legal
Asesor Legal	\$ 81,175.13	50%	\$ 40,587.56	Oficina de Asesoramiento Legal
Secretaria Legal	\$ 53,526.76	40%	\$ 21,410.71	Oficina de Asesoramiento Legal
Asesor Legal	\$ 77,316.97	50%	\$ 38,658.48	Oficina de Asesoramiento Legal
Analista de Recursos Humanos	\$ 44,739.93	50%	\$ 22,369.97	Oficina de Rec. Hum. Y Rel. Lab.
Director Ejec Aux Administracion	\$ 128,178.00	40%	\$ 51,271.20	Oficina del Director Ejecutivo
Dir. Ejec. Aux Multifamiliar	\$ 142,420.00	50%	\$ 71,210.00	Oficina del Director Ejecutivo
Director Ejec Aux Proy Unifami	\$ 142,420.00	30%	\$ 42,726.00	Oficina del Director Ejecutivo
Ayudante del Director Ejecutiv	\$ 121,057.00	50%	\$ 60,528.50	Oficina del Director Ejecutivo

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Position	Total Cost Salary & Benefits	Percentage of time	Percentage of Cost Reclaimed	Department
Director Ejecutivo	\$ 213,630.00	35%	\$ 74,770.50	Oficina del Director Ejecutivo
Director Ejecutivo Auxiliar - Area Fiscal	\$ 170,904.00	50%	\$ 85,452.00	Area Fiscal
Administ. de Sistemas Oficina	\$ 59,366.35	40%	\$ 23,746.54	Area Fiscal
Oficial de Preintervencion CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Especialista Cumplimiento CDBG-DR/LIHTC	\$ 53,686.64	100%	\$ 53,686.64	CDBG-DR
Oficial Cumplimiento CDBG-DR/LIHTC	\$ 37,282.71	100%	\$ 37,282.71	CDBG-DR
Oficial de Fondos CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Oficial de Compra CDBG-DR	\$ 31,068.92	100%	\$ 31,068.92	CDBG-DR
Oficial de Sistemas y Redes CDBG-DR	\$ 53,686.64	100%	\$ 53,686.64	CDBG-DR
Oficial Pre-Intervencion CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Oficial Contabilidad CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Oficial de Presupuesto	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Administ. de Sistemas Oficina CDBG-DR	\$ 48,024.02	100%	\$ 48,024.02	CDBG-DR
Director Programa CDBG/LIHTC	\$ 109,503.89	100%	\$ 109,503.89	CDBG-DR
Oficial Financ Fondos de Recuperacion CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Oficial Financ Fondos de Recuperacion CDBG-DR	\$ 44,739.82	100%	\$ 44,739.82	CDBG-DR
Total	\$ 4,394,658.31		\$ 2,457,932.71	
Total for 24 month period	\$ 8,789,316.62		\$ 4,915,865.43	

Approved for Release by Special Source Operations



CDBG-DR GAP TO LOW INCOME
HOUSING TAX CREDITS (LIHTC)
PROGRAM

**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

**SUBRECIPIENT AGREEMENT -
EXHIBIT D BUDGET AMENDED**



**PUERTO RICO DEPARTMENT OF HOUSING
(PRDOH)**


September 18, 2019

EXHIBIT D - BUDGET

Grant:		CDBG-DR	
Contractor:		Puerto Rico Housing Finance Authority	
Program:		CDBG-DR Gap to Low Income Housing Tax Credits (LIHTC)	
DRGR Activity Code:		R01H13LIH-AFV	
Cost Type	Chart of Accounts Code	Activity Description	Contract Budget
ADMINISTRATION			\$ -
PLANNING			\$ -
PROJECT			\$ 100,000,000
Project			
Project Development Costs	5001-2025		\$ 89,269,325
TOTAL COSTS			\$ 89,269,325
PROJECT ACTIVITY DELIVERY COSTS			
Staffing	5001-2000 5001-2001	Staffing resources for the execution and implementation of the Program	\$ 4,915,865
Staffing (to be added at a later time)			\$ 261,710
Professional Services	5001-2013	Procured services that will assist in delivery and implementation of the Program	\$ 2,899,100
Other Operating	5001-2021 5001-2020 5001-2016 5001-2022	Operational costs associated with delivery and implementation activity. Items like, but not limited to: operating overhead, travel, materials, marketing, etc.	\$ 654,000
PRDOH Reserve	5001-2018 5001-2019		\$ 2,000,000
TOTAL COSTS			\$ 10,730,675
GRAND TOTAL			\$ 100,000,000

Joe

BUDGET DETAIL



The budget for the staffing, services, systems, equipment, supplies, materials and related expenses for the \$100 million CDBG-DR Gap to Low Income Housing Tax Credits (LIHTC) Program is \$8,730,675 over the 24-month agreement period. This budget does not include any additional funds that can be used for Administration and/or Activity Delivery Costs, such as new Program Income. The summary below captures the full program budget, and the following sections provide additional detail on line items in the summary below, as well as additional information on budgetary distinctions.

At this date, PRDOH assumes that all Administrative Costs and duties for all programs will be incurred and provided by PRDOH, under the \$75,358,950 Program Administration budget line item, as outlined in the approved Action Plan. The \$100,000,000 budget for the Program is separate from these Administrative Costs and is to be utilized for Program Delivery Activities.

1. STAFFING

PRHFA Staff shall submit invoices for payment based on the time and materials method. Staff will complete daily timesheets and work logs for work related to Activity Delivery, Planning and/or Administration costs.




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STAFFING

Position	Total Cost Salary & Benefits	Percentage of time	Percentage of Cost Reclaimed	
Administ. de Sistemas Oficina	\$ 31,070.35	40%	\$ 12,428.14	Dept. Adminis
Directora de Administracion	\$ 81,175.13	40%	\$ 32,470.05	Dept. Administracion
Gerente de Administracion	\$ 64,425.11	40%	\$ 25,770.04	Dept. Administracion
Secretaria	\$ 33,770.63	50%	\$ 16,885.32	Depto. Contabilidad y Preinter
Gerente de Preintervención	\$ 80,531.39	60%	\$ 48,318.83	Depto. Contabilidad y Preinter
Contador	\$ 44,739.93	30%	\$ 13,421.98	Depto. Contabilidad y Preinter
Recaudador	\$ 29,214.67	30%	\$ 8,764.40	Depto. de Finanzas y Riesgo
Director de Finanzas y Riesgo	\$ 124,395.32	50%	\$ 62,197.66	Depto. de Finanzas y Riesgo
Secretaria	\$ 39,606.33	30%	\$ 11,881.90	Depto. de Finanzas y Riesgo
Gerente Finanzas y Presupuesto	\$ 80,531.39	30%	\$ 24,159.42	Depto. de Finanzas y Riesgo
Analista Financiero	\$ 46,530.04	30%	\$ 13,959.01	Depto. de Finanzas y Riesgo
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Analista de Sistemas	\$ 53,698.04	30%	\$ 16,109.41	Depto. Sistemas de Informacion
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Director Ejec Aux Proy Unifami	\$ 142,420.00	30%	\$ 42,726.00	Oficina del Director Ejecutivo

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Director Ejecutivo	\$ 213,630.00	35%	\$ 74,770.50	Oficina del Director Ejecutivo
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Total	\$ 4,394,658.31		\$ 2,457,932.71	
Total for 24 month period	\$ 8,789,316.62		\$ 4,915,865.43	

2. PROFESSIONAL SERVICES


The budgeted amount for professional services is based on the expected Program Delivery Activities for the 24-month agreement period.

Legal Services

PRHFA will use the procurement procedures to select a qualified Firm to provide legal counseling services in accordance with the PRHFA's objective for the Program delivery. The Firm will assist with multifamily financing counseling, closings, bonds issuance, reimbursements, defeasances, redemptions, grant/loan agreement drafting, and execution of legal documents.

Inspection Services

PRHFA will use the procurement procedures to select qualified engineer/architect firm to provide professional services in accordance with the PRHFA's objective of Program delivery. The engineers/architects will assist with relocation plan monitoring, monthly inspections of construction work, approval of monthly site and hard construction payments, approval of construction retainage payment, certification of completion of construction and technical engineer's report (pre-closing).



Environmental Services

PRHFA will use the procurement procedures to select a qualified environmental firm to perform environmental studies and provide monitoring services in accordance with the PRHFA's objective for Program delivery. The Professional will monitor compliance with Davis-Bacon Act, environmental review and clearance, and environmental monitoring.

PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Legal Services	Legal firm to assist with multifamily financing counseling, closings, bonds issuance, refunding's, defeasances, redemptions, award agreement drafting and execution of legal documents.	\$1,350,000
Inspection Services	To assist with relocation plan monitoring, monthly inspection of construction work, approval of monthly site and hard construction payments, approval of construction retainage payment, certification of completion of construction and technical engineer's report (pre-closing).	\$359,100
Environmental Services	To assist with compliance of Dav is Bacon, env ironmental review and clearance and environmental monitoring.	\$1,190,000
Total Budget for Services to be Contracted:		\$2,899,100

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3. OTHER OPERATING

PRHFA will provide outreach and marketing through multiple media platforms in order generate qualified applicants for the Program. In addition, PRHFA will utilize funding for printing programmatic documentation and materials, such as the Program Guidelines, grant/loan agreements, closing documents, among others.

Staff will be required to use their vehicles to attend official meetings and site visits, therefore, the staff will submit timesheet and mileage logs for reimbursement. The mileage reimbursement rate is \$0.40 per mile, based on the Government of Puerto Rico maximum.

Program Reserve Funding

Program Reserve Funding represents the portion of the initial \$100 million sub-award to PRHFA that is not currently allocated for the seven (7) initially identified shovel-ready 9% Projects, and which then would be transferred to future rounds of LIHTC application cycles for 4% and/or 9% Projects. A portion of these funds may also be used to support additional Activity Delivery Costs either provided by PRDOH, or PRHFA (or both). Prior to the authorization to expend any Program Reserve Funding, PRDOH and PRHFA will review and mutually agree in writing on the proposed expenditures to support the development of new or already identified LIHTC Projects.

OTHER OPERATING

Item Name	Item Description	Budget
Operating Overhead	Program Reserve Funding	\$1,000,000
	Supplies/Materials	\$68,000
Marketing	Printing/reproduction	\$60,000
Travel	Mileage	\$10,000
Communications	Programmatic documents such as plans, award agreements, closing documents, etc.	\$189,000
Total Expenses Budget:		\$1,327,000
Total Expenses for the 24 month period:		\$2,654,000


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*CDBG-DR GAP TO LOW INCOME HOUSING
TAX CREDITS (LIHTC) PROGRAM*

**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

**SUBRECIPIENT AGREEMENT -
EXHIBIT E HUD GENERAL
PROVISIONS**

**PUERTO RICO DEPARTMENT OF
HOUSING (PRDOH)**

 September 18, 2019



HUD GENERAL PROVISIONS

Given that the Agreement 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 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 shall include these terms and conditions in all subcontracts or purchase orders directly servicing the Agreement.

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 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 SUBRECEPIENT 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 SUBRECEPIENT 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 24 C.F.R. §§ 85.40-41 (or 84.50-52, if applicable) and 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 SUBRECEPIENT which are related to this AGREEMENT, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

6. MAINTENANCE/RETENTION OF RECORDS

All records (files, data, work product) connected with this AGREEMENT will be turned over to PRDOH following the Agreement termination to be maintained for the remainder of the grant and post grant closeout.

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


The SUBRECEPIENT 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:

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- (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 SUBRECEPIENT 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 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 HUD.

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964


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




The SUBRECEPIENT agrees that no qualified individual with handicaps shall, solely on the basis of handicap, 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 SUBRECEPIENT 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 SUBRECEPIENT 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.




14. CONFLICTS OF INTEREST

The SUBRECEPIENT 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 at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 or 84.42, if applicable). The SUBRECEPIENT 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 SUBRECEPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECEPIENTS 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 SUBRECEPIENTS 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 SUBRECEPIENT shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECEPIENTS 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 SUBRECEPIENT 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 SUBRECEPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this AGREEMENT, or if the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECEPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECEPIENT 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 SUBRECEPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECEPIENT for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico and/or PRDOH from the SUBRECEPIENT 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 SUBRECEPIENT. If the AGREEMENT is terminated by the PRDOH as provided herein, the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT;
 - (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 SUBRECEPIENT including social or recreational programs; and
 - (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECEPIENT 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 SUBRECEPIENT'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 SUBRECEPIENT 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 SUBRECEPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECEPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECEPIENT 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 SUBRECEPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 CFR chapter 60).

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

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- 1) The SUBRECEPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECEPIENT 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 SUBRECEPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECEPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
 - 3) The SUBRECEPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECEPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
 - 4) The SUBRECEPIENT 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 SUBRECEPIENT'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 SUBRECEPIENT 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 SUBRECEPIENT 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.
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- 7) In the event of the SUBRECEPIENT'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 SUBRECEPIENT 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) SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 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:

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- 1) A stipulation by the SUBRECEPIENT 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 SUBRECEPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 1857 c-8) 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 SUBRECEPIENT 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 SUBRECEPIENT 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 Contract, the SUBRECEPIENT 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 SUBRECEPIENT, 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,
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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 SUBRECEPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- 3) The SUBRECEPIENT 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 SUBRECEPIENT shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT's obligations under such contract.
- 3) A payment bond on the part of the SUBRECEPIENT 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
(As required by applicable thresholds)

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- 1) 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.
 - 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, 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 Part 135 regulations.
 - 3) The SUBRECEPIENT agrees to send to each labor organization or representative of workers with which the SUBRECEPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECEPIENT'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.
 - 4) The SUBRECEPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, 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 135. The SUBRECEPIENT will not subcontract with any subcontractor where the SUBRECEPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.
 - 5) The SUBRECEPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECEPIENT is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the SUBRECEPIENT's obligations under 24 C.F.R. Part 135.
 - 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
 - 7) 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 (25 U.S.C. § 450e) also applies to the work to be performed under this Agreement.
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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).

- 8) For contracts exceeding \$100,000, the SUBRECEPIENT shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

30. FAIR HOUSING ACT

SUBRECEPIENT 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, handicap 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

SUBRECEPIENT 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

SUBRECEPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 94-163, as amended.

The Hatch Act applies to political activities of certain state and local employees. As a Puerto Rico Department of Housing SUBRECEPIENT, 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 SUBRECEPIENT 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 U.S. Office of Special Counsel operates a website that provides guidance concerning Hatch Act issues. https://www.hud.gov/program_offices/general_counsel/Hatch_Act

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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECEPIENT out of payment due to him or her an amount 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 amounts withheld may be disbursed by the PRDOH for and on account of the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT

The SUBRECEPIENT 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 SUBRECEPIENT further agrees that no person having any such interest shall be employed in the performance of this Agreement.

41. POLITICAL ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

The SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 24 C.F.R. § 200.318.(g).

END OF DOCUMENT

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