



**COMMUNITY DEVELOPMENT BLOCK GRANT – (CDBG-DR/MIT)
ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM (IPG-DR)
ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH – LIFELINE MITIGATION
PROGRAM (IPG-MIT)**

**AMENDMENT C TO THE SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
THE NATIONAL COUNCIL FOR COMMUNITY DEVELOPMENT, INC.
d.b.a. GROW AMERICA
a.k.a. NATIONAL DEVELOPMENT COUNCIL**

Contract No. 2022-DR0256
Amendment No. 2022-DR0256C



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This **AMENDMENT C TO THE SUBRECIPIENT AGREEMENT ("AMENDMENT C")** is entered into this 25 day of January, 2024, by and between the **PUERTO RICO DEPARTMENT OF HOUSING ("PRDOH")**, a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the "**Department of Housing Organic Act**" ("**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of Guaynabo, Puerto Rico; and **The National Council for Community Development, Inc. (d.b.a. Grow America; a.k.a. National Development Council) ("Subrecipient")**, a non-profit organization, with principal offices at 1111 Superior Ave., East Suite 1114 Cleveland, Ohio, represented herein by its President and CEO, Daniel Marsh III, of legal age, single, and resident of Mashpee, Massachusetts; collectively the "**Parties**".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on January 27, 2022, the PRDOH and the Subrecipient executed a Subrecipient Agreement, Contract Number **2022-DR0256** ("**Agreement**"), for **FOUR MILLION SEVEN HUNDRED FOUR THOUSAND NINE HUNDRED THREE DOLLARS (\$4,704,903.00)** for the Subrecipient to undertake its activities under the **Economic Development Investment Portfolio for Growth Program ("Program")**. The Parties agreed on a performance period of **twelve (12) months** from the date of the execution of the Agreement ending on **January 26, 2023**.

WHEREAS, on August 24, 2022, the PRDOH and the Subrecipient executed **Amendment A** to the Agreement, Contract Number **2022-DR0256A** ("**Amendment A**"). Via **Amendment A, Exhibit D** (Budget) was modified due to performance and cost of living. Neither the budget nor the period of performance was modified with Amendment A.

WHEREAS, on January 23, 2023, the PRDOH and the Subrecipient executed **Amendment B** to the Agreement, Contract Number **2022-DR0256B** ("**Amendment B**"). Via **Amendment B**, the parties agreed to extend the performance period for an additional **twelve (12) months**, and the end date to **January 26, 2024**. Additionally, **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) was updated and **Exhibit J** (Non-Conflict of Interest Certification) was incorporated by reference into the Agreement. The total budget allocated remained unaltered with **Amendment B**.

WHEREAS, as per Section IX (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the

amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

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

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

WHEREAS, the Subrecipient has duly adopted a Corporate Resolution, certified by the Secretary of the Corporation, Jessica Costello, dated December 5, 2023, authorizing the National Development Council (NDC) (via its President, Daniel Marsh III) to enter into this **AMENDMENT C** with the PRDOH; and by signing this **AMENDMENT C**, the Subrecipient assures the PRDOH that it shall comply with all the requirements described herein.

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

II. TERMS AND CONDITIONS

A. SAVINGS CLAUSE

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

B. SCOPE OF THE AMENDMENT

The Economic Development Investment Portfolio for Growth Program (IPG) aims to develop a series of projects that provide transformative benefits to Puerto Rico, which result in large-scale commercial or industrial development in a broad-ranging category of activities and cover a wide variety of economic development tasks. In order to achieve the Program goals, the Parties acknowledge and agree that it is necessary, to reduce its IPG-DR budget to \$1,176,225.75 and IPG-MIT will assign funds for \$3,528,677.25 for a TOTAL BUDGET of **FOUR MILLION SEVEN HUNDRED FOUR THOUSAND NINE HUNDRED THREE DOLLAR (\$4,704,903.00)**. Additionally, the Parties agree to extend the **END TERM** of the Agreement to **January 26, 2025**. Modifications to the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement and changes to **Section V. EFFECTIVE DATE AND TERM** of Agreement are being incorporated via this **AMENDMENT C** to accommodate the aforementioned term extension. Furthermore, updated versions of **Exhibit A** (Scope of Work), **Exhibit B** (Timeline and Performance Goals), **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit E** (Funds Certification), **Exhibit F** (HUD General Provisions), are being incorporated by reference into the Agreement. Also, **Section XII. CDBG-DR POLICIES AND PROCEDURES**, **Section XIII. FORCE MAJEURE** and **Section XVIII. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS** are being amended. While **Section XXXIV. PUERTO RICO POLITICAL CAMPAIGN FINANCING OVERSIGHT ACT** is being added to the Agreement.

As stated before, all other provisions including the total authorized budget of the original Agreement remain unaltered.

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C. AMENDMENTS

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

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| CDBG-DR Grantee Federal Award Identification Number: | B-18-DP-72-0001 B-18-DP-72-0002 |
| CDBG-DR Grantee Federal Award Date: | February 21, 2020 May 12, 2021 |
| CDBG-DR Grantee Unique Identifier: | Unique Entity ID: FFMUBT6WCM1 |
| Federal Award project description: | See Exhibit A ("Scope of Work") |
| Subrecipient Contact Information: | Daniel Marsh III President and CEO National Development Council 1111 Superior Ave., East Suite 1114 Cleveland, OH 44114 dmarsh@ndconline.org (508)477-6244 |
| Subrecipient Unique Identifier: | Unique Entity ID #: X3J4ZFLNKKM9 |
| Subaward Period of Performance: | Start Date: Effective Date, as defined in Section V of the Agreement, as amended. End Date: January 26, 2025 |
| Funds Certification: | Dated: December 4, 2021 Authorized Amount: \$4,704,903.00 Funds Allocation: CDBG-DR "r02e24edi-ppp-lm" CDBG-DR "r02e24edi-ppp-un" Account Number: 6090-01-000 See Exhibit E ("Funds Certification") |
| | Dated: August 8, 2023 Redistribution of Funds: CDBG-DR Funding: \$1,176,225.75 CDBG-MIT Funding: \$3,528,677.25 Authorized Amount: \$4,704,903.00 Funds Allocation: CDBG-DR "r02e24edi-ppp-lm" CDBG-DR "r02e24edi-ppp-un" CDBG-DR "mitm10edi-doh-un" Account Number: 6090-01-000 See Exhibit E-1 ("Funds Certification") |

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

This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this

Agreement is **thirty-six (36) months** from the date of its execution, ending on **January 26, 2025**.

The End of Term shall be the later of: (i) **January 26, 2025**; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements¹ have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

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- c. The Parties agree to amend **Section XII. CDBG-DR POLICIES AND PROCEDURES** as follows:

In addition to what is established in this SRA, the Subrecipient shall comply with all CDBG-DR/MIT program-specific and general policies and procedures, which may include but are not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, Language Access Plan, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR/MIT Website (<https://cdbq-dr.pr.gov/en/resources/policies/>), which are herein included and made an integral part of this SRA, as they may be updated from time to time, Procurement policies and procedures in accordance with the Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs Regulation No. 9506 (effective on October 25, 2023), and reporting requirements as established by the PRDOH.

- d. The Parties agree to amend **Section XIII. FORCE MAJEURE** as follows:

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor or Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

The Contractor or Subrecipient shall notify the PRDOH in writing as soon as possible, but in any event within ten (10) business days of the

¹ "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR-MIT funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

occurrence of the Force Majeure event and describe in reasonable detail the nature of the Force Majeure event, how the non-performance or delay relates to or arises from the Force Majeure event, its anticipated duration and any action taken to minimize its effect. The Contractor or Subrecipient may be entitled to reasonable adjustments in schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH may terminate this Agreement immediately upon written notification to the Contractor or Subrecipient.

e. **Section XVIII. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS** of the Agreement is being amended as follows:

A. Consolidation or Merger

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for consolidation or merger with another entity (private or public), by its discretion or otherwise, written notice of such decision or event shall be delivered to the PRDOH Legal Division at contractscdbqdr@vivienda.pr.gov **at least fifteen (15) days** prior to the effective date of the consolidation or merger. The notice shall include, but not be limited to, a description of: the expected effective date of the consolidation or merger; the name of each of the constituent entities moving to consolidate or merge into the single resulting or surviving entity; the proposed name of the resulting entity (in case of a consolidation) or the name of the surviving entity (in case of a merger) if necessary; reference to the projected capacity of the resulting or surviving entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement as well as its Exhibits or Attachments; and a brief summary of the proposed plan to achieve the transition of duties (Scope of Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

Upon the consolidation or the merger becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not be limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

Failure to comply with any of the before-mentioned conditions may result in the activation of the termination clauses provided in the Agreement.

B. Change of Name

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH initiates a change of name process, written notice of such decision or event shall be

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delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not be limited to, a description of: the expected effective date of the change of name; the proposed name; notify about inform of any change of address; and reference of any change in the capacity of the entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement, as well as its Exhibits or Attachments.

Upon the change of name becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment.

Failure to comply with any of the before-mentioned conditions may result in the activation of the termination clauses provided in the Agreement.

C. Dissolution

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not be limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its directors, officials, or agents. Upon dissolution becoming effective and supporting evidence of such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for the performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

- f. The Parties agree to add **Section XXXIV. PUERTO RICO POLITICAL CAMPAIGN FINANCING OVERSIGHT ACT** as follows:

"Act 222-2011, known as the "Puerto Rico Political Campaign Financing Oversight Act", 16 LPRA §621-634, as amended, states that starting in January of each general election year, and until the general canvass of the general elections has been completed, and the official and final results thereof have been certified, any entity of the Government of Puerto Rico (Executive Branch, Judicial Branch, Legislative Branch, and Municipalities) is prohibited from disbursing public funds for the purpose of exposing achievements, accomplishments, projections, plans or messages and content for partisan or electoral political purposes that seek to highlight, or

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disfavor an aspirant, candidate, elected official, political party, or committee. This includes any advertisement or article that has been purchased, acquired, produced, or assembled prior to the year in which the general election is held, provided that it is to be disseminated during the election year, and regardless of whether the public funds used by the government entity come from the general fund, a special fund, federal funds, municipal funds, or any other source.

It will be the Subrecipient's responsibility to comply with the requirements set forth in Act 222-2011. Failure to comply with the provisions of this legislation and applicable regulations, as determined by a competent authority, may affect the disbursement of funds allocated under this Agreement."

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- g. **Exhibit A** (Scope of Services) of the Agreement is being modified by an updated version hereto incorporated by reference into the Agreement (See **Attachment I**) to make changes as follows:
- i. Add Task 4.1.5 for the performance of QA/QC review, by Subrecipient, of underwriting services performed by other entities under the CDBG Programs.
 - ii. Add Task 4.1.6 for the provision of Technical Assistance to other entities, performing underwriting services for the CDBG Programs, at any stage during the process.
 - iii. include a clause to allow PRDOH to, if the need arises for other Programs under CDBG-DR and CDBG-MIT, require the performance of Tasks 4.1.1 through 4.1.4, to ensure continuity of services under a particular CDBG program to timely comply with the established goals given the crucial nature of the CDBG portfolio. This will be by issuing a Notice to Proceed (NTP) to Subrecipient in writing.
- h. **Exhibit B** (Timelines and Performance Goals) of the Agreement is being modified by an updated version hereto incorporated by reference into the Agreement (See **Attachment II**) to make changes as follows:
- iv. To include the IPG-MIT Program.
- i. **Exhibit C** (Key Personnel) of the Agreement is being modified by an updated version hereto incorporated by reference into the Agreement (See **Attachment III**) to make changes as follows:
- v. To include the IPG-MIT Program.
- j. **Exhibit D** (Budget) of the Agreement is being modified by an updated version hereto incorporated by reference into the Agreement (See **Attachment IV**) to make changes as follows:
- vi. To include the IPG-MIT Program and distribute the abovementioned funds into the Staffing, Professional Services, and Other Operating sections.
- k. **Exhibit E-I** (Funds Certification) is being incorporated by reference into the Agreement to reflect the redistribution of funds of **THREE MILLION FIVE HUNDRED**

TWENTY-EIGHT THOUSAND SIX HUNDRED SEVENTY-SEVEN DOLLARS AND TWENTY-FIVE CENTS (\$3,528,677.25) from the CDBG-MIT funding. (See **Attachment V**).

- I. **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment VI**).

III. SEVERABILITY

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

IV. SECTION HEADINGS AND SUBHEADINGS

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

V. COMPTROLLER REGISTRY

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

VI. ENTIRE AGREEMENT

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

VII. FEDERAL FUNDING

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

VIII. NON-CONFLICT OF INTEREST CERTIFICATION

The Subrecipient reassures PRDOH of its willingness to comply with the applicable conflict of interest policies by signing the Non-Conflict of Interest Certification incorporated by reference into the Agreement via this **AMENDMENT C**. (See **Attachment VII**).

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IX. COMPLIANCE WITH THE DOCUMENTATION REQUIREMENTS FOR CONTRACTING WITH THE GOVERNMENT OF PUERTO RICO (ACT NO. 237-2004)

The Subrecipient shall submit the following documentation applicable for contracting with the Government of Puerto Rico: **Evidence of the 2022 Income Tax Return Filing** and the **Certification of Filing of Sales and Use Tax**. PRDOH will execute this Agreement conditioned to the submission of the aforementioned documentation within **fifteen (15) days** of the signing of this Agreement. Failure to comply with the submission of the documentation may result in the withholding of reimbursements or the termination of this Agreement.

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

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

By: William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (Jan 25, 2024 18:15 AST)
Name: William O. Rodríguez Rodríguez
Title: Secretary

**THE NATIONAL COUNCIL FOR COMMUNITY DEVELOPMENT, INC.
d.b.a. GROW AMERICA
a.k.a. NATIONAL DEVELOPMENT COUNCIL
Subrecipient**

By: Daniel Marsh III
Daniel Marsh III (Jan 25, 2024 17:01 EST)
Name: Daniel Marsh III
Title: President and CEO

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EXHIBIT A

SCOPE OF WORK

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH – LIFELINE MITIGATION PROGRAM

NATIONAL DEVELOPMENT COUNCIL

1. Program Overview/Background

The CDBG-DR Programs are designed to address unmet needs related to the major disaster declarations and are meant to provide long-term recovery alternatives for the territory. CDBG-DR provides housing, infrastructure, and economic development aid to communities through different programs and grants that allow prompt, resilient recovery from damages and economic burdens resulting from hurricanes Irma and María. Funded activities under CDBG-DR must meet a national objective and demonstrate a tie to the storms.

The CDBG-MIT Programs serve to address mitigation needs by improving the built environment to mitigate hazardous threats. This program aims to empower applicants and/or entities to identify risks and develop solutions to mitigate risk to infrastructure assets through innovative, eco-conscious, and self-sustaining solutions. PRDOH realizes that within the immense challenges Puerto Rico faces to recover from disastrous events, there also lie immense opportunities to institute true mitigation measures that protect the Island from future risks. With the CDBG-MIT allocation, HUD is providing Puerto Rico with a significant opportunity to implement strategic, transformative, and high-impact projects that will strengthen the Island's resilience to future disasters by reducing risks attributable to natural disasters, addressing repetitive property loss, and improving critical infrastructure.

The Scope of Work detailed below is for the Investment Portfolio for Growth Program under CDBG-DR (**IPG-DR Program**) and the Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program under CDBG-MIT (**IPG-MIT Program**). The goal of the IPG-DR Program is to alleviate the exacerbated economic effects of the Hurricanes Irma and María, through large-scale development projects that are transformative in nature and create/retain Low-to-Moderate Income (**LMI**) jobs and/or cascading economic impacts. Meanwhile,

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the goal of the IPG-MIT Program is to target economic development funding for privately owned lifeline infrastructure to support Risk-Based Mitigation Needs.

2. National Objective

National Objectives requirements for CDBG-DR and CDBG-MIT Programs are included in the Action Plans approved by HUD. A complete copy of the Action Plans is available at www.cdbg-dr.pr.gov/action-plan.

2.1 IPG-DR Program

All IPG-DR Program activities must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG Program at section 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305. The Puerto Rico Department of Housing (**PRDOH**) anticipates that each Program's eligible activities will meet one (1) of the below listed national objectives. PRDOH will work with entities who are funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
 - Job Creation/Retention
 - Area Benefit
 - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

2.2 IPG-MIT Program

All projects in the IPG-MIT Program must meet one of the HUD, CDBG-MIT national objectives at 24 C.F.R. § 570.483 or otherwise provided for by waiver or alternative requirement as published in 84 FR 45838. The intended national objective must correspond to a HUD eligible activity, as defined by the HCDA, as amended, 42 U.S.C. § 5305. Considering the nature of this Program, PRDOH anticipates that the following national objectives will apply:

- Benefit to LMI
 - Job Creation/Retention
 - Area Benefit
- UN Mitigation (**UNM**)¹

¹ The provisions of 24 C.F.R. § 570.483(d) and 570.208(c) are waived at 84 FR 45838, 45857, Section V.A.13.c. and replaced with the alternative requirement to document how the activity:

1. Addresses the current and future risks as identified in the grantee's Mitigation Needs Assessment of most impacted and distressed areas; and
2. Will result in a measurable and verifiable reduction in the risk of loss of life and property from future disasters and yield community development benefits. (84 FR 45838).

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3. Program Description

Descriptions of CDBG-DR and CDBG-MIT Programs are included in the Action Plans approved by HUD. A complete copy of the Action Plans is available at www.cdbg-dr.pr.gov/action-plan.

3.1 IPG-DR Program

The total allocation for the Program is \$800,000,000 in the Puerto Rico CDBG-DR Action Plan, as amended. The Program intends to award gap funding for large-scale commercial and industrial development in a broad-ranging category of activities that cover a wide variety of economic revitalization initiatives. This may include but is not limited to the development/redevelopment of Commercial Developments, Mixed-use Developments and Infrastructure Development in support of an economic development investment. The amount of the loan will be determined through eligibility review, underwriting, and a duplication of benefits calculation performed based on information provided on the application for assistance.

3.2 IPG-MIT Program

The total allocation for the Program \$628,816,696.00 in the Puerto Rico CDBG-MIT Action Plan, as amended. The Program intends to fund large-scale redevelopment projects that are transformative in nature and create jobs as well as cascading economic impacts. The projects will be reviewed for completeness, eligibility, and underwriting, among other criteria established in the Program Guidelines.

4. Tasks

Subrecipient will engage in Commercial Underwriting, Real Estate and Financial Advisory Services to Programs under CDBG-DR and CDBG-MIT. Subrecipient must work closely with the PRDOH and with applicants to accomplish the identified tasks. Subrecipient may be required to coordinate with other firm(s), contracted by the PRDOH that will be providing services for other CDBG-DR and CDBG-MIT Programs.

Subrecipient will perform the required services detailed herein, and some tasks will require formal deliverables to the PRDOH. For every deliverable, Subrecipient must expect PRDOH's reasonable comments or revisions (request for changes) of delivered documents. Subrecipient must account for revisions or clarification requests by PRDOH related to required deliverables. Revisions must be resolved and accepted by the PRDOH before deliverables are invoiced to PRDOH.

Required Commercial Underwriting, Real Estate and Financial Advisory services are grouped into three (3) tasks that address major underwriting requirements, as

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outlined and described in more detail **below**. Please refer to **Exhibit B (Timelines and Performance Goals)** for specific timeframes for each task.

| Task Number | Task |
|-------------|--|
| 4.1 | Project Compliance, Feasibility, and Underwriting Review |
| 4.2 | Real Estate and Financial Advisory |
| 4.3 | Financial Management and Reporting |

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4.1. Project Compliance, Feasibility, and Underwriting Review

Activities to be performed by Subrecipient include:

4.1.1. Perform loan underwriting based on PRDOH-established loan and project underwriting criteria, inclusive of a review of the applicant's financial data, and the viability of the project in the context of the business or industry being served. Perform project underwriting and feasibility analysis based on an evaluation of following:

- Eligibility of the proposed activity.
- Ability to achieve National Objectives.
- Applicant-entity type (i.e., municipality, non-profit entity, state agency, for-profit, etc.).
- Project Complexity.
- Applicant-entity capacity and experience in administering projects of similar scope and scale under CDBG-DR/MIT and other federal programs.
- Amount of the funding request.
- Loan Underwriting in conformance with the requirements of 24 C.F.R. Part 570, Appendix A for economic development activities, inclusive of:
 - Reasonableness of project costs;
 - Verifying that all project funding sources are accurate and committed;
 - That to the extent practicable, CDBG-DR/MIT funds are not substituted for non-Federal financial support;
 - That the project is financially feasible;
 - That to the extent practicable, the return on the owner's equity; investment will not be unreasonably high; and
 - That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.
- Market study and feasibility analyses of proposed projects to determine the economic viability of the project in the context of the market, business, or industry being served.

- Compliance with HUD guidelines at 24 C.F.R. § 570.209 as the financial underwriting framework for evaluating the feasibility of applications, and adheres to program guidelines and procedures.
- Creditworthiness of the borrower and their capacity to repay the proposed loan, through income and expenditure projections, market data analysis, and review of past performance.
- Appropriateness of the proposed project for the location and demographics.
- Capacity of the applicant-entity to complete the project based on completed prior development accomplishments of similar scale, current financial status and strength, other projects in progress or proposed for construction, and estimated time of construction.
- Properly document and submit comments for all determinations, decisions, and/or clarifications undertaken. Ensure every application file is supported with enough comments and notes that all third parties reviewing file can understand the reason why checklist items were passed or failed and can follow the entire process from intake to final determination and closeout.
- Proposed benefit standards are attainable.
- Project Environmental factors.
- Project involvement by other/ additional entities.
- Availability and timing of non-program funds if any are proposed.
- Project Schedule.

4.1.2. For Jobs creation activities – Review proposed jobs creation proposal to ensure that it is consistent with underwriting requirements for CDBG-DR/MIT jobs creation projects, inclusive of determining that CDBG-DR/MIT funds are not being used to substitute for private funds, that the individual and public benefit standards will be met (or the goods and services standards are met), that a national objective is met, that the proposed positions are consistent with those made available to or held by LMI persons, that the number of proposed LMI positions is viable and consistent with the market study, and that the hiring schedule is consistent with anticipated agreement requirements.

4.1.3. Upon completion of underwriting review, complete the Underwriting Report in consultation with PRDOH and provide recommendations to PRDOH inclusive of assessments of the proposed project and recommended loan amount and terms, for consideration and approval/denial.

4.1.4. Appeals – Advise on appeal requests in conformance with PRDOH appeal process and PRDOH input.

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- 4.1.5. QA/QC- Perform a QA/QC review of underwriting services performed by other entities, for the CDBG Programs, as requested by PRDOH. As part of this task, Subrecipient shall prepare a report of the findings and provide recommendations to PRDOH. Coordinate, as may be necessary, with said entities to obtain the information required to complete the review.
- 4.1.6. Technical Assistance (**TA**) and Advisory services- Aid and provide consultation to PRDOH and other entities, in their performance of underwriting services and similar tasks under this exhibit at any stage during the process. Coordinate, as may be necessary, with PRDOH and said entities to exchange the information required to provide TA in a timely manner.

Tasks 4.1.1 through 4.1.4 above are to be performed by Subrecipient for IPG-DR. If the need arises for other programs under CDBG-DR and CDBG-MIT to require the performance of such tasks (4.1.1 to through 4.1.4), to ensure continuity of services under a particular CDBG Program in order to timely comply with the established goals given the crucial nature of the CDBG portfolio, PRDOH may issue a Notice to Proceed (**NTP**) to the Subrecipient in writing.

4.2. Real Estate and Financial Advisory

- 4.2.1. Research, evaluate and provide information about sites such as location, size, zoning, land use designation, general site characteristics, ownership, current use and potential availability.
- 4.2.2. Prepare market studies/analysis for real estate developments acquisition, disposition, repositioning, and redevelopment.
- 4.2.3. Arrange for and review property-related due diligence (e.g., zoning and land use designations, surveys, lot line adjustments or other land divisions, title reports, Broker Opinion of Value (**BOV**), appraisals, building condition analysis, environmental and geotechnical site assessments) and recommend approaches to overcoming identified challenges.
- 4.2.4. Research, evaluate and recommend terms and conditions for acquisition, dispositions, leases, and partnerships for real estate developments.
- 4.2.5. Research, evaluate and recommend terms and conditions for financing strategies for real estate developments.
- 4.2.6. As requested, support PRDOH in negotiations with prospective applicants, program participants, lenders and other parties to prospective and/or selected development projects.
- 4.2.7. As requested, provide assistance to PRDOH in identifying investors, credit enhancers and other potential development, capital or financing partners from the Subrecipient's network of resources.

4.3. Financial Management and Reporting

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- 4.3.1. Advise on policies and procedures for the processing of payments and income, review of allowable costs in conformance with regulatory and agreement requirements and provides safeguards to ensure the appropriate expenditure of CDBG-DR/MIT funds in accordance with the conditions of the award and regulatory requirements.
- 4.3.2. As requested, and in coordination with input from the Program Point of Contact (**POC**) for the corresponding CDBG-DR or CDBG-MIT Program, review requests for payment from grantees and applicant-entities for CDBG-DR/MIT awards and provide payment recommendations to PRDOH. This will include review of all reimbursement of eligible costs, support documentation, and cost reasonableness.
- 4.3.3. Research and prepare complex reports as required by PRDOH and HUD; prepare and maintain financial status reports; deal constructively with conflict and develop effective resolutions.
- 4.3.4. Compile and review information necessary to prepare reports that may be required by PRDOH and HUD at a later stage:
- Report PRDOH on the progress and status of deliverables and milestones, monitoring and compliance results for each phase/performed during the underwriting analysis.
 - Develop and submit a public-facing final report for all work performed by applicant-entity. The final report will discuss the specific work performed under the program by each applicant-entity. Final Report should be submitted in both Spanish and English language versions. The outline template and formatting of the final report will be established by the PRDOH after agreement is executed.
- 4.3.6 Identify and promote any other function in support of the successful achievement of program's objectives and perform any other tasks necessary to ensure proper financial management and reporting in relation to the program; and to ensure compliance with established milestones and deadlines.

5. Time Performance

All underwriting services shall be completed within the Term under this SRA.

6. Budget

Refer to **Exhibit D** for Subrecipient's budget for the delivery of Program activities.

END OF DOCUMENT



EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH – LIFELINE MITIGATION PROGRAM

NATIONAL DEVELOPMENT COUNCIL

1. PROGRAM OBJECTIVE:

The Puerto Rico Department of Housing (**PRDOH**) is seeking Underwriting Services to support the implementation of the Investment Portfolio for Growth Program (**IPG Program**), Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program under CDBG-MIT (**IPG-MIT Program**) and all other programs under the CDBG-DR and CDBG-MIT programs that may require such services through the provision of underwriting analysis of Program-related applications.

2. TERMS:

- **Key Objective** – The primary objectives the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Partner** – Program Partners are subrecipients as defined in 2 C.F.R. § 200.1 who perform grant management duties under PRDOH involving turnkey administration of programs under the PRDOH CDBG-DR/MIT portfolio.
- **Target** – The goal for each of the Indicators.
- **Timeline** – The expected completion date or timeframe.

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3. TIMELINES & PERFORMANCE GOALS

3.1 OBJECTIVE 1: ASSIST WITH UNDERWRITING ANALYSIS OF ELIGIBLE APPLICATIONS

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| TASKS | DESCRIPTION | TIMEFRAME DATES | DELIVERABLES |
|---|---|--|--|
| 1.1 Perform loan underwriting. | Review the applicant's financial data, and eligibility of Application | Within 60 days after receiving the Application, subject to other external limiting factors. | Provide Underwriting Report for each reviewed application. |
| 1.2 Perform project underwriting and feasibility analysis | Review the viability of the project in the context of the business or industry being served | | |
| 1.3 Perform review of jobs creation proposal | Evaluates if Application complies with CDBG-DR/MIT Jobs creation requirements | | |
| 1.4 Furnish reports and recommendations | Submit Justification and Application Reports and provide recommendations as to each Application | | |
| 1.5 Advice on appeal requests | Provide advice and support during appeal process | According to the timeline established by PRDOH | Case by case in consultation with PRDOH |
| 1.6 Perform QA/QC of underwriting services | Conduct QA/QC of underwriting services | 2 business days to perform QA/QC | Provide comments and recommendations on underwriting report. |
| 1.7 Technical Assistance and Advisory | Provide advice and support during the underwriting and related tasks process | According to the timeline established by PRDOH | Case by case in consultation with PRDOH |

3.1.1. COMPLETE UNDERWRITING ANALYSIS AND SUBMIT CASES WITH ELIGIBILITY DETERMINATION RECOMMENDATIONS.

Underwriting analysis must be completed on all cases as a step in the eligibility process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed by

Evaluation Committee¹ to confirm the applicant meets all program requirements for eligibility (excluding financial underwriting review), and that the file possesses all necessary documentation to move on to the underwriting analysis phase. Cases received must be assessed diligently and within the established timeline.

- Underwriter is expected to complete analysis on 100% of cases submitted to Subrecipient for underwriting analysis within **sixty (60) days** after receiving the applications, subject to other external limiting factors.
- Applications must move quickly through the entire evaluation process. As such the average days taken to complete the Underwriting process must be maintained at **an average of sixty (60) days** after receiving the applications, subject to other external limiting factors.
- Must submit and maintain records within the Program's Grant Management System. Documents must be uploaded in a high-quality format and labeled according to Programs' SOPs.
- Program Goals are based on the current needs of the IPG-DR and IPG-MIT Programs. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **thirty (30) days** prior to the new goals taking effect.

3.1.2. SUPPORT PROCESSING OF PROGRAM BASED APPEALS

The Program-based appeals task involves support activities on PRDOH's behalf which may be necessary for PRDOH to adjudicate Program-based appeals initiated by Program applicants. This task is expected to be recurring throughout the life of the SRA. The Program-based appeals task is initiated when PRDOH requests assistance with a Program-based appeal filed by a citizen or applicant. The task is considered complete when a Program-based appeal is adjudicated and duly notified to the applicant.

- **One Hundred percent (100%)** of all requests for information pertaining to appeals received must be responded as requested.
 - Subrecipient might be requested to provide additional information or documentation related to their review in relation to an appeal.
 - Subrecipient might be requested to provide recommendations as to the resolution of the appeal.

3.2 PROGRAM RESERVES

The PRDOH reserves the right to modify or remove any of the key activities listed above or, if appropriate, increase tasks prior to and during the term of this SRA.

END OF DOCUMENT

¹ Created on June 21, 2021 (OE-2021-049) by the Governor of Puerto Rico.

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EXHIBIT C

KEY PERSONNEL

**ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM
ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH – LIFELINE
MITIGATION PROGRAM**

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NATIONAL DEVELOPMENT COUNCIL

I. Roles:

- Project Manager
- Analyst
- Underwriter
- Reviewer
- Quality Assurers
- Operations Support

II. Roles Description:

| Role | Description |
|--------------------|--|
| Project Manager | Provides instructions for underwriters, sets performance schedules, holds weekly check-in meetings to discuss progress and client updates, provides centralized underwriting memo templates and relevant policies, manages workloads and is the primary point of contact for the client community. |
| Analyst | Reviews document checklists and confirms project documents have been received. If project information is incomplete, the Analyst will reach out to applicant to obtain missing information. |
| Underwriter | Conducts underwriting analyses and drafts underwriting report. If project information has changed, the underwriter will track missing items and serve as the primary point of contact to the applicant. The underwriter will make initial funding recommendations. |
| Reviewer | Reviews applicant files, drafts memos/reports and funding recommendations, and provides feedback to the underwriter. After feedback is provided, the loan report is finalized. |
| Quality Assurers | Conducts final underwriting packaging reviews and sends reports to client community. |
| Operations Support | Will provide operational and financial support for engaging contractors, invoicing and payment processing. |

END OF DOCUMENT



EXHIBIT D – SECTION 1

BUDGET

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO PROGRAM

ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH – LIFELINE MITIGATION PROGRAM

NATIONAL DEVELOPMENT COUNCIL

DESCRIPTION OF SERVICES

As stated on the CDBG-DR Action Plan, the Puerto Rico Department of Housing (**PRDOH**) allocated eight hundred million dollars (\$800,000,000.00) to the Investment Portfolio for Growth (**IPG**) Program, serving as a basis for the execution of a detailed Subrecipient Agreement (**SRA**) that complies with 2 C.F.R. Part 200, related CDBG-DR regulation, and applicable Puerto Rico and Federal law and regulations.

The CDBG-MIT Action Plan allocated \$628,816,696.00 to the Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program (IPG-MIT Program) thereby fostering economic development by funding lifeline infrastructure projects that support Risk-Based Mitigation Needs from privately owned entities and public entities that are a part of public-private partnerships.

As a method of distribution, PRDOH is assigning **four million seven hundred and four thousand nine hundred and three dollars (\$4,704,903.00)** to the National Development Council (**NDC**). According to the current approved CDBG-DR Action Plan, the Program aligns with the ENC 9 and ENC 37 courses of action from Puerto Rico's Recovery Plan. The funds are distributed as follows: **one million one hundred seventy-six thousand two hundred twenty-five and seventy-five dollars (\$1,176,225.75)** of CDBG-DR funding account and **three million five hundred twenty-eight thousand six hundred seventy-seven and twenty-five dollars (\$3,528,677.25)** of CDBG-MIT funding account.

Please find below the Budget summary distribution.

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| Position | Qty. of Resources | Estimated Hours per month per Resource | Estimated Hourly Rate | Estimated Monthly Cost | Estimated Cost |
|--------------------------------------|-------------------|--|-----------------------|------------------------|------------------------|
| Analyst I | 1 | 86.50 | \$51.00 | \$ 4,412.00 | \$ 52,944.00 |
| Analyst II | 1 | 65.74 | \$109.00 | \$ 7,166.00 | \$ 85,992.00 |
| Operations Support II | 1 | 8.65 | \$101.00 | \$ 874.00 | \$ 10,488.00 |
| Program Manager | 1 | 141.86 | \$128.00 | \$ 18,159.00 | \$ 217,908.00 |
| Quality Assurer I | 1 | 34.60 | \$172.00 | \$ 5,952.00 | \$ 71,424.00 |
| Quality Assurer II | 1 | 17.30 | \$155.00 | \$ 2,682.00 | \$ 32,184.00 |
| Reviewer I | 1 | 43.25 | \$95.00 | \$ 4,109.00 | \$ 49,308.00 |
| Reviewer II | 1 | 43.25 | \$115.00 | \$ 4,974.00 | \$ 59,688.00 |
| Reviewer III | 1 | 43.25 | \$138.00 | \$ 5,969.00 | \$ 71,628.00 |
| Reviewer IV | 1 | 43.25 | \$145.00 | \$ 6,272.00 | \$ 75,264.00 |
| Reviewer V | 1 | 34.60 | \$151.00 | \$ 5,225.00 | \$ 62,700.00 |
| Underwriter II | 1 | 129.75 | \$93.00 | \$ 12,067.00 | \$ 144,804.00 |
| Underwriter III | 1 | 107.25 | \$89.00 | \$ 9,546.00 | \$ 114,552.00 |
| Underwriter IV | 1 | 107.59 | \$64.00 | \$ 6,886.00 | \$ 82,632.00 |
| Total Estimated Monthly Cost: | | | | \$ 94,293.00 | |
| | | | | | Total Cost |
| | | | | | \$ 1,131,516.00 |

*Estimate amount in rate, hours, and monthly cost of the program could vary based on actual need and work performed on the program

II. PROFESSIONAL SERVICES

| Services Name | Services Description | Budget |
|--|---|------------------------|
| Underwriting Services | Service to contract underwriters to assists with the completion of the underwriting analysis of eligible applications of the program. | \$ 1,557,000.00 |
| Total Budget for Services to be Contracted: | | \$ 1,557,000.00 |

III. OTHER OPERATING

| Item Name | Item Description | Budget |
|-------------------------------|---|------------------------|
| Indirect Costs | Incurred cost will be reimbursed through a Negotiated Indirect Cost Rate Agreement (NICRA). | \$ 2,016,387.00 |
| Total Expenses Budget: | | \$ 2,016,387.00 |

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| PROJECT ACTIVITY DELIVERY COSTS | | |
|---------------------------------|---|------------------------|
| Staffing | Salaries and benefits directly associated with the implementation of the program. | \$ 1,131,516.00 |
| Professional Services | The cost associated with underwriting services for the program. | \$ 1,557,000.00 |
| Other Operating | Indirect cost incurred for the program. | \$ 2,016,387.00 |
| TOTAL COSTS | | \$ 4,704,903.00 |
| GRAND TOTAL | | \$ 4,704,903.00 |

Budget Re-distribution

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds, and if determined the re-distribution is in benefit for the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the re-distribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

END OF DOCUMENT



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

Attachment V

Exhibit E-1

Contract Code: 2748-c

Type: Change Order A_V2

Original Registered Code: 2022-DR0256

CERTIFICATION OF FUNDS

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Requested on behalf: CDBG-DR Director

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The Finance Division certifies the availability of the following funds:

Contracting Of: National Development Council
Source of Funds: 14.228 CDBG Funds
For: Amendment C to 2022-DR0256 (IPG Program) 12 month Time Extension
Amount: \$0.00

The breakdown and grant of the certified funds is as follows:

| Grant | Area / Project | Activity Code | Category Description | Account | Amount |
|-----------------|----------------|------------------|---------------------------------------|-------------|-----------------|
| B-18-DP-72-0002 | Economic | mitm10edi-doh-un | M - Other Operating (Not ICR) | 6090-01-000 | \$1,512,290.25 |
| B-18-DP-72-0002 | Economic | mitm10edi-doh-un | M - Professional Services | 6090-01-000 | \$1,167,750.00 |
| B-18-DP-72-0002 | Economic | mitm10edi-doh-un | M - Staff / Personnel (Sub-recipient) | 6090-01-000 | \$848,637.00 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-lm | E - Indirect Cost | 6090-01-000 | -\$226,843.54 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-lm | E - Professional Services | 6090-01-000 | -\$175,162.50 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-lm | E - Staff / Personnel (Sub-recipient) | 6090-01-000 | -\$721,341.45 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-un | E - Indirect Cost | 6090-01-000 | -\$1,285,446.71 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-un | E - Professional Services | 6090-01-000 | -\$992,587.50 |
| B-18-DP-72-0001 | Economic | r02e24edi-ppp-un | E - Staff / Personnel (Sub-recipient) | 6090-01-000 | -\$127,295.55 |
| | | | | | <u>\$0.00</u> |

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties. These funds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be use.

If you have any questions, feel free to contact us at (787)274-2527.

Cesar Candelario Signed Date - 08/08/2023
Electronic Approval

**This transaction does not represent an overcharge of the account herein.*

Ave. Barbosa #606 Edificio Juan C. Cordero Dávila, Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365
Tel:(787)274-2527 | www.vivienda.pr.gov

Budget Manager

Jackzaira Vega Signed Date - 08/10/2023
Electronic Approval
Finance Director

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**This transaction does not represent an overcharge of the account herein.*

Ave. Barbosa #606 Edificio Juan C. Cordero Dávila, Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365
Tel: (787) 274-2527 | www.vivienda.pr.gov



EXHIBIT F

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HUD GENERAL PROVISIONS AND OTHER FEDERAL STATUTES, REGULATIONS, AND PRDOH REQUIREMENTS FOR THE IPG-DR AND IPG-MIT PROGRAMS UNDER CDBG- DR/MIT PROGRAM

NATIONAL DEVELOPMENT COUNCIL (NDC)

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

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this SRA shall be deemed to be inserted herein and the SRA 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 SRA 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-Mitigation funds appropriated by the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Pub. L. 115-123), approved February 9, 2018 (**Appropriations Act**), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

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

4. REPORTING REQUIREMENTS

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

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

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

- a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- b) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- c) 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;
- d) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
- e) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

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

6. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 C.F.R. Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements", and any implementing regulations issued by HUD.

7. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

8. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of

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

9. SUBCONTRACTING

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

- a) Placing unreasonable requirements on firms in order for them to qualify to do business;
- b) Requiring unnecessary experience and excessive bonding;
- c) Noncompetitive pricing practices between firms or between affiliated Companies;
- d) Noncompetitive awards to consultants that are on retainer contracts,
- e) Organizational conflicts of interest;
- f) 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
- g) Any arbitrary action in the procurement process.

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

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

10. ASSIGNABILITY

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

11. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this SRA 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.

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12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3702-3704) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

13. DAVIS-BACON ACT

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

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

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this SRA, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

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

14. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

15. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

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16. SECTION 503 OF THE REHABILITATION ACT OF 1973
(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

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

notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

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

17. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

- a) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- b) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- c) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- d) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

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

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

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

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

proposed subcontractors have submitted identical certifications for specific time periods).

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19. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS
(Applicable to contracts exceeding \$100,000)

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

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

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

20. ANTI-LOBBYING
(Applicable to contracts exceeding \$100,000)

By the execution of this SRA, the SUBRECIPIENT certifies, to the best of his or her knowledge and belief, that:

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

employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.

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

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

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21. BONDING REQUIREMENTS

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

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

- a) A bid guarantee from each bidder is 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.
- b) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.
- c) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

22. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

(As required by applicable thresholds)

The work to be performed under this contract 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.

- a) The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this contract, the Parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with part 75 regulations.

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- b) The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- c) The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has noticed or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- d) The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 C.F.R. § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- e) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled (1) after the SUBRECIPIENT 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 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- f) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- g) 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. § 5307) also applies to the work to be performed under this contract. 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 contract 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).
- h) The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the

quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

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23. FAIR HOUSING ACT

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

24. ENERGY POLICY AND CONSERVATION ACT

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

25. POLITICAL ACTIVITY

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, 5 U.S.C. §§ 1501-1508 as amended.

The SUBRECIPIENT shall comply with the Hatch Act, 5 U.S.C. §§ 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this SRA, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

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

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

26. 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, materials, or articles ordinarily available on the open market, or contracts for transportation.

27. PERSONNEL

The SUBRECIPIENT represents that it has, or will secure at its own expense, all personnel required in performing the services under this SRA. Such personnel shall not be employees of, or have any contractual relationship with, the contracting party. All the services required hereunder will be performed by the SUBRECIPIENT or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. No person who is serving sentence in a penal or correctional institution shall be employed on work under this SRA.

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28. WITHHOLDING OF WAGES

If in the performance of this SRA, there is any underpayment of wages by the SUBRECIPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECIPIENT out of payment due to him or her an 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 SUBRECIPIENT or subcontractor to the respective employees to whom they are due.

29. 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 SRA shall be promptly reported in writing by the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

30. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this SRA 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.

31. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

authorities of the municipality, or subcontract arising therefore or connected therewith.

The SUBRECIPIENT will also be aware of and avoid any violation of the laws of this State which prescribe a criminal penalty for any public officer who has an interest in any contract passed by the board of which he or she is a member during the time he or she was a member and for **one (1) year** thereafter.

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32. 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 SRA or to any benefit to arise therefrom.

33. INTEREST OF SUBRECIPIENT

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

34. RELIGIOUS ACTIVITY

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

35. FLOOD DISASTER PROTECTION ACT OF 1973

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

36. LEAD BASED PAINT

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

37. VALUE ENGINEERING

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

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

38. GENERAL COMPLIANCE

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The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR/MIT funds available under this SRA. See Federal Register Notices 84 FR 45838 (August 30, 2019) and 85 FR 4676 (January 27, 2020). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52. The SUBRECIPIENT shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR/MIT funds in complying with its obligations under this SRA, regardless of whether CDBG-DR/MIT funds are made available to the SUBRECIPIENT on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. Subt. A, Pt. 35, Subpt. A, 24 C.F.R. Part 58, 24 C.F.R. Part 135; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds.

Where waivers or alternative requirements are provided for in the applicable Federal Register Notices dated August 30, 2019, and January 27, 2020, at 84 FR 45838 and 85 FR 4676, respectively, or any future Federal Register Notice published by HUD ("**HUD Notices**"), such requirements, including any regulations referenced therein, shall apply.

The SUBRECIPIENT also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under this SRA. In the event a conflict arises between the provisions of this SRA and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this SRA shall be interpreted in a manner so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

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 (<https://cdbg-dr.pr.gov/en/resources/policies/>) which are herein included and made integral part of this SRA, as it may be updated from time to time.

39. DUPLICATION OF BENEFITS

The SUBRECIPIENT shall not carry out any of the activities under this SRA in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5155) and described in Appropriations Act. The SUBRECIPIENT must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notice on the PRDOH, which are published in a separate notice entitled "Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (84 FR 28836, published June 20, 2019). The SUBRECIPIENT shall carry out the activities under this SRA in compliance with the PRDOH's procedures to prevent duplication of benefits.

40. DRUG-FREE WORKPLACE

The SUBRECIPIENT must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the government wide implementation (2 C.F.R. Part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. §§ 701-707).

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41. HOLD HARMLESS

The SUBRECIPIENT shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the Government of Puerto Rico, PRDOH, HUD and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, liabilities, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this SRA, and losses of any form or nature arising from or related to the conduct of the SUBRECIPIENT in the performance of the efforts called for in this SRA. This indemnity shall expressly include, but is not limited to, the obligation of the SUBRECIPIENT to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this SRA or any portion thereof against the SUBRECIPIENT or otherwise arising in connection with the SUBRECIPIENT's breach, violation, or other non-compliance with this SRA. This clause shall survive indefinitely the termination of this SRA for any reason.

42. PRDOH RECOGNITION

Unless otherwise directed by the PRDOH, the SUBRECIPIENT shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this SRA. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this SRA shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the SUBRECIPIENT shall include a reference to the support provided herein in all publications made possible with funds made available under this SRA. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

43. 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.

44. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

The SUBRECIPIENT shall comply with the applicable provisions in 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

45. FINANCIAL & PROGRAM MANAGEMENT

The SUBRECIPIENT shall expend and account for all CDBG-DR/MIT funds received under this SRA in accordance with 2 C.F.R. Part 200 subpart D §302 - §303 and agrees to adhere to the accounting principles and procedures required therein, utilize

adequate internal controls, and maintain necessary source documentation for all costs incurred.

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The SUBRECIPIENT shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. Part 200 subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

46. DOCUMENTATION AND RECORD KEEPING

The SUBRECIPIENT shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (1) 2 C.F.R. Part 200; (2) 24 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under this SRA, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

- a) Records providing a full description of each activity undertaken;
- b) Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR/MIT programs, as modified by the HUD Notices;
- c) Records required to determine the eligibility of activities;
- d) Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR/MIT funds;
- e) Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR/MIT program;
- f) Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. Part 200;
- g) Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.

47. ACCESS TO RECORDS

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

48. RECORD RETENTION AND TRANSMISSION OF RECORDS TO THE PRDOH

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

Records shall be made available to PRDOH upon request.

49. CLIENT DATA AND OTHER SENSITIVE INFORMATION

In the event that the SUBRECIPIENT comes to possess client data and other sensitive information as a result of this SRA, then the SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

The SUBRECIPIENT must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.1, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the SUBRECIPIENT must comply with the *PRDOH CDBG-DR Personally Identifiable Information, Confidentiality, and Nondisclosure Policy*, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-information-confidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this SRA, as it may be updated from time to time.

The SUBRECIPIENT shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 C.F.R. § 570.508 (local governments) and §570.490(c) (States).

50. CLOSE-OUT

SUBRECIPIENT shall comply with the provisions of 2 C.F.R. § 200.344. The SUBRECIPIENT's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in section V(A)(19)(a) of the HUD Notice 84 Fed. Reg. 45838, 45858 (August 30, 2019, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the SUBRECIPIENT certification of compliance with the terms of this SRA. Notwithstanding the foregoing, the terms of this SRA shall remain in effect during any period that the SUBRECIPIENT has control over CDBG-DR/MIT funds, including Program Income.

Notwithstanding the terms of 2 C.F.R. § 200.343, upon the expiration of this SRA, the SUBRECIPIENT shall transfer to the recipient any CDBG-DR/MIT funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR/MIT funds, further, any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG-DR/MIT funds (including CDBG-DR/MIT funds provided to the SUBRECIPIENT in the form of a loan) shall be treated in accordance with 24 C.F.R. § 570.503(b)(7).

51. AUDITS AND INSPECTIONS

All SUBRECIPIENT records with respect to any matters covered by this SRA shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared up by the SUBRECIPIENT within **thirty (30) days** after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit

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requirements shall constitute a violation of this SRA and may result in the withholding of future payments and/or termination.

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52. SINGLE AUDIT

The SUBRECIPIENT must be audited as required by 2 C.F.R. Part 200, subpart F, when the SUBRECIPIENT's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 C.F.R. § 200.501 - Audit requirements. Once said threshold is reached or exceeded, the SUBRECIPIENT shall notify the PRDOH and shall report that event in the corresponding monthly progress report, as provided in Part VI - Performance, Monitoring, and Reporting, Subpart B (Reporting) of this SRA.

The SUBRECIPIENT shall procure or otherwise arrange for the audit to be conducted for that year, as required in 2 C.F.R. § 200.501(a)-(b); moreover, that it is properly performed and submitted when due in accordance with provisions that include but are not limited to those set forth in 2 C.F.R. § 200.512 - Report submission, as stated in 2 C.F.R. § 200.508(a) – Auditee responsibilities.

Among other relevant provisions, the SUBRECIPIENT shall comply with: (a) the Electronic submission of data and reports to the Federal Audit Clearinghouse (FAC) (2 C.F.R. § 200.512(d)) and; (b) ensuring that reports do not include protected personally identifiable information as set forth in 2 C.F.R. § 200.512(a)(2)).

53. INSPECTIONS AND MONITORING

The SUBRECIPIENT shall permit the PRDOH and auditors to have access to the SUBRECIPIENT's records and financial statements as necessary for the PRDOH to meet the requirements of 2 C.F.R. Part 200.

54. CORRECTIVE ACTIONS

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the SUBRECIPIENT to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the SUBRECIPIENT from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the SUBRECIPIENT utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this SRA, the PRDOH may impose additional conditions on the use of the CDBG-DR/MIT funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

55. NONDISCRIMINATION

The SUBRECIPIENT shall comply with 24 C.F.R. Part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. § 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, 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 Federal financial assistance.

The SUBRECIPIENT shall adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107) (Age

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Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (Section 504). Section 109 of the Housing and Community Development Act of 1974 makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR/MIT funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 C.F.R. Part 8, which implement Section 504 for HUD programs, and the regulations of 24 C.F.R. Part 146, which implement the Age Discrimination Act for HUD programs.

The SUBRECIPIENT shall ensure that all CDBG-DR/MIT activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs as found in the CDBG-DR website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

56. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT

The SUBRECIPIENT shall ensure that its Activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the definition of "building" as defined in 41 C.F.R. § 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and appendix A to 41 C.F.R. Part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. § 12131; 47 U.S.C. § 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

57. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (24 C.F.R. PART 1)

1) General Compliance:

The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended and 24 C.F.R. § 570.601 and §570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this SRA. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 C.F.R. Part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 C.F.R. Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2) Assurances and Real Property Covenants:

As a condition to the approval of this SRA and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activities described in this SRA shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this Part 1.

If the Federal financial assistance under this SRA is to provide or is in the form of personal property or real property or interest therein or structures thereon, the SUBRECIPIENT's assurance herein shall obligate the SUBRECIPIENT or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the SUBRECIPIENT for the period during which Federal financial assistance is extended pursuant to the contract or application.

This assurance gives the PRDOH and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this SRA or acquired with CDBG-DR/MIT funds and provided to the SUBRECIPIENT under this SRA, the instrument effecting any disposition by the SUBRECIPIENT of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

If the SUBRECIPIENT receives real property interests or funds or for the acquisition of real property interests under this SRA, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such

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assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

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3) 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 SRA. As used in this SRA, 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.

In compliance with the CDBG-DR Minority and Women-Owned Business Enterprise Policy (M/WBE Policy), the SUBRECIPIENT shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. SUBRECIPIENT shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. SUBRECIPIENT shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this SRA, as it may be updated from time to time.

4) 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.

5) 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.

58. LABOR STANDARDS

The SUBRECIPIENT shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this SRA 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, as amended (40 U.S.C. § 3141, et seq.), and 29 C.F.R. Part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

The SUBRECIPIENT agrees to comply with the (18 U.S.C. § 874) and it is implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 3 and part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

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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.

59. CONDUCT

a) Contracts

- 1) Monitoring: As applicable, the SUBRECIPIENT will monitor all contracted services on a regular basis to ensure 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.
- 2) Content: The SUBRECIPIENT shall cause all of the provisions of this contract in their entirety to be included in and made a part of any contract executed in the performance of this SRA, as applicable.
- 3) Selection Process: The SUBRECIPIENT shall ensure that all contracts awarded after the execution of this SRA and in the performance of such, follow the procurement policies and procedures described in this Agreement.
- 4) Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this SRA and CDBG-DR/MIT funds to the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division within **three (3) days** of its execution. Additionally, the SUBRECIPIENT shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division within **three (3) days** of its execution.

b) Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611, which include (but are not limited to) the following:

- 1) It is presumed that the SUBRECIPIENT is subject to state and local ethical laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this SRA.
- 2) In the event the SUBRECIPIENT is not, the SUBRECIPIENT shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this SRA. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub-Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide

for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

- 3) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR/MIT assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR/MIT assisted activity, or with respect to the proceeds from the CDBG-DR/MIT assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **one (1) year** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the SUBRECIPIENT, or any designated public agency.
- 4) Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The SUBRECIPIENT certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH 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 PRDOH 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 PRDOH 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(her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH 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 SRA.

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60. CITIZEN GRIEVANCES

If the SUBRECIPIENT receives any complaint or grievance, it shall refer said complaint or grievance immediately to the PRDOH CDBG-DR/MIT Program so that PRDOH may respond appropriately within **fifteen (15) business days** of the receipt of the complaint.

61. TECHNICAL ASSISTANCE AND TRAININGS

The SUBRECIPIENT shall attend any and all technical assistance and/or trainings that the PRDOH requires from time to time at its discretion. Failure to attend may be considered as cause for termination.

62. DISASTER RELIEF ACCOUNT

Pursuant to Federal Register Vol. 85, No. 17, 85 FR 4681 (January 27, 2020), PRDOH must comply with an additional requirement imposed by an Order of October 26, 2017, granted by the United States District Court for the District of Puerto Rico, as may be amended from time to time. As required by the Order, grant funds or disaster relief funds received by the Commonwealth of Puerto Rico or other Non-Federal Entities (as defined by 2 C.F.R. § 200.69) shall be deposited solely into a Disaster Relief Account.

As a result, thereof, under the terms of the beforementioned Court order and under the conditions of this SRA, any and all CDBG-DR/MIT funds subawarded by PRDOH to its SUBRECIPIENTS shall be deposited into a new, separate, non-co-mingled, unencumbered account held in the name of the SUBRECIPIENT. The funds shall be used solely for eligible activities. Further, the SUBRECIPIENT shall provide and make available to PRDOH any and all documentation related to such account.

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

Every project funded in part or in full by CDBG-DR/MIT funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by HUD. The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR programs. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

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

64. ADDITIONAL SPECIFIC CONDITIONS

Notwithstanding the special conditions established in this SRA and its exhibits, in accordance with 2 C.F.R. § 200.208, PRDOH reserves the right and authority to impose additional specific conditions under any of the following circumstances:

- a) At the PRDOH's sole discretion when PRDOH finds that SUBRECIPIENT has a history of failure to comply with the general or specific terms and conditions applicable to the CDBG-DR and/or CDBG-DR/MIT funds allocated under this or previous SRAs.
- b) When SUBRECIPIENT fails to meet expected performance goals under this SRA.
- c) When SUBRECIPIENT poses an increased risk for noncompliance based on factors including, but not limited to, financial stability, quality of management systems, history of performance under Federal awards, history of timeliness under Federal awards, history of conformance with terms and conditions of previous federal awards, and reports and findings from audits.
- d) When, in the PRDOH's sole discretion, such conditions are necessary to ensure timely and compliant performance under the CDBG-DR/MIT Program.

Such additional specific conditions may include but are not limited to, withholding of authority to proceed to the next phase of an otherwise eligible Project, requiring

additional detailed financial reports, requiring additional project monitoring, requiring the SUBRECIPIENT to obtain technical or management assistance, establishing additional prior approvals, or any other condition PRDOH deems reasonable and necessary to safeguard Federal funds or the PRDOH's interests.

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Notice of additional specific conditions shall include, but not be limited to, the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the action needed to remove the additional requirement (if applicable), and the time allowed for completion of the actions (if applicable).

65. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT)

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

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

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

END OF DOCUMENT



ATTACHMENT VII

NON-CONFLICT OF INTEREST CERTIFICATION

IPG-DR AND IPG-MIT PROGRAMS

NATIONAL DEVELOPMENT COUNCIL (NDC)

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The Subrecipient certifies that to the best of its knowledge:

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

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

Daniel Marsh III
Daniel Marsh III (Jan 25, 2024 17:01 EST)
Signature

1/25/2024
Date

Daniel Marsh III
Printed Name

President and CEO
Position