

ATTACHMENT II



City of San Antonio
Neighborhood & Housing Services Department
Division of Grants Monitoring and Administration

Interdepartmental Memorandum

TO: Department Director with Title

FROM: Laura Salinas-Martinez, Grants Administrator, Neighborhood and Housing Services Department, Division of Grants Monitoring & Administration

THROUGH: Verónica R. Soto, Director, Neighborhood and Housing Services Department

COPIES TO: Program Manager Name, Title; Fiscal Manager Name, Title; Patricia Santa Cruz, Grants Manager; Senior Management Analyst Name, Title; Management Analyst Name, Title

SUBJECT: **Grant Award Notice** – Project/Activity Name, Project Number

DATE: DATE

On DATE, through Ordinance #, City Council awarded to the DEPARTMENT, FY YEAR funds in the amount of \$XXXXXX for ACTIVITY/PROJECT NAME. **This transmittal serves as notice of an interdepartmental grant award and includes requirements for the expenditure of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds.**

Should you have any questions, please contact, Patricia Santa Cruz, Grants Manager, at (210) 207-5491 or patricia.santacruz@sanantonio.gov.

Please return the signed Grant Award Notice to Patricia Santa Cruz, Senior Management Analyst, via email no later than DATE (two weeks after memo date).

City of San Antonio
GRANT AWARD NOTICE

Grantee Department: Neighborhood and Housing Services Department
Division of Grants Monitoring & Administration (GMA)
Recipient Department: Department Name (DEPARTMENT)
Activity Name: CDBG Activity
Project Number: 28-044XXXX
Ordinance Number: XXXX-XX-XX-XXXX
Internal Order Number: 15700000XXXX
CFDA#: CDBG 14.218
HUD Program Year: XXXX
City Fiscal Year: XXXX
Award Amount: \$XXXXXXX

I. PURPOSE

This interdepartmental grant award notice for the use of Community Development Block Grant (CDBG) funds in the amount of \$XXXXXX, allocated to DEPARTMENT outlines the grant requirements for this activity. This activity is deemed eligible and funded by the U.S. Department of Housing and Urban Development (HUD). DEPARTMENT acknowledges and agrees to undertake this activity in accordance with 24 CFR Part 570 as described in the terms set forth herein.

II. WORK STATEMENT/DESCRIPTION OF ELIGIBLE ACTIVITIES

The DEPARTMENT shall administer the activity. The program description is provided in Program/Project Information Summary (Attachment A).

III. BUDGET

The budget for this project is \$ XXXXXX. The Budget breakdown can be found in Attachment B of this document. All funding must be expended by DATE. The DEPARTMENT agrees to a line item budget and any variations to that must be submitted for GMA approval. Budget Revisions must be submitted no later than 60 days prior to the end date of this award. Submit a memo to GMA providing a justification for the revision and an itemized Budget Adjustment Request Form (Attachment C).

IV. PRE-AWARD REQUIREMENTS

HUD requires documentation of how the national objective will be accomplished and the eligible activity. In addition, completion of an Environmental Review in accordance with 24 CFR Part 58 is also required. These requirements were satisfied by GMA.

V. TIME OF PERFORMANCE

The start date of this award is DATE and the DEPARTMENT may now commence this activity. Costs incurred after DATE are eligible for reimbursement. This activity must comply with the expenditure plan outlined in Attachment D and must be completed by DATE.

VI. GRANT REQUIREMENTS

The DEPARTMENT must ensure compliance with the U.S. Department of Housing and Urban Development's CDBG (24 CFR 570) requirements that include the following:

A. Administrative and Financial Management Requirements

The DEPARTMENT shall ensure compliance with City of San Antonio Administrative Directive 8.10 – Financial Management for Grants, which can be found on the cosaweb.

The DEPARTMENT shall ensure compliance with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Any ineligible costs identified must not be charged to the grant.

The DEPARTMENT shall ensure all costs are eligible grant expenses subject to 2 CFR 225 – Cost Principles for State, Local and Indian Tribal Governments.

The DEPARTMENT shall maintain records for five (5) years from the completion of the activity.

The DEPARTMENT shall ensure appropriate language in all contracts/policy documents and comply with City Administrative Directives.

B. Prohibited Activity

The DEPARTMENT is prohibited from using funds herein for personnel employed in the administration of the program for political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

C. Employment and Contracting Opportunities

The DEPARTMENT shall ensure that no person shall be denied employment or contracting opportunities on the basis of race, color, national origin, or sex under any program or activity funded with HUD federal assistance. DEPARTMENT shall ensure appropriate language in all contracts/ policy documents and comply with the City's Administrative Directive 4.67 and 24 CFR 570.607.

D. Civil Rights

The DEPARTMENT shall ensure that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance per Section 109 of Title I of the Housing and Community Development Act of 1974.

E. Fair Housing

The DEPARTMENT is prohibited from discrimination in housing on the basis of race, color, religion, sex and/or national origin. DEPARTMENT shall review program activity and take actions which affirmatively promote fair housing per 24 CFR 570.601.

F. Architectural Barriers Act and Americans with Disabilities Act

DEPARTMENT shall ensure compliance with the Architectural Barriers Act of 1968 and Americans with Disabilities Act for federally funded activities to be designed, constructed, or altered in accordance with these standards that insure accessibility to, and use by, physically handicapped people, per 24 CFR 570.614.

G. Section 504 Requirements

DEPARTMENT shall ensure no discrimination based on disability in federally assisted programs and shall provide that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. DEPARTMENT shall ensure appropriate language in all contracts/ policy documents and comply with City Administrative Directives. Additionally, design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated apply in accordance with City's Section 504 Policy.

H. Labor Standards

The DEPARTMENT shall ensure workers on federally assisted activities receive no less than the prevailing wages as prescribed in the City's Prevailing Wage Ordinance and 24 CFR 570.603.

The DEPARTMENT shall ensure compliance with the Contract Work Hours and Safety Standards Act, per 40 U.S.C. 327 and all applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance on this activity.

The DEPARTMENT shall comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874) and it's implementing regulations of the U.S. Department of Labor at 289 CFR Part 5.

I. Section 3 Requirements

The DEPARTMENT shall ensure opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area, to the greatest extent feasible and consistent with Federal, State and local laws and regulations. Also required is that contracts be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area. See GMA's Section 3 Policy. Incorporate Section 3 Utilization Plan in Procurement Process.

J. Environmental Requirements

The DEPARTMENT shall ensure compliance with environmental review requirements per the GMA's Environmental Policy document. No choice limiting action may occur until the Environmental Review Record has been approved by GMA's Certifying Officer and/or HUD. In addition, the DEPARTMENT shall ensure environmental mitigation requirements are conducted prior to completion activity.

K. Lead Based Paint

The DEPARTMENT shall ensure compliance with the City's Affordable Housing Policy and 24 CFR 35, Lead Safe Housing Rule for all federally funded activities involving housing built before 1978, per 24 CFR 570.608.

L. Conflict of Interest

The DEPARTMENT shall ensure that no employee, officer or agent of the City or sub-grantee shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. The employee, officer or agent;
2. Any member of his immediate family;
3. His or her partner; or

An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award, per the City's Administrative Directive 1.62 Procurement Ethics and 24 CFR 570.611. DEPARTMENT shall ensure contractual language in third party contracts enforces this provision.

M. Eligibility Restriction

The DEPARTMENT shall ensure that program participants are citizens or legal residents in the U.S. per 24 CFR 570.613.

N. Procurement Standards

The DEPARTMENT shall ensure that all contracts/subcontracts are awarded on a fair and open competition as outlined in the City's Departmental Procurement guide. This process must be documented and available for review during audit or monitoring visits.

O. Cost Reasonableness

The DEPARTMENT shall ensure compliance with cost reasonableness standards per HUD's Quick Guide to "Price" or "Cost" Analysis located on the City's website at <http://www.sanantonio.gov/gma/resources/documents.aspx>. Maintain documentation supporting costs or price reasonableness, as applicable.

P. Debarment/Suspension

The DEPARTMENT must not make any award to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension", per 24 CFR 570.609. This applies to any CDBG or HOME assisted contract at any tier in the process. The DEPARTMENT shall ensure all contractors and sub-contractors are not debarred or suspended utilizing www.sam.gov and documentation should be maintained on file. In addition, DEPARTMENT shall ensure that contractual language in third party contracts enforce this provision.

Q. Relocation, Real Property Acquisition and the Uniform Relocation Act

The DEPARTMENT shall ensure compliance with the Uniform Relocation Act of 1970 and 24 CFR 570.606. The DEPARTMENT shall ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement. The DEPARTMENT

shall ensure that no individual or family is displaced unless decent, safe, and sanitary housing is available within the displaced person's financial means. The DEPARTMENT shall help improve the housing conditions of displaced persons living in substandard housing; and encourage and expedite acquisition by agreement and without coercion. The DEPARTMENT shall comply with guidance specified in HUD Handbook 1378.

R. Use of Real Property (Disposition)

The DEPARTMENT shall ensure that real property acquired or improved in whole or in part with federal funds in excess of \$25,000 be disposed of in compliance with City's CDBG disposition policy and requirements. Proceeds from the sale shall be returned to GMA as program income.

The DEPARTMENT may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:

1. The new use of such property qualifies as meeting one of the national objectives in 570.208 and is not a building for the general conduct of government; or
2. The DEPARTMENT after consultation with the affected citizens, determines that it is appropriate to change the use of the property to a use which does not meet a national objective, the DEPARTMENT may retain or dispose of the property for the changes use and reimburse GMA in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds.

S. One-for-One Housing Replacement

If CDBG funding is utilized to demolish or convert lower income housing to some other use, then the housing units lost must be replaced one-for-one, and lower income people displaced must get adequate compensation.

The City takes the steps to minimize the direct and indirect displacement in the Residential Anti-displacement and Relocation Assistance Plan (RARAP). The DEPARTMENT shall review the City's RARAP and ensure the replacement, on a one-for-one basis, of all occupied and vacant occupiable low or moderate-income dwelling units that are demolished or converted to a use other than low or moderate-income housing in connection with an activity assisted under this grant.

The DEPARTMENT shall ensure a provision of certain relocation assistance to any lower income person displaced as a direct result of the following activities in connection with Federal assistance in the demolition of any dwelling unit; or conversion of a low or moderate-income dwelling unit to a use other than a LMI residence.

T. Program Income

The DEPARTMENT must report and return any and all Program Income to GMA. CDBG Program income is defined as:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds

2. Proceeds from the disposition of equipment purchased with CDBG funds
3. Gross income from the use or rental of real or personal property acquired by the recipient or by a sub-recipient with CDBG funds, less costs incidental to generation of the income
4. Gross income from the use or rental of real property, owned by the recipient or by a sub-recipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds
6. Proceeds from the sale of loans made with CDBG funds;
7. Proceeds from sale of obligations secured by loans made with CDBG funds;
8. Interest earned on program income pending its disposition; and
9. Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement.

U. Reversion of Assets

The DEPARTMENT must transfer to GMA any CDBG funds on hand and accounts receivable attributable to the use of CDBG monies.

V. Public Access to Program Records

The DEPARTMENT shall provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

W. Suspension and Termination

Suspension and Termination of funding may occur if the DEPARTMENT materially fails to comply with the Grant Requirements listed in this notice.

VII. REPORTING REQUIREMENTS

The DEPARTMENT must comply with the following reporting requirements:

Performance Reporting

The DEPARTMENT must submit a performance report to GMA in accordance with the required reporting format (Attachment E) on the 15th of each month for the prior month.

Expenditure Reporting

The City is required to draw down funds from the U.S. Treasury for all eligible grant expenses incurred. The DEPARTMENT must submit to GMA an expenditure report (Attachment F) on the 15th of each month for the prior month, if CDBG funds were expended on eligible grant activities.

Contract/Subcontract Activity Report

HUD requires the reporting of the use of minority, women, and Section 3 owned business in federally funded programs for all CDBG contracts over \$10,000. The DEPARTMENT must submit a HUD Form 2516 - Contract/Subcontract Activity Report (Attachment X) to GMA every April and October.

Semi-Annual Labor Standards Enforcement Report

HUD requires submission of the Semi-Annual Labor Standards Enforcement Report (HUD Form 4710) for all construction contracts. The DEPARTMENT must track Contract Amount, Wage Decision Number, Lock-In Date and Enforcement Activity in order to complete this report. The DEPARTMENT must submit a HUD Form 4710 - Semi-Annual Labor Standards Enforcement Report (Attachment X) to GMA every April and October.

Section 3 Reporting

HUD requires the reporting of efforts made to hire, train, or provide resources to Section 3 low income businesses and individuals. The DEPARTMENT must provide a Section 3 Utilization Plan (Attachment X) at the initiation of the activity and a Section 3 Completion Form (Attachment X) upon completion of the activity.

Time Sheets and Certifications

Per AD 8.10, charges to federal grants will be based on city's payroll policy. Employees who receive salaries and wages either fully or partially charged to a federal grant must provide certifications or time sheets to document time worked on grant activity. Time sheets or Certifications shall be completed at least bi-weekly and retained by the DEPARTMENT (Attachment X). This information must be made available for examination by audit or compliance monitoring staff.

Beneficiary Documentation

The DEPARTMENT must maintain client data records demonstrating eligibility for services provided. Such data shall include, but not be limited to the client's name, address, income, number of household members, race and ethnicity, female head of household and description of services provided.

For Housing Activities, the DEPARTMENT shall utilize the Part 5 method of determining income for each beneficiary of federal funds, utilizing the Part 5 Income Certification Form found in Attachment X.

For Public Service Activities, the DEPARTMENT shall ensure the collection of a self-certification checklist to verify that at least 51% of program participants are low to moderate income.

Covenant and Agreement

To protect federal investment, HUD requires execution of a Covenant and Agreement to maintain improvements on subject property per contract scope of work. The DEPARTMENT will require the record title holder of the subject property to execute a Covenant and Agreement providing that the Property in which the activity is to be performed shall be maintained for a period of not less than five (5) years from the date of execution.

VIII. CLOSE OUT REQUIREMENTS

The DEPARTMENT must ensure compliance with the following close out requirements:

Accomplishment Data

HUD requires that accomplishment data, for IDIS Grant Reporting, be provided for each activity funded with CDBG. The DEPARTMENT shall provide an IDIS Completion Report (Attachment X) to GMA at project completion.

Fiscal Close Out

The DEPARTMENT must reconcile all expenditures, draw receipts, open sale orders and payables in WBS or cost centers. The DEPARTMENT shall validate that all invoices for goods and services were incurred within the grant period and are eligible. Additionally, the DEPARTMENT shall release encumbrances, purchase requisitions, and purchase orders.

Close Out Memo

The DEPARTMENT will submit a memo to GMA documenting the completion of the project as described in the initial work statement. The memo shall include reports and attachments required for close out.

IX. COMPLIANCE MONITORING

This activity may be monitored by GMA's Compliance Unit to ensure compliance with applicable CDBG regulations per GMA's Compliance Monitoring Policy.

X. ACKNOWLEDGEMENT

Please sign and return this Grant Award Notice as acknowledgement of grant funding and compliance requirements.

NAME, Director

Date

Attachments:

- A. Program/Project Information Summary
- B. Budget Breakdown
- C. Budget Adjustment Request Form
- D. Expenditure Plan
- E. Performance Report
- F. Expenditure Report

ATTACHMENT A
Program/Project Information Summary

ATTACHMENT B
Budget Breakdown

ATTACHMENT C
Budget Adjustment Request Form

ATTACHMENT D
Expenditure Plan

ATTACHMENT E
Performance Report

ATTACHMENT F
Expenditure Report

City of San Antonio
GRANT AWARD NOTICE

Grantee Department: Neighborhood and Housing Services Department
Division of Grants Monitoring & Administration (GMA)
Recipient Department: Department Name (DEPARTMENT)
Activity Name: CDBG Activity
Project Number: 25-027XXXX
Ordinance Number: XXXX-XX-XX-XXXX
Internal Order Number: 15700000XXXX
CFDA#: HOME 14.239
HUD Program Year: XXXX
City Fiscal Year: XXXX
Award Amount: \$XXXXXXX

I. PURPOSE

This interdepartmental grant award notice for the use of HOME Investment Partnerships Program (HOME) funds in the amount of \$XXXXXX, allocated to DEPARTMENT, outlines the grant requirements for this activity. This activity is deemed eligible and funded by the U.S. Department of Housing and Urban Development (HUD). DEPARTMENT acknowledges and agrees to undertake this activity in accordance with 24 CFR Part 92 as described in the terms set forth herein.

II. WORK STATEMENT/DESCRIPTION OF ELIGIBLE ACTIVITIES

The DEPARTMENT shall administer the activity. The program description is provided in Program Information Summary (Attachment A).

III. BUDGET

The budget for this project is \$XXXXXX. All funding must be expended by DATE. The DEPARTMENT agrees to a line item budget and any variations to that must be submitted for GMA approval. Budget Revisions must be submitted no later than 60 days prior to the end date of this award. Submit a memo to GMA providing a justification for the revision and an itemized Budget Adjustment Request Form (Attachment B).

IV. PRE-AWARD REQUIREMENTS

HUD requires documentation of how the activity is eligible. In addition, completion of an Environmental Review in accordance with 24 CFR Part 58 is also required. These requirements were satisfied by GMA for the overall program. For all housing activities, the DEPARTMENT is responsible for completing site specific Environmental Review Records.

V. TIME OF PERFORMANCE

The start date of this award is DATE and the DEPARTMENT may now commence this activity. Costs incurred after DATE are eligible for reimbursement. This activity must comply with the expenditure plan outlined in Attachment C and must be completed by DATE.

VI. GRANT REQUIREMENTS

The DEPARTMENT shall ensure compliance with the U.S. Department of Housing and Urban Development's HOME (24 CFR 92) requirements that include the following:

A. Administrative and Financial Management Requirements

The DEPARTMENT shall ensure compliance with City of San Antonio Administrative Directive 8.10 – Financial Management for Grants, which can be found on the cosaweb.

The DEPARTMENT shall ensure compliance with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Any ineligible costs identified must not be charged to the grant.

The DEPARTMENT shall ensure all costs are eligible grant expenses subject to 2 CFR 225 – Cost Principles for State, Local and Indian Tribal Governments.

The DEPARTMENT shall maintain records for five (5) years from the completion of the activity.

The DEPARTMENT shall ensure appropriate language in all contracts/policy documents and comply with City Administrative Directives.

B. Prohibited Activity

The DEPARTMENT is prohibited from using funds herein for personnel employed in the administration of the program for political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

C. Nondiscrimination

The DEPARTMENT shall ensure that no person, on the grounds of race, color, national origin, religion or sex be excluded, denied benefits, or subjected to discrimination under any program funded in whole or in part by HOME funds. The DEPARTMENT shall take measures to ensure nondiscriminatory treatment, outreach and access to program resources.

D. Equal Access

The DEPARTMENT shall ensure that no person shall be denied employment or contracting opportunities on the basis of race, color, national origin, religion or sex under any program or activity funded with HUD federal assistance. DEPARTMENT shall ensure appropriate language in all contracts/ policy documents and comply with the City's Administrative Directive 4.67.

E. Fair Housing

The DEPARTMENT is prohibited from 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, age or familial status.

F. Affirmative Marketing

Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religious, familial status, or disability. In projects of five or more units, the DEPARTMENT shall follow GMA's Affirmatively Furthering Fair Housing Policy, found at www.sanantonio.gov/gma .

G. Americans with Disabilities Act

DEPARTMENT shall ensure compliance with the Americans with Disabilities Act for federally funded activities to be designed, constructed, or altered in accordance with these standards that insure accessibility to, and use by, physically handicapped people.

H. Section 504 Requirements

DEPARTMENT shall ensure no discrimination based on disability in federally assisted programs and shall provide that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. DEPARTMENT shall ensure appropriate language in all contracts/ policy documents and comply with City Administrative Directives. Additionally, design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated apply in accordance with City's Section 504 Policy.

I. Labor Standards

The DEPARTMENT shall ensure that mechanics and laborers employed in construction work under Federally-assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work performed, as prescribed in the Davis Bacon Act. Every contract for the construction of housing (rehabilitation or new) that contains 12 or more units assisted with HOME funds triggers the Davis Bacon Act requirements.

The DEPARTMENT shall ensure compliance with the Contract Work Hours and Safety Standards Act, per 40 U.S.C. 327 and all applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance on this activity.

The DEPARTMENT shall comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 289 CFR Part 5.

J. Section 3 Requirements

The DEPARTMENT shall ensure opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area, to the greatest extent feasible and consistent with Federal, State and local laws and regulations. Also required is that contracts be awarded to businesses that provide economic opportunities for low- and very low-

income persons residing in the area. See GMA's Section 3 Policy. Incorporate Section 3 Utilization Plan in Procurement Process.

K. Minority/Women's Business Enterprise

The DEPARTMENT shall incorporate a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities, women, and entities owned by minorities and woman, in all contracts.

L. Environmental Requirements

The DEPARTMENT shall ensure compliance with environmental review requirements per the GMA's Environmental Policy document. No choice limiting action may occur until the Environmental Review Record has been approved by GMA's Certifying Officer and/or HUD. In addition, the DEPARTMENT shall ensure environmental mitigation requirements are conducted prior to completion activity.

M. Lead Based Paint

The DEPARTMENT shall ensure compliance with the City's Affordable Housing Policies and 24 CFR 35, Lead Safe Housing Rule for all federally funded activities involving housing built before 1978, per 24 CFR 92.355.

N. Conflict of Interest

The DEPARTMENT shall ensure that no employee, officer or agent of the City or sub-grantee shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. The employee, officer or agent;
2. Any member of his immediate family;
3. His or her partner; or

An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award, per the City's Administrative Directive 1.62 Procurement Ethics. DEPARTMENT shall ensure contractual language in third party contracts enforces this provision.

O. Eligibility Restriction

The DEPARTMENT shall ensure that program participants are citizens or legal residents as required in the Affordable Housing Policies.

P. Procurement Standards

The DEPARTMENT shall ensure that all contracts/subcontracts are awarded on a fair and open competition as outlined in the City's Departmental Procurement guide. This process must be documented and available for review during audit or monitoring visits.

Q. Cost Reasonableness

The DEPARTMENT shall ensure compliance with cost reasonableness standards per HUD's Quick Guide to "Price" or "Cost" Analysis located on the City's website at <http://www.sanantonio.gov/gma/resources/documents.aspx>. Maintain documentation supporting costs or price reasonableness, as applicable.

R. Debarment/Suspension

The DEPARTMENT shall not make any award to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension". This applies to any CDBG or HOME assisted contract at any tier in the process. The DEPARTMENT shall ensure all contractors and sub-contractors are not debarred or suspended utilizing www.sam.gov and documentation should be maintained on file. In addition, DEPARTMENT shall ensure that contractual language in third party contracts enforce this provision.

S. Relocation, Real Property Acquisition and the Uniform Relocation Act

The DEPARTMENT shall ensure compliance with the Uniform Relocation Act of 1970 and 24 CFR 92.353. The DEPARTMENT shall ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement. The DEPARTMENT shall ensure that no individual or family is displaced unless decent, safe, and sanitary housing is available within the displaced person's financial means. The DEPARTMENT shall help improve the housing conditions of displaced persons living in substandard housing; and encourage and expedite acquisition by agreement and without coercion. The DEPARTMENT shall comply with guidance specified in HUD Handbook 1378.

T. Reversion of Assets/Program Income

The DEPARTMENT shall follow the City's Affordable Housing Policies as it pertains to program income proceeds. HOME Program income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;
2. Gross income from the use or rental of real property, owned by the City or a sub-recipient, which was acquired, rehabilitated, or constructed, with HOME funds or matching contributions, less costs incidental to generation of the income;
3. Payments of principal and interest on loans made using HOME funds or matching contributions;
4. Proceeds from the sale of loans made with HOME funds or matching contributions;
5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;
6. Interest earned on program income pending its disposition; and
7. Other Interest or return on investment per HOME regulations. DEPARTMENT shall ensure revenues generated directly from the use of federal funds shall be recorded and deposited in an account identified per the City's financial management processes.

U. Eligible and Ineligible Fees

The DEPARTMENT shall not charge loan origination, processing, inspection, servicing or other fees that are prohibited. The following fees are permitted: a nominal application fee,

homebuyer counseling fee; reasonable annual fee for ongoing multi-family rental housing compliance monitoring; and rental housing tenants may be charged a reasonable and customary fees such as application fees, parking fees, and fees for services as long as the services are voluntary and only charged for services provided.

V. Underwriting/Subsidy Layering

Prior to the commitment of funds to a project, the DEPARTMENT shall evaluate the program beneficiary and project for the purpose of not investing any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing. The DEPARTMENT shall ensure compliance with the underwriting criteria found in the Affordable Housing Policies for each program type.

W. Subsidy Limits

The minimum amount of HOME funds is at least \$1,000 and the maximum amount is based on the programmatic limits found in the Program Policies for Federally Funded Activities.

X. Inspections and Construction Standards

HOME-assisted properties must meet state and local codes, ordinances, and zoning requirements. The DEPARTMENT shall conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.

1. Acquisition - If no rehabilitation or construction is planned, the housing acquired must meet state and local housing quality standards and code requirements.
2. Construction and rehabilitation - Housing that is constructed or rehabilitated with HOME funds must meet all applicable state and local codes, City rehabilitation standards and ordinances.
3. New construction of rental housing - The site and neighborhood standards of 24 CFR 983.6(b) apply to new construction of rental housing.

Y. Eligible Property Types

The DEPARTMENT shall comply the Program Policies for Federally Funded Activities based on activity type.

Z. Property Standards

For the Owner Occupied Rehabilitation Program, the DEPARTMENT shall ensure the HOME-assisted properties comply with the department's written rehabilitation standards.

AA. Beneficiary Eligibility Requirements

The DEPARTMENT shall ensure compliance with income eligibility requirements (80% or below of median income) and underwriting criteria as outlined in the Program Policies for Federally Funded Activities.

AB. Homebuyer Counseling

The DEPARTMENT shall ensure program beneficiaries receive housing counseling.

AC. Eligible Rehabilitation Costs

| Hard Costs | Soft Costs |
|---|---|
| <ul style="list-style-type: none"> • Meeting the rehabilitation standards • Meeting applicable codes, standards, and ordinances • Essential improvements • Energy-related improvements • Lead-based paint hazard reduction* • Accessibility for disabled persons • Repair or replacement of major housing systems • Incipient repairs and general property improvements and utility connections • Site Improvements and utility connections <p>*Note: Lead hazard reduction costs are accounted as hard costs for the purposes of determining the level of assistance under 24 CFR Part 35 (the Lead Safe Housing Rule).</p> | <ul style="list-style-type: none"> • Financing fees • Credit reports • Title binders and insurance • Recordation fees, transaction taxes • Legal and accounting fees • Appraisals • Architectural/engineering fees, including drawings, specifications or work write-ups** • Initial and job progress inspections • Project costs incurred by the PJ that are directly related to a specific project • Refinancing of secured existing debt if the housing is owner-occupied, refinancing allows the overall costs of borrower to be reduced and the housing is made affordable, and the cost of rehabilitation exceeds the amount of debt to be refinanced <p>*Note: These costs may be paid if they were incurred up to 24 months before the date that HOME funds were committed to the project and the PJ expressly permits HOME funds to be used in the written agreement</p> |

AD. Maximum Property Value

For Homebuyer activities, the property may not exceed 95% of the median purchase price for newly constructed or existing single-family housing for the area, as published by HUD.

For Owner-Occupied Rehabilitation, the value of the HOME-assisted property after rehabilitation may not exceed 95 percent of the median purchase price for the area, as published by HUD for existing single-family housing. The DEPARTMENT shall use the “After Rehab Value Worksheet” to make this determination.

The DEPARTMENT shall comply with the Program Policies for Federally Funded Activities for each activity type.

AE. Period of Affordability

The DEPARTMENT shall ensure that the minimum affordability period is applied through a restrictive covenant document. The GMA has developed Program Policies for Federally Funded Activities outlining the maximum subsidy limits in a specific project. DEPARTMENT shall document the assistance does not exceed the amounts described in the City’s Housing Policies and HUD regulations.

| Amount of Funding Per Unit | Minimum Period of Affordability |
|---|---------------------------------|
| Under \$15,000/ Unit | 5 years |
| \$15,000 - \$40,000/ Unit | 10 years |
| > \$40,000 or rehab involving refinance | 15 years |
| New construction of Rental Housing | 20 years |

AF. Contractor Performance

The use of federal funds requires a final result or action to occur such as completing a HOME assisted unit. In all cases, performance standards should be created to define how progress will be measured, accomplishments rewarded, and when and how sanctions may be imposed. The DEPARTMENT shall establish a clear and coherent set of performance standards for tracking the accomplishment of each activity.

AG. Resale and Recapture Provisions

To ensure that HOME investments yield affordable housing over the long term, HOME regulations impose occupancy requirements throughout the length of an affordability period. Occupancy restrictions vary in length of time for those homeowners assisted with HOME funds. The DEPARTMENT shall ensure compliance with the City's Program Policies for Federally Funded Activities referencing Resale and Recapture provisions through the execution of a restrictive covenant for the applicable affordability period.

AH. Occupancy Requirement

The DEPARTMENT shall ensure the applicant maintains the property as his/her principal residence.

AI. Commitment of HOME Funds

The DEPARTMENT shall ensure that prior to commitment of HOME funds, the activity has been underwritten, subsidy layering has been completed, and that a HOME Program Agreement has been executed.

AJ. Flood Insurance

The DEPARTMENT shall comply with Section 202 of the Flood Disaster Protection Act of 1973, if a property is located in a FEMA designated 100-year flood plain.

AK. Requests for Disbursements of Funds

The DEPARTMENT may not request HOME funds until they are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

AL. Public Access to Program Records

The DEPARTMENT shall provide citizens with reasonable access to records regarding the past use of HOME funds, consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

AM. Suspension and Termination

Suspension and termination of funding may occur if the DEPARTMENT materially fails to comply with the Grant Requirements listed in this notice.

VII. REPORTING REQUIREMENTS

The DEPARTMENT shall comply with the following reporting requirements:

Performance Reporting

The DEPARTMENT shall submit a performance report to GMA in accordance with the required reporting format (Attachment D) on the 15th of each month for the prior month.

Beneficiary Documentation

The DEPARTMENT shall maintain client data records demonstrating eligibility for services provided. Such data shall include, but not be limited to the client's name, address, income, number of household members, race and ethnicity, female head of household and description of services provided.

For Housing Activities, the DEPARTMENT shall utilize the Part 5 method of determining income for each beneficiary of federal funds, utilizing the Part 5 Income Certification Form found in Attachment E.

VIII. CLOSE OUT REQUIREMENTS

The DEPARTMENT shall ensure compliance with the following close out requirements:

Accomplishment Data

HUD requires the submission of accomplishment data for each activity funded under the HOME Program via Integrated Disbursement and Information System (IDIS). The DEPARTMENT shall provide an IDIS Completion Report (Attachment F) to GMA at project completion.

Fiscal Close Out

The DEPARTMENT shall reconcile all expenditures, draw receipts, open sale orders and payables in WBS or cost centers. The DEPARTMENT shall validate that all invoices for goods and services were incurred within the grant period and are eligible. Additionally, the DEPARTMENT shall release encumbrances, purchase requisitions, and purchase orders.

Close Out Memo

The DEPARTMENT will submit a memo to GMA documenting completion of the project as described in the initial work statement. The memo shall include reports and attachments required for close out.

IX. COMPLIANCE MONITORING

This activity may be monitored by GMA's Compliance Unit to ensure compliance with applicable HOME regulations per GMA's Compliance Monitoring Policy.

X. ACKNOWLEDGEMENT

Please sign and return this Grant Award Notice as acknowledgement of grant funding and compliance requirements.

Name, Director

Date

Attachments:

- A. Program Information Summary
- B. Budget Adjustment Request Form
- C. Commitment and Expenditure Plan
- D. Performance Reporting
- E. Beneficiary Documentation
- F. Accomplishment Data

ATTACHMENT A
Program Information Summary

ATTACHMENT B
Budget Adjustment Request Form

ATTACHMENT C
Commitment and Expenditure Plan

ATTACHMENT D
Performance Reporting

ATTACHMENT E
Beneficiary Documentation

ATTACHMENT F
Accomplishment Data