

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (the “MOU”) is made and entered into this _____ day of October, 2024 (the “Effective Date”). Affordable Homes of South Texas, Inc. (AHSTI) and County of Hidalgo, Urban County Program (UCP) are the “Partners” in this MOU.

The Partners agree to the following:

- I. The Partners are executing this document to create a Memorandum of Understanding. The collaborative venture will be known as The Hidalgo County Climate Justice Program (the “Partnership”).
- II. The Partnership
 - a. AHSTI and UCP wish to become Partners for the primary purpose of applying for and, if awarded, completing, an Environmental Protection Agency (EPA) Community Change Grant (CCG).
 - b. The terms and conditions of their Partnership will be outlined in this MOU.
 - c. The Partnership will be in effect on date of joint signature below.
 - d. The Partnership will only be terminated as outlined in this MOU.
 - e. The Partnership will be governed under the laws of the state of Texas, County of Hidalgo.
 - f. AHSTI and UCP shall be responsible for the work of their employees or volunteers and for completing their agreed-to roles and responsibilities.
- III. Roles of the Partners
 - a. AHSTI shall be the Lead Applicant of a CCG. If the CCG is awarded AHSTI shall:
 - i. Be responsible for the overall management, performance, oversight, and reporting responsibilities under the grant, and for making subawards to the UCP in the amount consistent with the final EPA approved grant budget.
 - ii. Provide the financial capacity for the construction costs and be responsible for processing project invoices for all eligible project costs associated with the reconstruction.
 - iii. Make sure that all subawards comply with the subaward requirements in the grant regulations at 2 CFR 200.331 and in EPA’s Subaward Policy and related guidance.
 - iv. Be responsible for the receipt of federal funds for EPA and the proper expenditure of these funds and bear the liability for allowable costs.
 - v. Be responsible for all compliance and legal issues, and managing risks associated with the project.
 - vi. Be responsible for the following project-specific activities:

1. AHSTI will assist in promoting the UCP's program in order to engage the community and disseminate information via its website, social media platforms and flyers at local community centers and events.
 2. AHSTI will provide rebate education and green consumer education at the UCP/a local community center/or it's Neighborworks® Homeownership Center.
 3. AHSTI will meet monthly with the UCP to ensure that the program is running smoothly and to discuss any challenges and create solutions to address them.
 4. AHSTI will review the reports submitted by the UCP, provide reimbursement based on receipt of funds for administrative costs from EPA and report to the EPA on the UCP's activities.
 5. Share decision making authority with the UCP and other parties as specified in the Collaborative Governance Structure that is submitted to EPA as part of the CCG application.
- b. UCP, if the CCG is awarded, shall:
- i. Shall act as AHSTI's Statutory Partner
 - ii. Be responsible for the following project-specific activities:
 1. Project: Construction Management of 22 Green Retrofits and the Rehabilitation or Reconstruction of substandard housing for families in the County of Hidalgo, within a three year period. This will address the Climate Action-Energy-Efficient, Healthy and Resilient Housing & Buildings component of the CCG.
 2. Share decision making authority with the AHSTI and other parties as specified in the Collaborative Governance Structure that is submitted to EPA as part of the CCG application.

IV. Dispute Resolution

- a. UCP agrees to notify AHSTI if and when a problem arises that may lead to legal action or claim against the UCP in regard to this agreement and project. The UCP agrees to furnish to AHSTI any and all information with respect to such action or claim. The UCP agrees not to take any action with respect to any legal action or claim sought against the UCP without the advice and written consent of AHSTI.
- b. Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this MOU shall lie exclusively in HIDALGO COUNTY.
- c. Both members of this Partnership recognize that EPA is not a party to this MOU and any disputes between the parties must be resolved under the law applicable to the MOU.

- V. Replacement of UCP as Statutory Partner
 - a. Notification of replacement needed will be submitted to relevant parties that includes the reason for replacement and the timeline for seeking a replacement.
 - b. The UCP will be allowed to submit their final reimbursement request within 45 days of receipt of notification of replacement.
 - c. After EPA has provided approval, announce a search for a replacement Statutory Partner that meets the comparable expertise, experience and knowledge as the current Statutory Partner.
 - d. AHSTI will screen and evaluate successful applicants to ensure that they meet the replacement requirements and make a recommendation to EPA for final approval.
 - e. Necessary approvals will be obtained from both AHSTI governance, and the new statutory partner and a new Partner Agreement will be drafted and signed.
 - f. A knowledge transfer training will be provided to the new Statutory Partner to ensure that they are equipped with the necessary tools to be able to execute the project quickly and within the remaining grant period.
 - g. AHSTI will monitor the performance of the new Statutory Partner and will provide feedback and technical assistance as needed.
 - h. Any replacement requires prior approval by an authorized EPA official pursuant to 2 CFR 200.308(c)6.
- VI. Grant Application
 - a. AHSTI shall not submit a CCG application for this Partnership without the written approval of the UCP.
- VII. End of the Partnership
 - a. Unless overridden by a new written agreement of the Partners, the Partnership shall end in one of the following ways:
 - i. When UCP is replaced under the procedure listed in Section V of this agreement
 - ii. When the CCG is completed as determined by EPA.
 - iii. When the Partnership is informed that their application for a CCG is rejected unless, as agreed by both Partners, they resubmit an amended application.
 - iv. AHSTI and UCP agree to be bound by the terms of this Memorandum of Understanding and agree that the Partners have received due consideration for entering into this contract.

Affordable Homes of South Texas, Inc. by

Robert Calvillo, President/CEO

Date

County of Hidalgo, Urban County Program by

Marissa Garza, UCP Director

Date

Richard Cortez, Hidalgo County Judge

Date