

## 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; Grants Manager Name, Title; Patricia Santa Cruz, Senior Management Analyst; 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, Senior Management Analyst, at (210) 207-5491 or [patricia.santacruz@sanantonio.gov](mailto: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).

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### **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:	28-043XXXX
Ordinance Number:	XXXX-XX-XX-XXXX
Internal Order Number:	15000000XXXX
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 \$ XXXXXXX. 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.

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### **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.

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### *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 its 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.

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### 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](http://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

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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

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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 X) on the 15<sup>th</sup> of each month for the prior month.

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### **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 X) on the 15<sup>th</sup> 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**



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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.

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NAME, Director

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Date

Attachments:

- A. Program/Project Information Summary
- B. Budget Breakdown
- C. Budget Adjustment Request Form
- D. Expenditure Plan
- E. Complete based on activity

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### **ATTACHMENT A Program/Project Information Summary**

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### **ATTACHMENT B Budget Breakdown**

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**ATTACHMENT C**  
**Budget Adjustment Request Form**

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### **ATTACHMENT D Expenditure Plan**

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### **ATTACHMENT E Complete Based on Activity**