

STATE OF TEXAS §

COUNTY OF HIDALGO §

**FIRST AMENDMENT TO SUB-RECIPIENT AGREEMENT FOR THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) TEXAS EMERGENCY RENTAL ASSISTANCE PROGRAM (TERAP) CONTRACT # 70200001042**

This First Amendment to Sub-Recipient Agreement is made this 15th day of June, 2021 by and between Hidalgo County, Texas (the "County") and Affordable Homes of South Texas, Inc. (AHSTI), a Texas Non-Profit Development Organization ("NDO");

WHEREAS, County and NDO entered into that certain Sub-Recipient Agreement for the Texas Emergency Rental Assistance Program dated **March 2, 2021** (the "Agreement") in which the NDO agrees to provide direct assistance services as defined and described in the Sub-Recipient Agreement;

WHEREAS, the parties have now determined to amend the Sub-Recipient Agreement to allow for changes/updates in the award expenditure amounts thereby altering the Budget in the Agreement.

NOW THEREFORE, for and in consideration of the alteration of the budget to the Sub-Recipient Agreement County and NDO hereby mutually agree to the following Amendment to the Agreement:

1. Section II - Statement of Work of the Agreement First Paragraph is deleted in its entirety and the following is inserted in lieu thereof:

"SUBRECIPIENT agrees to perform services as outlined in Exhibit A: Statement of Work, of this Agreement for and in consideration of CDBG-CV funding in the amount of \$1,662,231.85 enumerated in Exhibit B (the "Grant Budget")."

2. Section V – Payment Requests and Program Income Sixth Paragraph is deleted in its entirety and the following is inserted in lieu thereof:

"ENTITY will provide funds from the CRFund in the amount of \$1,662,231.85 reimburse SUBRECIPIENT for necessary expenses of actions to facilitate direct services and continue emergency financial assistance to residents of the ENTITY."

3. Exhibit B – Grant Budget, Type of Expenditures, the following is inserted in lieu thereof:

"Emergency Payments                      \$1,526,539.45"

Exhibit B – Grant Budget, Type of Expenditures, Total Grant Budget amount is deleted in its entirety and the following is inserted in lieu thereof:

“Total Grant Budget                      \$1,662,231.85”

4. Exhibit F-2 – Payment Schedule, Estimated Cumulative Amount of Expenditures is deleted in its entirety and the following is inserted in lieu thereof:

May 15, 2021	\$332,446.37	General Admin. (20%) And Emergency Payments (20%) Expended
July 2021	\$664,892.74	General Admin. (40%) And Emergency Payments (40%) Expended
October 2021	\$1,163,562.30	General Admin. (70%) And Emergency Payments (70%) Expended
January 2022	\$1,662,231.85	General Admin. (100%) And Emergency Payments (100%) Expended
<b>TOTALS</b>	<b>\$1,662,231.85</b>	<b>General Admin. And Emergency Payments Expended</b>

5. Except as modified herein, all terms and conditions of the Agreement, as amended, remain in full force and effect. County and NDO ratify and confirm the terms and provisions of the Agreement as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

HIDALGO COUNTY



Richard F. Cortez, County Judge



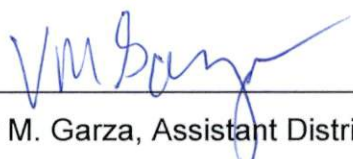
Arturo Guajardo, Jr. County Clerk

APPROVED BY  
COMMISSIONERS COURT  
ON: 6/15/21 

NDO:  
AFFORDABLE HOMES OF SOUTH  
TEXAS, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM;  
Hidalgo County Criminal District Attorney's Office  
Ricardo Rodriguez Jr.

By:  \_\_\_\_\_  
Victor M. Garza, Assistant District Attorney

STATE OF TEXAS

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COUNTY OF HIDALGO

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## TEXAS EMERGENCY RENTAL ASSISTANCE PROGRAM (TERAP)

### SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 2nd day of March, 2021 by and between the COUNTY OF HIDALGO, Urban County Program, a grant recipient of the Texas Department of Housing and Community Affairs ("TDHCA"), and a political subdivision of the State of Texas, hereinafter referred to as "**ENTITY**", and AFFORDABLE HOMES OF SOUTH TEXAS, INC. ("AHSTI"), a neighborhood based not-for-profit organization, hereinafter referred to as "**SUBRECIPIENT**".

### BACKGROUND

The Governor of the State of Texas has designated the Texas Department of Housing and Community Affairs (TDHCA) to receive an allocation of CDBG-CV funds under the CARES Act. As required by the CDBG-CV notice (FR-6218-N-01), TDHCA will allocate \$40,000,886 to non-entitlement units of general local government (UGLG). This CDBG-CV allocation will be used for the following activities to prevent, prepare for, or respond to the coronavirus. The COVID-19 pandemic has had a massive impact on families' abilities to work for pay, and their capacity to pay their rent. Unpaid rents also affect landlords who must continue to pay mortgages, property taxes and maintenance costs for their rental properties in spite of their income from rents being reduced. The need for assistance has far outpaced the availability of local rental assistance funds. TDHCA has allocated Hidalgo County \$1,696,154.95 in Texas Emergency Rental Assistance Program (TERAP) CDBG-CV funds for rental assistance.

As required by CDBG-CV rules, the emergency rental assistance will be made directly to the landlord or property owner, on behalf of the individual or families in need of assistance, and not directly to an individual or family in the form of a direct income payment. Funds dedicated to this activity will assist households for no more than six months of rental assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.

### WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work"), to this Agreement and permitted by the Federal Register/Vol. 85, No. 162 /Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, and for Other Formula Programs.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work") can be carried out for the benefit of residents in the **ENTITY'S** jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

## SECTION I Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of the Texas Emergency Rental Assistance Program (TERAP) activities permitted by the Federal Register/Vol. 85, No. 162/Notice of Program Rules, Waivers, and Alternative Requirements under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, and for Other Formula Programs to be carried out by **SUBRECIPIENT** pursuant to the CDBG-CV notice. Subject to the CARES Act and any waiver or alternative requirements HUD shall make as provided by that Act, Hidalgo County's Consolidated Plan submissions (including the approval of annual Action Plan and any amendments), the Texas Emergency Rental Assistance Program (TERAP), and this Agreement, including 24 CFR Part 91, 24 CFR Part 5.110, 2 CFR Part 200 and other requirements, regulations and decisions as may be made by the Department of Housing and Urban Development (HUD) or any other federal or state **ENTITY** that may legally exercise its jurisdiction over expenditures of CDBG-CV funds.

## SECTION II Statement of Work

**SUBRECIPIENT** agrees to perform services as outlined in **Exhibit A: Statement of Work**, of this Agreement for and in consideration of CDBG-CV funding in the amount of **\$1,662,231.85** enumerated in **Exhibit B (the "Grant Budget")**.

**SUBRECIPIENT** agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, and the Program Benchmarks attached hereto as **Exhibit C** (the "Program Benchmarks"). **SUBRECIPIENT** shall obtain approval, in writing, from **ENTITY** prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

**ENTITY** shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

**SUBRECIPIENT** agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but **Entity** shall not be required) to amend the Schedule of Activity.

## SECTION III Records and Reports

**SUBRECIPIENT** agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as **Exhibit D** (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG-CV funds. Monthly performance reports must be submitted on or before the 15<sup>th</sup> of every month. **SUBRECIPIENT** shall maintain records as per the State Uniform Grant Management Standards, Chapter III, State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C – Post Award Requirements. **SUBRECIPIENT** shall retain all program records for a period of six (6) years.

## SECTION IV Monitoring Visits

**SUBRECIPIENT** agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 2 CFR Part 200.

**SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings.

If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**.

Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in **Section XII** of this Agreement.

In addition, **SUBRECIPIENT** shall give Texas Department of Housing Community Affairs (TDHCA), HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full access to and the right to examine, review, monitor and/or audit all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by **SUBRECIPIENT** pertaining to this Agreement.

## **SECTION V**

### **Payment Requests and Program Income**

**SUBRECIPIENT** agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as **Exhibit E** (the "Requests for Payments") of this Agreement.

**SUBRECIPIENT** shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by **JANUARY 1, 2022**) of the Agreement termination date.

**SUBRECIPIENT** and **ENTITY** agree that all unused CDBG-CV funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY**. Refer to **Exhibit E** for more detail.

**SUBRECIPIENT** will provide direct services, including administrative support in the form of rental, assistance to residents of **ENTITY** in compliance with the terms and conditions of this agreement.

**SUBRECIPIENT** will provide services and related actions as authorized in the Treasury CRF Guidance and agrees to establish and maintain all necessary records and reports that may be required and provide all necessary documentation to ensure expenditures related to the administration of financial assistance in compliance with the CRFund guidance, incorporated by reference.

**ENTITY** will provide funds from the CRFund in the amount of **\$1,662,231.85** reimburse **SUBRECIPIENT** for necessary expenses of actions to facilitate direct services and continue emergency financial assistance to residents of the **ENTITY**.

**SUBRECIPIENT** shall deliver a copy of all related supporting expense documentation, Reimbursement Request form (attached hereto and incorporated by reference as **Exhibit "F"**), and the final report of related expenditures to **ENTITY** no later than January 1, 2022, and shall keep the supporting documentation for a minimum of three (3) years. **SUBRECIPIENT** shall give The United States Treasury Department, the Special Inspector General of the U.S. Department of Treasury, the Comptroller General of the United States, **ENTITY**, **ENTITY** Auditor, and any of their duly authorized representative, unobstructed and full access to and the right to examine all books, accounts, records, reports, files, and other papers, things or property belonging to or in use by **SUBRECIPIENT** pertaining to this Agreement as it pertains to the use of federal funds.

## **SECTION VI**

### **Matching Funds/Income Eligibility**

As a result of the **CARES Act** and the urgent nature of the current COVID-19 emergency, HUD has waived or altered certain CDBG-CV requirements for administering the CDBG-CV program. Therefore, the **SUBRECIPIENT** is NOT required to provide matching funds for the CDBG-CV Program. Change includes, the requirement of Income limits be at 80% Area Median Income to receive or continue to receive homeless prevention services under CDBG-CV.

**SECTION VII  
Prohibited Use of Funds**

- A. **Budget.** Subrecipient may not use funds under this Contract for any activity or in any manner not reflected in Exhibit B, Grant Budget.
- B. **Rental Payment Restrictions.** Subrecipient may not use funds under this Contract to assist a Household whose contract rent in its dwelling unit exceeds 150% of the Small Area Fair Market Rent ("SAFMR"), or where no SAFMR exists, the Fair Market Rent ("FMR"), and may not make a payment for a dwelling unit in an amount greater than 120% of the SAFMR or FMR. A Subrecipient may assist a Household with nonfederal funds for the rental arrears for the monthly amount between 120% and 150% of Small Area Fair Market Rent or Fair Market Rent (if Small Area Fair Market Rent is not published in the jurisdiction).
- C. **Project-Based and Tenant-Based Rental Assistance.** Subrecipient may not use funds under this Contract to assist a Household whose dwelling unit also has project-based rental assistance, whose development uses project-based operating assistance, or where the tenant has a tenant-based voucher.
- D. **Public Housing Unit.** Subrecipient may not use funds under this Contract to assist a Household whose dwelling unit is a public housing unit.
- E. **Assistance Period.** Subrecipient may not assist a Household with funds under this Contract, for more than a total of six (6) months (rental arrears payment + current or future monthly rental payment).
- F. **Local Government Owned Property.** Subrecipient may not use funds under this Contract to assist a Household whose dwelling unit is owned by a Unit of Local Government (as that term is defined in UGMS), unless it has prior written permission from TDHCA (to be reviewed on a case by case basis)

**SECTION VIII  
Lead Based Paint**

**Lead Based Paint** regulations require that all owners, perspective owners, and tenants of properties constructed prior to 1978 be properly noticed that such properties may contain lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment, and precautions that should be taken when dealing with lead-based paint poisoning.

**Lead-based Paint Remediation and Disclosure.** The **SUBRECIPIENT** must comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4821-4826), the residential lead-Based Paint Hazard reduction Act of 2993 (42 U.S.C. 4851-4856), and its applicable regulations found at 24 CFR Part 35, subparts A, B, H, J, K, M and R apply to all shelters assisted under CDBG-CV program and all housing occupied by program participants.

The **SUBRECIPIENT** may not use CDBG-CV funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in 24 CFR § 576.403 (b), (c), (1-10). SUBRECIPIENT must complete a Lead-Based Paint visual assessment on all units being assisted with CDBG-CV funds to identify any deteriorated paint present.

**SECTION IX  
Religious Activities**

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities. If an entity conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under CDBG-CV, and participation must be voluntary for program participants as described in 24 CFR

**SECTION X**  
**Other Program Requirements/ Waivers**

**SUBRECIPIENT** agrees to comply with "Other Program Requirements" as listed in 24 CFR 570.504 and initiation of review process under the provisions of 24 CFR Part 58. In general, the revisions to the section on "other Federal requirements" clarify the degree to which certain requirements are applicable, remove certain requirements that are redundant or moved elsewhere in the rule for improved organizational purposes, and change certain requirements to correspond with changes in the CARES Act or other waivers/changes made by this interim rule or for the CARES Act. Waiver includes the Fair Market Rent (FMR) requirement for CDBG-CV.

**SECTION XI**  
**Uniform Administrative Requirements**

**SUBRECIPIENT** must comply with the requirements and standards implemented in 2 CFR Part 200, "Cost Principles, Administrative and Audit requirements for Federal awards". (Please see **Exhibit G** attached hereto and incorporated herein for all purposes and any subsequent amendments thereto).

Audits shall be conducted annually.

**SUBRECIPIENT** shall comply with the provisions in 2 CFR Part 200 or the related CDBG-CV provisions, as specified in the other Applicable Provisions attached hereto as stated in **Exhibit G** (the "Applicable Provisions") and any subsequent amendments thereto.

**SECTION XII**  
**Audit Requirements**

**SUBRECIPIENT** agrees to comply with the applicable requirements and standards as set forth in 2 CFR Part 200, Audits of States, Local Governments and Non-Profit organizations. (Please see **Exhibit G** attached hereto and incorporated herein for all purposes and any subsequent amendments thereto).

If the **SUBRECIPIENT** expends less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) a year in federal awards, then they are exempt from the audit requirements implemented in 2 CFR Part 200 for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

However, if **SUBRECIPIENT** expends Seven Hundred Fifty Thousand Dollars (\$750,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited if the SUBRECIPIENT fails to submit an audit within the allotted time.**

**SUBRECIPIENT** agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited if the SUBRECIPIENT fails to submit a Financial Management Letter.**

**SUBRECIPIENT** is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the subrecipient is not classified as an exempt entity, the subrecipient will not be awarded grant funds.

**SUBRECIPIENT** is required to submit 941 Employer's QUARTERLY Federal Tax Return reports.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY**, relating to any inquiries regarding the Financial Audit or

Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT**.

Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 2 CFR Part 200. (Please see **Exhibit G-1** attached hereto and incorporated herein for all purposes and any subsequent amendments thereto).

### **SECTION XIII** **Suspension and Termination**

**SUBRECIPIENT** understands that this Agreement may be suspended or terminated, in accordance with 2 CFR 200, if applicable, and if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit B (the "Program Benchmarks"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), 2 CFR Part 200 hereto as Exhibit G.

**SUBRECIPIENT** agrees to follow all the requirements under §567.402 when terminating assistance on a program participant. If a program participant violates program requirements, the recipient or subrecipient may terminate the assistance in accordance with a formal process established by the recipient or subrecipient that recognizes the rights of the individuals affected.

**SUBRECIPIENT** must document the determination of ineligibility for each individual or family determined ineligible. The record must include documentation of the reason for that determination.

It is expressly agreed that this Agreement may not be amended except upon the joint action approval of both the **Entity and Affordable Homes of South Texas, Inc.**

### **SECTION XIV** **Assets**

**SUBRECIPIENT** shall not purchase any asset unless so permitted by the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG-CV funds must be used in an activity that meets one of the national objectives listed in 24 CFR Part 91 and 576.

The disposition of any asset improved or acquired in part or in whole with CDBG-CV funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

### **SECTION XV** **Indemnity Clause**

**SUBRECIPIENT** agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

**SUBRECIPIENT** shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less

than \$300,000.00 per occurrence, \$300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

## **SECTION XVI Procurement**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides the alternative requirement that permits Texas Emergency Rental Assistance Program (TERAP) recipients to deviate from applicable procurement standards when procuring goods and services to prevent, prepare for, and respond to coronavirus. Applicable procurement standards are 2 CFR § 200.317-200.326 and 24 CFR § 576.407 (c) and (f)

**SUBRECIPIENT** also agrees to follow the statutes and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 2 CFR Part 200, and the TEXAS COUNTY PURCHASING ACT.

**SUBRECIPIENT** must comply with CDBG-CV applicable requirements covered in this agreement. Procurement by the **SUBRECIPIENT** must follow a written code of conduct and establish procurement procedures that provide an open and free competition in accordance with 2 CFR Part 200.

(1) Compliance. The **SUBRECIPIENT** shall comply with current HUD and COUNTY policies concerning the procurement of equipment, goods, and services, and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. The **SUBRECIPIENT** shall report to the COUNTY all program assets (unexpended program income, property, equipment, etc.)

(2) Pursuant to 2 CFR § 200.331 (a) (4), the Indirect Cost Rate for the **SUBRECIPIENT**'s award shall be an approved federally recognized cost rate negotiated between the **SUBRECIPIENT** and the Federal government, or, if no cost rate exists, the de minimis indirect cost rate as defined in 2 CFR § 200.414(b).

(3) Use and Reversion of Assets. The use and disposition of equipment under this AGREEMENT shall be in compliance with the requirements of 2 CFR Part 200.

## **SECTION XVII Conflict of Interest**

**SUBRECIPIENT** covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work (**Exhibit A**), 24 CFR Part 570.611 and CFR Part 200.

**SUBRECIPIENT** agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

**SUBRECIPIENT** is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

**SECTION XVIII**  
**Legal Action and Venue**

**SUBRECIPIENT** agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

**SECTION XIX**  
**Miscellaneous Provisions**

**Conflict with Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

**No Waiver.** No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

**Entire Agreement.** This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

**Texas Law to Apply.** THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

**Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

**COUNTY OF HIDALGO**  
Urban County Program  
1916 Tesoro St.  
Pharr, TX 78577  
Email: [ucp@co.hidalgo.tx.us](mailto:ucp@co.hidalgo.tx.us)  
Phone # (956) 787-8127  
Fax # (956) 318-2988

If to **SUBRECIPIENT**:

**AFFORDABLE HOMES OF SOUTH TEXAS, INC.**  
c/o Robert Calvillo, Executive Director  
1420 Erie Ave  
McAllen, Texas 78501  
Phone #: (956) 687-6263  
Email: [rcalvillo@ahsti.org](mailto:rcalvillo@ahsti.org)

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

**Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

**Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

**Assignment.** This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

**Headings.** The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

**Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

**Authority to Execute.** The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XX  
Effective Date

The effective date of this agreement shall apply retroactively to **March 2, 2021** and shall terminate on the **14<sup>th</sup>** day of **January, 2022** unless otherwise cancelled or amended to the terms of this AGREEMENT.

Approved and signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Print or Type Name of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

**SUBRECIPIENT**

Name: Affordable Homes of South Texas, Inc.

Address: 1420 Erie Ave

City/State/Zip: McAllen, Texas 78501

Federal I.D. #: 74-1883434

DUNS #: 616073334

STATE OF TEXAS           §  
  §  
COUNTY OF HIDALGO    §

\_\_\_\_\_ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(Seal)

\_\_\_\_\_  
Notary - Signature

**COUNTY OF HIDALGO – URBAN COUNTY PROGRAM**

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
P.R. Avila II, UCP Director

**APPROVED AS TO FORM:**  
**Hidalgo County Criminal District Attorney's Office**  
**Ricardo Rodriguez, Jr.**

By:   
**Victor M. Garza, Assistant District Attorney**

**EXHIBIT A**  
**STATEMENT OF WORK**

ACTIVITIES DESCRIPTION:

A. Estimated number of Households to be assisted: 326

B. Activities:

1. To provide emergency rental assistance to low- to moderate- income tenants impacted by the Coronavirus pandemic, to help them stay housed during the pandemic.
2. To assist eligible tenants with emergency rental assistance made directly to the landlord or property owner, on behalf of the eligible tenant.
3. To provide up to six months of rental assistance with at least one month's worth of current or future rent and not to exceed five months of rent in arrears.
4. To provide up to six months of rental assistance with at least one month's worth of current or future rent and not to exceed five months of rent in arrears to Households who have been sued for eviction (forcible detainer).

C. Reporting: By the 10th of each month, AHSTI shall report:

Aggregate-level data to be reported via the Housing Contract System:

1. Summary data for Households served by race, ethnicity, and household income level and other demographic data as required by HUD.
2. Number of Households that received emergency rental assistance.
3. Number of Households that received emergency rental assistance through the Eviction Diversion program.
4. Total number of Households served.
5. Number of pending Households to receive assistance in the following thirty (30) days.

For Texas Eviction Diversion Program:

1. Number of eligible tenants referred to the program for the previous month's activity.
2. Number of ineligible tenants referred to the program for the previous month's activity.
3. Number of eligible landlords referred to the program for the previous month's activity.
4. Number of ineligible landlords referred to the program for the previous month's activity.
5. Number of referred tenants withdrawing from the program.
6. Number of referred landlords withdrawing from the program.

Subrecipient must also report household-level data, including demographic data, as described on TDHCA's Excel Monthly Performance Report spreadsheet.

**EXHIBIT B**  
**Grant Budget**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
<b>Administration</b> General Administration (Program delivery, oversight, coordination, and HMIS reporting)	\$ 135,692.40
<b>Emergency Payments</b>	\$1,526,539.45
<b>TOTAL GRANT BUDGET:</b>	<b>\$1,662,231.85</b>

**EXHIBIT C  
PROGRAM  
BENCHMARKS**

<b>Benchmark</b>	<b>% of Expenditures Drawn</b>	<b>Description</b>
March 2, 2021		Contract Start Date
May 15, 2021	20%	20% of Expenditures Drawn
July 15, 2021	40%	40% of Expenditures Drawn
July 31, 2021		100% of funds <u>MUST</u> be obligated i.e. All Tenant/Landlord eligible Applications must be received and have been approved for Payment
October 15, 2021	70%	70% of Expenditures Drawn
January 14, 2022	100%	100% of Expenditures Drawn

**EXHIBIT D**  
**PROGRAM INCOME AND HOUSEHOLD**  
**QUALIFICATIONS**

1. Definitions. For purposes of this Contract, the following definitions apply:
  - i. "Household" or "Households" is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Live-in aides are not part of the Household.
  - ii. "Gross Annual Income" is defined as annual income before any deductions have been taken.
2. Tenant Certification. The Household must complete a tenant certification form, as described in the Program Guidelines.
3. Statements of Economic Impact. Subrecipient must collect statements from Households attesting to having been economically impacted by COVID-19 such as disaster related unemployment, lost wages, or increased Household costs.
4. Household Income Certification. Unless otherwise noted, Subrecipient must complete a household income certification form ("HIC") or a similar tool, as described in the Program Guidelines.
5. Household income. Household income is based on Part 5 of HUD's Handbook 4350.3, as modified for TERAP and TEDP and defined in the Department's CDBG-CV TERAP Program Guidelines found here: <https://www.tdhca.state.tx.us/pdf/covid19/cdbg/TERAP-Program-Guidelines.pdf>
6. Household Qualifications. Households can qualify as follows:
  - i. Subrecipient is not required to further determine Household income if the Household consists of 6 or fewer individuals and signs a self-certification that its income does not currently exceed 80% of HUD's Area Median Income ("AMI"), and the Household provides documentation that it is currently receiving benefits from Supplemental Security Income ("SSI") for the Head or Co-Head of household, Low-Income Energy Assistance Program ("LIHEAP"), or the Supplemental Nutrition Program ("SNAP").
  - ii. If the Household resides in a development that is a property whose rent limit is capped by HUD, the Department of Agriculture or the Department, the landlord may provide documentation that an income certification was done pursuant to 24 CFR Part 5 on or after April 1, 2020, but must be within twelve months of the CDBG-CV application for assistance, and the residing Household's income does not exceed 80% of HUD's AMI. In this circumstance, after reviewing the landlord's documentation and receiving a certification from the Household that its income is still under HUD's 80% AMI, Subrecipient is not required to further determine Household income.
  - iii. If income is from 0% to 60% AMI, a Household self-certification of income is required.
  - iv. For Household income 60% to 80% of AMI, see page 11 of the Program Guidelines. For TERAP, Subrecipient must qualify all Households using the 4350.5 modified income qualification process explained on the Program Guidelines.
7. Duplication of Benefits. Under no circumstances shall a Household or landlord receive a duplication of benefits ("DOB"). A DOB occurs when a beneficiary receives assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. Any excess from a DOB must be returned to the Department within 10 (ten) days.

**Exhibit E**  
**Other Applicable Provisions**  
**24 CFR 576.407**

(a) *General.* The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with § 576.405(c).

(b) *Affirmative outreach.* The recipient or subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the recipient or subrecipient intends to use to make known the availability of the facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the recipient or subrecipient must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

(c) *Uniform Administrative Requirements.* The requirements of 2 CFR Part 200 shall apply to the recipient and subrecipients that are units of general purpose local government, and program income is to be used as match under 2 CFR Part 200. The requirements of 2 CFR Part 200 apply to subrecipients that are private nonprofit organizations. These regulations include allowable costs and non-Federal audit requirements.

(d) *Environmental review responsibilities.* (1) Activities under this part are subject to environmental review by HUD under 24 CFR part 58. The recipient shall supply all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 58. The recipient also shall carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS). (2) The recipient or subrecipient, or any contractor of the recipient or subrecipient, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 58 and the recipient has received HUD approval of the property.

(e) *Davis-Bacon Act.* The provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-5) will not apply to the CDBG-CV Hidalgo County Program.

(f) *Procurement of Recovered Materials.* The recipient and its contractors must comply with 2 CFR Part 200 and Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**Exhibit F**  
**REQUEST FOR PAYMENTS**

1. Subrecipient must submit a complete reimbursement requests on a **bi-weekly or no less a monthly basis**, as approved on the Schedule of Payment hereto attached as **Exhibit F-2** (the "Schedule of Payment") **due on bi-weekly or a monthly basis**.
2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.
3. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.
4. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.
5. Subrecipient must submit **FINAL** reimbursement request and monthly performance report to the Urban County Program on or before January 1, 2022.
6. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per **Section XIII** "Suspension and Termination".
7. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.
8. As per **Section IV** of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.
9. Reimbursement requests are processed by Urban County on a first come first serve basis.
10. Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, only after all documentation is reviewed, corrections are made, and all documentation is in order.
11. Levels of accomplishments/performance measures include rental tenants and landlords assisted should include time frames for performance.

**EXHIBIT F-2  
PAYMENT  
SCHEDULE**

2021 For the Months of...	Estimated Cumulative Amount of Expenditures	Type of Budgeted Expenditures
March 2021	\$ 0.00	General Admin. And Emergency Payments Expended
May 15, 2021	\$332,446.37	General Admin. (20%) And Emergency Payments (20%) Expended
July 2021	\$664,892.74	General Admin. (40%) And Emergency Payments (40%) Expended
October 2021	\$1,163,562.30	General Admin. (70%) And Emergency Payments (70%) Expended
January 2022	\$1,662,231.85	General Admin. (100%) And Emergency Payments (100%) Expended
<b>TOTALS</b>	<b>\$1,662,231.85</b>	<b>General Admin. And Emergency Payments Expended</b>

## EXHIBIT F-3 Request For Reimbursement Form and Monthly Report

UCP CDBG-TERAP/TEDP Summary of Expenditures As of February 28, 2021					
	Award	Expenditures	Balance	% Expended	
<b>Total Award:</b>	<b>\$1,696,154</b>				0%
RA Direct Program Services:	\$1,356,924	\$0	\$1,356,924		
TEDP Direct Program Services:	\$169,615	\$0	\$169,615		
AHSTI Administration 8%:	\$135,692	\$0	\$135,692		
UCP Administration 2%:	\$33,923	N/A	N/A		N/A
<b>At 02.28.21</b>			<b>YTD</b>		

RA Total Requests for Assistance:

RA Total # of HH Assisted:

RA Total # of HH Ineligible:

RA Total # Withdrawn:

RA Total # of HH Pending: 0

TEDP Total Requests for Assistance:

TEDP Total # of HH Assisted:

TEDP Total # of HH Ineligible:

TEDP Total # Withdrawn:

TEDP Total # of HH Pending: 0

Grand Total # of HH Assisted: 0

Grand Total # of HH Pending: 0

TEDP Referrals	
At 02.28.21	YTD

# of Eligible Tenants Referred

# of Ineligible Tenants Referred

# of Referred Tenants Withdrawing

# of Eligible Landlords Referred

# of Ineligible Landlords Referred

# of Referred Landlords Withdrawing

Expenditure Benchmarks				
AHSTI \$1,662,231				
	% Threshold	\$ Threshold	Variance	Status
5/15/2021	20%	\$332,446	\$332,446	On Track
7/15/2021	40%	\$664,892		
10/15/2021	70%	\$1,163,562		
1/14/2022	100%	\$1,662,231		

From the inception of the program on \_\_\_ through February 28, 2021, AHSTI assisted \_\_\_ of eligible households. Of these, \_\_\_ were assisted through TERAP and \_\_\_ were assisted through TEDP. The grand total number of households assisted through both programs is \_\_\_ with \_\_\_ households pending assistance due to \_\_\_. AHSTI has expended \_\_\_% in administrative expenses for the program consisting of staff time. AHSTI has expended \_\_\_% of its contract to date.

**Exhibit G**  
**2 CFR Part 200**

**FINAL GUIDANCE PUBLISHED BY THE MANAGEMENT AND BUDGET (OMB) OFFICE ON 12/26/2013 EFFECTIVE DECEMBER 26, 2014 AS AMENDED.**

**AUDITS, ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance supersedes, consolidates eight (8) grant related circulars into a uniform regulation applicable to all grant recipients.

A - 21	A - 110
A - 87	A - 122
A - 89	A - 133
A - 102	A - 50

To view Notice SD-2015-01 Issued by the U.S. Department of Housing and Urban Development, please visit the following link:

[www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf](http://www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf)  
[www.ecfr.gov](http://www.ecfr.gov)