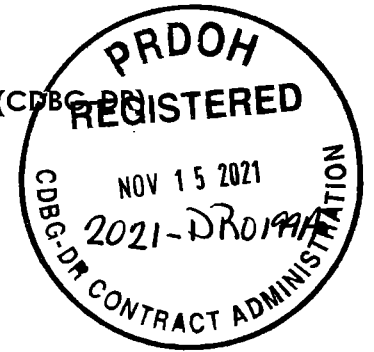




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)

AMENDMENT A TO THE SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
PONCE NEIGHBORHOOD HOUSING SERVICES, INC.



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This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "**AMENDMENT A**") is entered into this 2nd day of November, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "**PRDOH**"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*, known as the "**Department of Housing Organic Act**" (the "**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **PONCE NEIGHBORHOOD HOUSING SERVICES, INC.** (the "**Subrecipient**"), a nonprofit entity with principal offices at Ponce, Puerto Rico, represented herein by its Executive Director, Elizabeth Colón Rivera, of legal age, single, and resident of Ponce, Puerto Rico, collectively the "**Parties**".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on May 4, 2021, the Parties entered into a Subrecipient Agreement for the Social Interest Housing Program ("**SIH**" or "**the Program**") for a period of **two (2) years** from the day of its execution, ending on May 4, 2023, **for two million five hundred thousand dollars (\$2,500,000.00)**, Contract Number 2021-DR0199 (hereinafter, "**the Agreement**").

WHEREAS, as per Section IX(A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement;

WHEREAS, this **AMENDMENT A** does not constitute an extinctive novation of the obligations of the parties under the Agreement, but is rather a modification and amendment of certain terms and conditions under the Agreement, including any modified Exhibits. The period of performance of the Agreement, though, is not affected by this **AMENDMENT A** and remains unaltered.

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

WHEREAS, the Subrecipient, has duly adopted the Resolution dated July 9, 2019, authorizing the **PONCE NEIGHBORHOOD HOUSING SERVICES, INC.** (via its Authorized Representative, Elizabeth Colón Rivera) to enter into the Agreement with the PRDOH. By signing this **AMENDMENT A** to the Agreement, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

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

II. TERMS AND CONDITIONS

A. SAVINGS CLAUSES

The information included in this **AMENDMENT A** serves the purpose of modifying and amending certain terms and conditions under the Agreement, including any modified Exhibits. All provisions of the original Agreement shall continue to be in full force and effect, as amended by this **AMENDMENT A**.

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B. SCOPE OF THE AMENDMENT

The Parties acknowledge that this **AMENDMENT A** reflects an increase of the original budget allocated to the Subrecipient to undertake the Program. The additional allocation of funds **(two million five hundred thousand dollars (\$2,500,000.00))**, for a new total authorized budget of **five million dollars (\$5,000,000.00)**, shall allow the Subrecipient to create or expand existing housing solutions in two different projects instead of one as originally agreed. Modifications to the Exhibit D (Budget) and the Exhibit E (Funds Certification) are incorporated accordingly via this **AMENDMENT A**.

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Moreover, the Parties agree that modifications to tasks and timelines, changes in the key personnel positions and costs, as well as updates to several legal citations or changes in law, required the incorporation by reference to the Agreement of modified versions of the Exhibit A (Scope of Work), Exhibit B (Timelines and Performance Goals), Exhibit C (Key Personnel), Exhibit F (HUD General Provisions), Exhibit G (Special Conditions), and Exhibit H (Subrogation and Assignment Provisions).

C. AMENDMENTS

a. The following Exhibits are being replaced by a modified Exhibit:

- i. **Exhibit A** (Scope of Work) of the Agreement is being replaced by a modified **Exhibit A** (Scope of Work) hereto incorporated. (See **Attachment 1**).
- ii. **Exhibit B** (Timelines and Performance Goals) of the Agreement is being replaced by a modified **Exhibit B** (Timelines and Performance Goals) hereto incorporated by reference into the Agreement. (See **Attachment 2**).
- iii. **Exhibit C** (Key Personnel) of the Agreement is being replaced by a modified **Exhibit C** (Key Personnel) hereto incorporated by reference into the Agreement. (See **Attachment 3**).
- iv. **Exhibit D** (Budget) of the Agreement is being replaced by a modified **Exhibit D** (Budget) hereto incorporated by reference into the Agreement. (See **Attachment 4**).
- v. **Exhibit E** (Funds Certification) of the Agreement is being replaced by a modified **Exhibit E** (Funds Certification) hereto incorporated by reference into the Agreement. (See **Attachment 5**).
- vi. **Exhibit F** (HUD General Provisions) of the Agreement is being replaced by a modified **Exhibit F** (HUD General Provisions) hereto incorporated by reference into the Agreement. (See **Attachment 6**).

vii. **Exhibit G** (Special Conditions) of the Agreement is being replaced by a modified **Exhibit G** (Special Conditions) hereto incorporated by reference into the Agreement. (See **Attachment 7**).

viii. **Exhibit H** (Subrogation and Assignment Provisions) of the Agreement is being replaced by a modified **Exhibit H** (Subrogation and Assignment Provisions) hereto incorporated by reference into the Agreement. (See **Attachment 8**).


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III. SEVERABILITY

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


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IV. SECTION HEADINGS AND SUBHEADINGS

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

V. COMPTROLLER REGISTRY

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

VI. ENTIRE AGREEMENT

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

VII. FEDERAL FUNDING

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

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.
SIGNATURES APPEAR ON THE FOLLOWING PAGE.**

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

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


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By: William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (Nov 2, 2021 14:31 EDT)
Name: Hon. William O. Rodríguez Rodríguez
Title: Secretary
DUNS Number: 125967484


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**PONCE NEIGHBORHOOD HOUSING SERVICES, INC.
Subrecipient**

By: Elizabeth Colón Rivera
Name: Elizabeth Colón Rivera
Title: Executive Director
DUNS Number: 031444321



EXHIBIT A

SCOPE OF WORK

SOCIAL INTEREST HOUSING PROGRAM

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1. Program Overview/Background

This Scope of Work defines the Subrecipient tasks, that must be performed in order to support the Puerto Rico Department of Housing (**PRDOH**) in the implementation of the **Social Interest Housing (SIH) Program**; as part of Puerto Rico's recovery efforts, in accordance to Federal, State, and Local regulations, and in connection with appropriated disaster assistance funding under the Community Development Block Grant for Disaster Recovery (**CDBG-DR**) Program.

The Program's goal is to expand existing housing solutions to increase the number of vulnerable populations served, and/or bring existing housing to decent, safe, and sanitary conditions, in compliance with applicable provisions of federal, state and local laws, building codes, ordinances, rules and regulations, accessibility, health and safety standards.

The activities under this Program will be managed and implemented by the Subrecipient, and overseen by PRDOH, which may in its discretion procure Consultant(s) to implement any aspect of such eligible Program Activities. With the intent of being consistent with the requirements of this Subrecipient Agreement (**SRA**), the Subrecipient shall be reimbursed for any Eligible Costs incurred in carrying out Program Activities within eligible budget amounts.

The PRDOH reserves the right to modify or delete the task listed and, if appropriate, add additional tasks prior to and during the term of the agreement.

2. National Objective

Given that the Program will provide funding to a wide range of activities, PRDOH anticipates that the National Objective shown below will be applicable.

The National Objective of this Program is to benefit Low- and Moderate-Income (**LMI**) persons¹ (below eighty percent (80%) Area Median Family Income (**AMFI**) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico²), through the Limited Clientele (**LC**) LMI sub-category. To qualify under the LC subcategory, activities funded under this Program must meet one (1) or more of the criteria listed in the SIH Program Guidelines.

3. Program Description

The Program will be overseen by the PRDOH and implemented by eligible Non-Profit, Non-Governmental Organizations (**NGOs**) – as Subrecipients – who

¹ 24 C.F.R. § 570.483 (b)

² These limits change annually.

respond, with a viable Project proposal, to a Notice of Funding Availability (NOFA).

The objectives of the Program are the following:

- Provide funding to Applicants who are committed to providing social interest housing and working with diverse populations to ensure accessibility of individuals having a wide-range of socioeconomic, physical, emotional, and other impairments.
- Provide funding to Applicants to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions, in compliance with applicable State and Local government construction codes, and health and safety standards in disaster impacted areas.

Program funding will be based on organizational qualifications and identification of highly vulnerable populations.

4. General Tasks

The Subrecipient must work closely with the PRDOH to accomplish the identified tasks. The Subrecipient may be required to implement these general tasks throughout the life of the Program until its closeout.

PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks:

Task 1. Acquisition of Property (if applicable)

Activity: Acquisition of real property by PRDOH, including acquisition of property under the SIH Program, is subject to the real property acquisition requirements established in Puerto Rico Executive Order No. 4 of January 20, 2004 (OE-2004-04). Prior to completing the acquisition of real property, PRDOH must obtain the following documents:

- a) Survey Plans and/or project plans, such as construction or demolition plans, schematic drawings, engineering drawings, among others;
- b) Property registry certification of the property to be acquired, issued no more than **six (6) months** prior to the acquisition;
- c) A debt certification from the property owner issued by the Puerto Rico Department of Treasury, issued within **six (6) months** of submission to PRDOH;
- d) Letter from PRDOH authorizing the acquisition of the property.

Deliverable: The Subrecipient shall sign all the required documentation and any other requirement given by PRDOH.

Task 2. Temporary Relocation (if applicable)

Activity: Subrecipient may use CDBG-DR funds for temporary relocation payments and assistance to persons displaced by an activity that is not subject to the requirements described above. This may include payments and other assistance for temporary relocation (when persons are not permanently displaced).

Applicants to the SIH Program qualify for temporary relocation assistance, only if they must vacate the storm-impacted property during program-sponsored construction. Applicants who are not residing in the storm-impacted property for any reason other than program-sponsored construction are not eligible for temporary relocation assistance. The SIH Program may provide temporary relocation assistance only on an extremely limited basis and as a last resort for

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applicants to secure temporary housing during program-sponsored construction.

In order to qualify for temporary relocation assistance, the Applicant must:

Be determined to be eligible to receive assistance that requires the Applicant vacate the damaged property during construction:

- a) Have an income of less than fifty percent (50%) of HUD-approved income limits for Puerto Rico;
- b) Have no Duplication of Benefits (DOB) issues that could prevent the Program from providing services.
- c) Have exhausted all possible options to temporarily reside with friends, family, in self-funded housing or any other options available; and
- d) Have no other options for temporary housing.

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Deliverable: The Subrecipient will provide and submit documentation to PRDOH that supports the temporary relocation qualifications.

Task 3. Document Control and Information Technology

Activity: Subrecipient shall engage in the use of the latest technologies for the document controls and information technologies as an ancillary requirement to operate and interact with the SIH Program as mentioned in the section 5.1 *Eligible Activities* of the SIH Program Guidelines. No additional compensation for the implementation, maintenance, or licenses of these technologies will be provided to the Subrecipient.

The Subrecipient is expected to use and implement commercial technologies for communication(s) purposes, that are deemed necessary to coordinate and complete the project.

Deliverable: The Subrecipient shall provide general contact information regarding the designated Point of Contact (POC) to establish initial and regular communication with PRDOH. The Subrecipient shall also be granted access to into the Grant Management System and will be responsible to submit all the required documentation throughout the Program/Project's life.

Task 4. Training

Activity: The Subrecipient will be responsible to participate in mandatory sessions of training, but not limited to the following:

Module Series Name	Module Description
CDBG-DR 101	Participants will learn the basic requirements for the CDBG-DR, eligible disaster activities, national objectives requirements and the waiver process.
Fair Housing & Equal Opportunity 101	This module introduces the federal compliance statutes and federal guidance on Fair Housing, Equal Opportunity and related requirements, their applicability, and what triggers the need to comply for difference program areas.

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Davis-Bacon 101	This module introduces the federal compliance statutes and other federal guidance on Davis-Bacon, its applicability, and what triggers the need to comply.
Section 3 & M/WBE 101	This module introduces the federal compliance statutes and other federal guidance on Section 3 and M/WBE, its applicability, and what triggers the need to comply.
Environmental 101	This module introduces Environmental Review requirements typically associated with CDBG-DR activities, timing, and planning considerations for compliance, and tips and resources available to grantees.
Procurements 101	This module introduces Procurement terminology and processes. The module will also approach Conflict of Interest concepts relevant to Procurement Processes.
Finance 101-104	These modules introduce Finance terminology and processes. The modules will also include the development of internal controls and implementation of such, as well as monitoring procedures to ensure the effectiveness of internal protocols.
Recordkeeping 101	This module introduces the Recordkeeping requirements and processes.
Anti-fraud, Waste, Abuse, & Mismanagement 101	This module introduces Anti-Fraud, Waste, Abuse and Mismanagement requirements and processes. The session will also approach Conflict of Interest concepts.
Grant Management/Administration Principles 101-107	These modules introduce the roles and responsibilities of subrecipients, applicable systems to manage CDBG-DR program data, management

Deliverable: The Subrecipient must virtually attend and complete the courses required. Upon completion of each course, the Subrecipient will receive a certificate of completion indicating that the requirement is satisfied which will also notify PRDOH through the Grant Management System.

Task 5. Reporting

Activity: The Subrecipient will be responsible to submit progress reports to the PRDOH to inform status of tasks, work progress, construction schedule analysis, and financial status by project(s). Each report must be prepared in compliance with PRDOH's reporting requirements.

As requested, the Subrecipient shall meet with the PRDOH to discuss the status of the project(s), applicant concerns, and any other issues that may have arisen during the administration of the assigned SIH Program.

The Subrecipient will provide the PRDOH with milestone reports on established schedule, as well as required documents to the Grant Management System (**System of Record**) for PRDOH to monitor the project(s). This system will serve as the Subrecipient digital platform to upload all required information permitting the review and approval by designated personnel. Access will be provided by PRDOH.


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The Subrecipient will compile and review the necessary information to also prepare reports required by HUD and will comply with HUD regulations.


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Additionally, the Subrecipient will present to the PRDOH, on an established periodic basis, a complete inventory of assets with an acquisition price of five hundred dollars (\$500.00) or more and a useful life of **one (1) year** or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.

Finally, the Subrecipient will complete any other task necessary to ensure proper accounting and reporting as required by the Program.

Deliverable: As the task requires, the Subrecipient will provide and submit proper documentation to PRDOH through the Grant Management System. These documents include but are not limited to the "Monthly Construction Report" and the "Subrecipient Agreement Monthly Administrative Report". For ongoing tasks, the Subrecipient will submit documentation regularly, after the submission date is established between all involved participants.

Task 6. Invoicing

Activity: The Subrecipient will be responsible for submitting monthly invoices for the reimbursement of costs, regarding internal staff or contracted services. This will occur through PRDOH's Financial Management System, to ensure that submittals are completed within compliance of regulations and standards. Upon the execution of the SRA, the Subrecipient will receive training on how to properly use this Financial Management System. It should be noted, PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization of a Project Application before performing work.

A Monthly Progress Report shall be submitted to PRDOH upon the fifth of each month, prior to the submission of the invoice. PRDOH will have an allotted time period (**ten (10) days**) of the following month, to address the Subrecipient's invoice.

The Subrecipient shall submit Requests for Reimbursements to the PRDOH while using the Request for Reimbursements Form, complete with the content that is specified and required. The Requests for Reimbursements Form must be submitted with all supporting invoices, bills, time sheets, the Monthly Report, and any other document necessary to justify the payment or any other supporting document requested by PRDOH. The Request for Reimbursement must be accompanied by supporting documentation from the Subrecipient demonstrating that all procurements for goods and services that have been made, are in accordance with this Agreement.

Deliverable: Through the Financial Management System, the Subrecipient shall submit documentation to PRDOH for all eligible activities, under the Program Guidelines, and work in the form of invoices. These invoices must clearly demonstrate (in a reasonable amount) the Project's progress including but not limited to; design development, construction, or otherwise.

5. Specific Tasks: Project development tasks

The Subrecipient will prepare and submit all necessary documentation related to proposed projects for development under this Program. Proposed projects documentation shall demonstrate compliance with all eligibility requirements established in the SIH Program Guidelines and must be submitted via the Grant Management System. Submitted documentation must comply with the CDBG-DR funds requirement which can only be used on costs that are defined within the Program Guidelines and within the SIH NOFA. In this role, the Subrecipient will manage all major aspects of the Program. The Subrecipient must work closely and regularly with the PRDOH to identify and accomplish the tasks at hand. The Subrecipient may be required to coordinate with other firm(s), contracted by the PRDOH, that will be providing services for other CDBG-DR Programs.

PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks:

Task 7.1. Subrecipient Staff

Activity: The Subrecipient shall submit to PRDOH a revised Organizational Structure Chart presenting each position, necessary to perform all tasks of this Agreement. The Organizational Structure Chart shall identify which positions will be provided by Subrecipient's employees and which positions will be provided through subcontracted professional services. The Organizational Chart must be submitted within **ten (10) business days** after the signing of the Agreement.

For each professional service to be contracted, the Subrecipient shall submit a plan for procurement of services including the following information: service description, schedule of request announcement and estimated cost of service. All procurement shall be fulfilled in the Grant Management System for record keeping purposes.

The Subrecipient shall submit to the PRDOH the request for authorization of key personnel that will perform services for the positions established in **Exhibit C (Key Personnel)** of this Agreement. The PRDOH will provide necessary forms to Subrecipient for authorization requests of employees. The PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization before performing work.

Deliverable: After the signing of the Agreement, the Subrecipient shall submit an Organizational Structure Chart to the Grant Management System, for record keeping purposes. Additionally, the Subrecipient will submit a plan for procurement for each contracted service, **Exhibit C**.

Task 7.2. Project(s) Work Plan Submission

Activity: After receiving Pre-Application approval from PRDOH, the Subrecipient will prepare and submit all required forms and documentation for the completion of the Project Application in compliance with the Program Guidelines and procedures, utilizing internal staff and/or contracted professional services. The Subrecipient shall submit a Project Workplan for each project

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Application. The submission of each Project Workplan documentation shall be made via the Grant Management System. At minimum, the Workplan shall contain, but not limited to:

- Project Detail Description - Project location and Site Plan identifying the project limits, proposed buildings footprint, parking, vehicular and pedestrian access, zoning setbacks, easements, open spaces, and landscape-communal areas.
- Requirements - Meet the CDBG-DR Program Guidelines and Specify any local and federal code that is required and must comply for the project.
- Land and Topography - Provide the Land and Topography Survey Map including utilities, easements, and existing trees.
- Zoning and Code Compliance - Provide the corresponding zoning map and identify the parcels where the Project is located. The zone district of the parcels shall be also identified.
- Implementation Schedule - Specify the corresponding duration in weeks for each task (activity).
- Cost Estimate - In accordance with the Puerto Rico Disaster Recovery Action Plan, as amended, to ensure the cost reasonableness of the goods and services under the CDBG-DR program, the Subrecipient for the SIH Program may perform the following analysis to assess cost reasonableness:
 - **Comparison of Proposed Prices and Historical Contracts:** Historical data can be used to compare the cost of materials and activity of similar projects. Depending on the timing of the prices being compared, adjustments for inflation may be required to compare data in a fair manner.
 - **Comparison of Proposed Prices with Prices Obtained through Market Research:** When a good or service has an established market price, whether locally or in another jurisdiction, the verification of an equal or lower price may be used to establish cost reasonableness. Also, when the market value of a specific good or service is not found, a comparison with a substantially similar good or service may also be performed to establish cost reasonableness.

The Subrecipient may acquire professional services to prepare and submit the Application documentation for the project(s). To acquire professional services, the Subrecipient shall comply with procurement processes in compliance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327.

All new construction, rehabilitation and renovation works for the SIH Program are required to follow federal, state, and local codes, rules and regulations. Works must also be performed after obtaining all required endorsement and permits. The Subrecipient shall ensure compliance with all applicable provisions of federal, state and local laws, building codes, ordinances, rules and regulations, and accessibility, health and safety standards, and any other requirement for the works to be undertaken by the SIH Program.

As part of this Task, the Subrecipient shall implement and develop Task 7.1, the Organizational Structure, and submit the Application for each approved project. The required organizational structure will be responsible to provide all professional services including but not limited to, project management services, inspection services, and design/build services. Figure 1 provides an example of an organizational structure to be implemented by the Subrecipient.


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Procured Design / Build Workflow:

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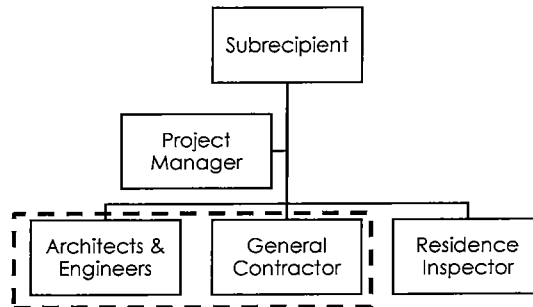


Figure 1. Subrecipient Organizational Chart for Design Build, (Architects, Engineers, & Contractors are a joint-venture and require a single contract).

The Subrecipient will fulfill the professional services in compliance with the following roles and responsibilities (see Tasks 1). One of the above workflow methods will be selected and approved by PRDOH for the given Project.

Deliverable: Through the Grant Management System, the subrecipient will submit all outstanding forms and documentation for the Project Application. The Subrecipient will also submit a Workplan for each project application.

Task 7.2.1. Project Management Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall fulfill all the required Project Management Services to incorporate the best construction management and administrative practices possible, for the SIH Program. These practices may include but are not limited to the following examples of roles and responsibilities listed below.

In order to acquire and proceed with these professional services, the Subrecipient shall abide by the applicable procurement process for CDBG-DR. The Subrecipient will submit the Project Management Services Procurement Package to PRDOH for record keeping purposes.

- a) Act as Point of Contact between the project's implementation and Executive Manager.
- b) Lead coordination and control over execution of approved project(s) activities.
- c) Assist coordination and report overall and specific project(s) activities.
- d) Monitor project status and control team performance (including all staff and vendors under the subrecipient's direct and indirect supervision) in accordance with established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- e) Lead and coordinate the implementation of change management, risk management, and quality assurance.
- f) Lead and approve project(s) monitoring activities to prepare and present reports as required by the PRDOH.
- g) Lead, coordinate, and facilitate all necessary high profile, program-wide public presentations, and meetings, subrecipient meetings, and government or non-government stakeholders' meetings.


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- h) Organize the selected personnel and subcontractors. Coordinate, support, and analyze performance measurement of subrecipients and contractors, and report results in coordination with PRDOH or representative.
- i) Maintain a complete understanding of all applicable CDBG-DR Program's policies, requirements, procedures, and guidelines; and identify/promote all necessary corrective actions.
- j) Coordinate documentation submissions for approved project(s).
- k) Track and report status and performance of approved project(s).
- l) Provide, coordinate, or manage technical assistance to technical team (e.g., consultants and employees performing technical work to develop project).
- m) Review and recommend for payment, the invoices related to professional services certifications for payment and construction change orders.
 - o Provide solutions to the unforeseen conditions and reduce contract modifications.
- n) Monitor and prepare progress reports to communicate the status of work, pending matters, and the budgetary situation of the project(s).
- o) Identify, communicate, and resolve delays or situations that affect the scope, budget, or schedule of the project(s).
 - o Establish, prioritize, and enforce production and performance goals in alignment with Program priorities and objectives. Lead coordination and control over execution of all Program activities.
- p) Lead the management of project development from each Project Application through necessary planning, design, construction, and closure of the project.
- q) Monitor compliance with applicable regulations, laws, safety codes, standards, policies, management of program resources, including permit(s), environmental laws, and current procedures applicable to the development of construction project as mentioned in the SIH Program Guidelines.
- r) Deliver staff listed in **Exhibit C** promptly to support Program demands, which may increase or decrease as needed and can change throughout the Program life cycle. Always ensure enough staff to support timely and efficient Program operations.
- s) Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program goals, risk management, quality assurance, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.

Deliverable: To acquire professional services for the construction and management of the Project, the Subrecipient will complete and submit the Project Management Services Procurement Package to PRDOH for record keeping purposes.

Task 7.2.2. Design-Build Services

Activity: Mainly, Design and Construction services will be required for projects of new construction, rehabilitation, and renovation. They may resemble single family housing units, (detached or otherwise), two-unit structures, multi-unit properties, group homes, or other properties types that abide by the standards

within Special Interest Housing that benefit the targeted population being served.

Utilizing internal staff and/or contracted professional services, the Subrecipient shall perform all required Construction Services. To acquire professional services, the Subrecipient shall comply with the applicable procurement processes. The Subrecipient will submit the procurement package, Design-Build Services to PRDOH for record keeping purposes.


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PRDOH reserves the right to require revision(s) and resubmission(s) of draft award documentation.


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(**Note:** NGO may choose to perform separate procurement processes for Architectural and Engineering Services and Construction Services, as long as the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)

Deliverable: To acquire Design-Build services, the Subrecipient may submit the Procurement Package and corresponding documentation, and further await PRDOH revision.

Task 7.3. Project Design Development Activity: By means of internal staff and/or contracted professional services, the Subrecipient shall prepare all necessary construction documents for project development and implementation for the project approved by the PRDOH. This Task includes preparation of all required construction documentation including, but not limited to, the following examples: construction drawings and technical specifications, property acquisition drawings and documentation, technical studies, and analyses, required permits and endorsements, cost estimates, construction schedule (CPM), and all necessary construction bid documentation. During the preparation of the above-mentioned documents, the subrecipient can choose to incorporate resilient materials, concrete, as well as resilient characteristics, seismic restraints for equipment and if applicable windstorm resistant for exterior windows following up to date building codes.

During the performance of this Task, the Subrecipient shall conduct and complete the required deliveries for PRDOH. The submissions of construction documentation will be delivered in compliance with established benchmarks. They will be subject to revision and must demonstrate the progress of work in compliance with the roles and responsibilities specified in the procurement process. Delivery timelines and deadlines shall be coordinated with the PRDOH before commencing the design development of project.

After the revision of each delivery, the Subrecipient should expect comments from PRDOH that might require further revisions of the documentation. PRDOH expects to receive a Compliance Certification with each required progress delivery, to ensure that applicable codes and regulations are met and that the progress accomplished was prepared by the designated Registered Architect (RA)/Professional Engineer (PE) in charge of each project. The Subrecipient may request technical assistance from the PRDOH to prepare required documentation.

"I, [Name of the Architect or Engineer, license number #####], certify that I am the Professional who designed these plans and the complementary specifications. I also certify that I understand that such plans and specifications comply with the applicable provisions of the latest version of the Puerto Rico Building Code, Regulations of Agencies, Regulatory Boards or Public Corporations with jurisdiction.

I acknowledge that any false statement or falsification of the facts that has occurred without knowledge or through negligence, whether by me, my agents, or employees or by other persons with my knowledge, hold me liable for any judicial and disciplinary action before any competent authority.

I further certify that all forms, specifically those that are completed online, have been reviewed or prepared by me, which I understand are safe for the environment, health, and wellness in accordance with accepted standards, and that the information submitted is true. I further acknowledge that the falsification of any statement or the omission of relevant information will entail the corresponding legal and disciplinary actions, including, but not limited to, the file without prejudice to the case."


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Deliverable:

Construction Design Complete and Construction Documents that will be included in the construction bid process.


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Task 7.4. Environmental Review and Clearance

Activity: As part of the implementation of the CDBG-DR SIH Program, Subrecipients will be required to fulfill and comply with CDBG-DR design requirements, as established in the Program Guidelines, which includes, but is not limited to, the implementation of a HUD-approved Green Building Standard (GBS), installation of broadband infrastructure, compliance with sensory and mobility accessibility requirements, and environmental requirements under 24 C.F.R. Part 58. For each Project, the Subrecipient will conduct Environmental Reviews (including required dissemination and publication of Notices) on an as-needed basis, in accordance with the required level of clearance. Environmental Reviews must, at a minimum comply with the requirements of the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), the National Environmental Policy Act (NEPA) (including implementing regulations at 40 C.F.R. Part 1500 and 24 C.F.R. 58), the Environmental Policy Act of Puerto Rico, as amended (Act No. 416-2004), and the Puerto Rico Permit Process Reform, as amended (Act No. 161-2009) along with any other local environmental review requirements. The Subrecipient may acquire professional services to prepare and submit the Application documentation for the project(s). To acquire professional services, the Subrecipient shall comply with procurement processes in compliance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327.

Deliverables:

For each Project, the selected Firms(s) will create an Environmental Review Record (ERR) meeting the above legal requirements and documenting PRDOH's review and compliance with the related federal authorities listed in 24 C.F.R. Part 58. It is the responsibility of the Subrecipient or contracted professionals to mitigate any activities identified in the Environmental Review Report. Upon mitigating the environmental finding, if any, the Subrecipient shall be responsible to document the mitigation on the Monthly Construction Report, duly signed by the Resident Inspector to PRDOH through the Grant Management System for record. No construction can start until the Environmental Clearance is approved by PRDOH. (Please note: Environmental clearance must be obtained for the Project in order to initiate the commitment of federal or non-federal funds for construction purposes, any violation of this requirement may jeopardize federal funding for the Program and may disallow all costs that were incurred before the completion of the Environmental Review).

Task 7.5. Construction Phase

Within the Construction Phase, the Subrecipient will monitor the performance of the Contractor by using the Timelines and Performance Goals as stated in **Exhibit B**. While PRDOH may consider additional costs as they arise, the Contractor must be prepared to perform (and document) the Designated Project's requirements in compliance with the Project Application process subject to PRDOH's approval thereof. In the event PRDOH's funds do not cover one hundred percent (100%) of the agreed upon budget, the Subrecipient must present a showing of committed supplemental funding.

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The Subrecipient shall initiate the Construction Phase while keeping record and submitting the construction documentation as follows:

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- a) Coordinate and facilitate pre-construction meeting(s) for the project(s);
- b) Prepare monthly inspection reports and certify the drawing request submitted by the General Contractor or Project Resident Inspector, in a timely manner.
- c) Conduct pre-intervention process and make determinations regarding monthly draw requests which are submitted by the General Contractor, including monthly site and hard construction payments and approval of construction retainage payment (as part of this review, the Subrecipient shall ensure that the General Contractor has met all of the prerequisites outlined in the CDBG-DR Program Guidelines and the Executed Agreement);
- d) Ensure execution of monthly inspection(s);
- e) Disburse CDBG-DR funding for approved drawing requests;
- f) General Contractor must submit requests for Change Order(s) to the Resident Inspector, then he must evaluate and validate the Change Order(s) is a reasonable cost and then recommend proceeding to the Project Manager, the Subrecipient, and the Project Point of Contact. Finally, the Change Order shall be submitted to PRDOH via the Grant Management System.
- g) Coordinate the compliance monitoring of the Davis-Bacon Act and all applicable CDBG-DR, federal and state regulations, and rules;
- h) Monitor compliance with the Uniform Relocation Act;
- i) Work with PRDOH to ensure environmental monitoring, as necessary;
- j) Complete Punch List Inspection.

Deliverable:

For the construction phase, the Subrecipient or designees will be responsible of guaranteeing adequate construction practices have been conducted and that the practices are following industry standards. They shall ensure that all contracted construction services have been completed before proceeding with project closeout.

Under this task, projects of new construction, rehabilitation and renovation will be considered completed only when the following conditions are met:

- a) All the change order(s) requests have either been closed, eliminated, or executed
- b) All punch lists have been corrected;
- c) All non-conformance reports have been signed and approved by the Subrecipient.

- d) Delivery of the Final Report and its corresponding Certification of Works has been completed.
- e) The project has passed final inspection, as evidenced by the Written Inspection Report(s) from the Residence Inspector and Project Manager.
- f) Final punch list has been executed and the Certificate of Occupancy ("Permiso de Uso") has been awarded to complete project closeout.

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Task 7.6. Construction Inspection Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall provide appropriate construction inspection services for the approved project(s). To acquire these professional services, the Subrecipient shall comply with the applicable procurement processes. The Construction Inspection Services Procurement Package must be submitted to PRDOH for record keeping purposes.

At a minimum, the Subrecipient shall comply with the following roles and responsibilities for construction inspection services:

- a) Attend preconstruction meeting and participate in weekly construction meetings;
- b) Serve as the field/construction Point of Contact;
- c) Provide daily and regular correspondence with the General Contractor;
- d) Coordinate the project schedule with the General Contractor, and other required participants;
- e) Maintain necessary written communications with the Project Manager and Subrecipient;
- f) Inspect and monitor the Project's progress and construction methods to ensure that construction work meets contract requirements;
- g) Communicate and resolve field problems with the General Contractor, Project Manager, and any other affected parties;
- h) Coordinate the necessary activities to perform required materials testing;
- i) Coordinate the evaluation of testing results with Architect and/or Engineer to ensure compliance with project requirements;
- j) Assist the General Contractor with the coordination of any required utility relocation;
- k) Coordinate inspection activities with required Public or Private Utility Entity, as required by permits or endorsements;
- l) Prepare and submit necessary digital monthly reports, which at a minimum, document weather conditions, on-site construction personnel, hours worked, construction equipment used, detailed description of construction activities observed, photos, and documentation of any field decisions;
- m) Ensure compliance with all permits and endorsements of construction project;
- n) Measure and document project quantities, maintain digital records and logs of all quantities;
- o) If necessary, prepare cost estimates and to submit to Project Manager/Architect/Engineer, for review and approval;
- p) Review General Contractor quality control documentation;
- q) Coordinate survey and staking needs for the project;

- r) Conduct wage interviews with individual employees to complete report documentation to provide to the Project Manager;
- s) Prepare and finalize necessary project closeout documentation;
- t) Prepare punch list items among other necessary lists of items and deficiencies that need to be corrected;
- u) Monitor work zone traffic control;
- v) Evaluate the overall progress of construction works;
- w) Confirm that all contract requirements have been met by the contractors performing services and implementing the construction works;
- x) Monitor project safety in compliance with the Occupational Safety and Health Administration (**OSHA**) regulations.

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If necessary, the Subrecipient shall perform the Procurement for Construction Inspection services of the Project(s) in compliance with the applicable to procurement processes. The Subrecipient is responsible for coordinating construction inspection services to ensure that these services are contracted prior to the start of construction. Construction inspection services shall be provided throughout the entire construction phase and will abide by federal and state laws as well as the applicable local laws and regulations.

Deliverable: Appropriate Construction Inspection Services Capacity is in place with construction activities. The Subrecipient shall submit Monthly Inspection Reports using the provided PRDOH template as a guide.

Task 7.7. Program Closeout

Activity: The Subrecipient will be responsible for the closeout process of the housing solution project. The closeout procedures and record documentation will be defined and coordinated with PRDOH, or its representatives. Following the Record Retention and Transmission of Records to the PRDOH Subrecipient. Subrecipient should:

- a) Deliver one official digital copy of closeout binder to PRDOH or its representatives;
- b) Maintain and preserve the Project's records until the time period required by the federal and state laws and regulations;
- c) Assist with any audits perform by the Owner or its representatives;
- d) Ensure that all Program funding has been expended in accordance to the Subrecipient Agreement and that suppliers/subcontractors have completed all tasks required.

Note: All records shall be retained and maintained for a period of at least **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. Furthermore, they must be made available to PRDOH upon request. Any other task necessary to ensure proper closeout of the SIH Program.

Deliverable: The Subrecipient and procured services are responsible to submit the Construction Project Closeout Report to PRDOH that shall include the following:

- a) Binder cover, dividers, and checklist;
- b) Copy of the Agreement and its amendments;
- c) Waterproofing system warranties and bonds;
- d) Transfers of all warranties and equipment;

- e) Operation and Maintenance Manuals:
- f) List of vendors, supplier or manufacturer used:
- g) Record drawings, signed and sealed;
- h) Record specification, signed and sealed;
- i) Master plumber certifications:
- j) Professional electrician certifications (interior and exterior):
- k) Submittal log and its digital copies in pdf format:
- l) Copy of closing government permits: and
- m) Any other documents required by the SIH Program.

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EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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1. PROGRAM OBJECTIVE:



The Program aims to provide funding to applicants who are committed to providing Social Interest Housing and to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions and meet compliance with construction codes. The Program provides funding to NGOs who aim to increase housing opportunities for vulnerable individuals while also improving existing housing conditions to meet decent, safe, resilient, and sanitary standards in disaster impacted areas.

2. TERMS:

- **Design Build** – A method of project delivery in which architects, engineers, and contractors are a single business entity and provide their services, (from initial design concept through construction completion). The Design Build firm will enter into a single contract, offering their combined services as one business entity. (Note: NGO may choose to perform separate procurement processes for Architectural and Engineering Services and Construction Services, as long as the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. §200.327.)
- **Key Objective** – The major objective the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.
- **Projects** – Refers to the construction or rehabilitation of a housing solution as proposed by the NGO in the Notice of Funds Availability (**NOFA**) response.

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KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
 ECR  Worr		(#) of projects that receive 60% approval of Project Design Development	Submission of Project Design Development and Inspector's report at 60% threshold	2 Projects submitted for 60% of the Project Design Development and complete all ER requirements and constructions has begun ▪ Project A and Project B:	Q3 2022
		(#) of projects that receive 90% approval of Project Design Development	Submission of Project Design Development submission and Inspector's report at 90% threshold;	2 Projects submitted for 90% of the Project Design Development. 90% of Construction has been completed and final punch list items have been amended ▪ Project A and Project B:	Q4 2022
		(#) of projects that submit the 100% Project Design Development to PRDOH and to Government agency permit Office	Construction reached 100% completion and Permitting office approve final Project Design Development	2 Projects received approval for 100% of the Project Design Development approved by PRDOH ▪ Project A and Project B:	Q1 2023
	1.2 Project Delivery & Closeout. Proper documentation is provided to ensure that	(#) projects that achieve project completion	Closeout Binder-delivered and includes Final Completion Report	2 Projects complete Closeout process and submit complete required documentation as per Exhibit A ▪ Project A and Project B:	Q1 2023

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	construction was complete to standard	(#) Certificates of Occupancy	Certificate of Occupancy- ("Permiso de Uso")	2 Certificates of Occupancy ▪ Project A and Project B:	Q1 2023
	1.3 Affordability Period	(#) affordable units provided % of units that remain affordable	Annual Reports	1-20 units occupied ▪ Project A: 1-16 units occupied ▪ Project B: 100% units remain affordable	Q2 2023 Q2 2023 *Annually until 2031*

KEY ACTIVITY 1.1 PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED

After PRDOH has delivered the SRA Agreement, the Project Design Development must be completed to initiate the Environmental Review and Construction Phase. Amidst Construction Phase, it is critical to ensure that construction practices are met, and the project timeline is maintained. To ensure this, PRDOH will require the Subrecipient to submit Monthly Inspection Reports and SRA Monthly Administrative Reports. The Key Objective #1 outlines the requirements of this workflow specifically within a Design Build scenario; which deploys a single contract to procure both design and construction services simultaneously.

The Subrecipient must conduct procurement following the applicable federal procurement rules and regulations.

- Design-Build

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After being awarded the RFP Bid, a Design Build firm will enter into a single contract, offering their combined services as one business entity. Since a Design Build firm would enter into a single contractual agreement with Ponce Neighborhood Housing Services, Inc., the "design to construction" process is streamlined, allowing for a *fast-track* approach. This streamlined form of practice and communication is ideal for all project types of especially ones that are using existing conditions, where oftentimes unforeseen construction circumstances may occur, (New Construction¹, Rehabilitation², and Renovation³ projects). The design process is also streamlined, usually resulting in a shortened design development phase that is combined with construction documentation. Lastly, Design Build workflows eliminate the need to procure separate construction services. Instead, design team, (which is comprised of both licensed Architects and licensed Engineers) is part of the same team of licensed professionals that conduct construction services. (Note: NGO may choose to perform separate procurement processes for Architectural and Engineering Services and Construction Services, as long as the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)

- Inspection Services

Prior to the execution of an Inspection Service contract, these services shall be procured. The services will be performed in parallel with the Design Build Services timeline. After being awarded the Small Purchase, the Inspection firm will enter into a single contract with the Ponce Neighborhood Housing Services, Inc. Since a Design-Build firm will be responsible for design and building the approved CDBG-DR project, the Inspection company shall work in conjunction with the "fast-track" construction timeline. Since the design process is also streamlined, it will result in a shortened design development phase that occurs alongside the construction documentation and consequently, reporting phase. Ultimately, this will allow a third party, such as the

¹ New Construction refers to site preparation for, and construction of, entirely new structures and/or significant extensions or the way that something is put together. Homes or structures considered as new construction usually are built within the past year and a half.

² Rehabilitation refers to returning a structure exterior or interior to a useful state by means of repair, modification, or alteration and additions while preserving/retaining those portions or features which convey its historical, cultural, or architectural values

³ Renovation refers to the process of returning existing old structures, typically damaged, defective, or out of code compliance, up to a modern, improved state, meeting new code requirements regulated by federal or local law. Typically, major elements of the structure are added, relocated, or reconfigured for functional, efficiency or marketability reasons.


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Inspection Services, to advocate on behalf of the Subrecipient to ensure Quality Assurance/Quality Control (QA/QC) of performed construction services.

KEY ACTIVITY 1.2 PROJECT DELIVERY & CLOSEOUT

For the Project(s) to be considered "complete," milestones must be delivered to ensure the safety of the Project's user(s). The Project's completion is not marked solely upon the completion of the Project's Construction Phase but is also marked by the approval of the project closeout binder.


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KEY ACTIVITY 1.3: AFFORDABILITY PERIOD

It is essential to provide continued satisfaction to the Project's user and ensure that the Project(s) has a continued ability to provide shelter and community to its targeted population. A method to consider when maintaining the Project's continued success is to evaluate the Project on an annual basis. This allows the proper parties involved to be updated regularly on any developments and ensure that the cost of living does not rise.

Annual Reports can summarize changes in a timely manner, which can help the proper parties mitigate concerns more quickly and efficiently. In the long term, Post Construction Annual Reports ensure the last quality and resilience of the community.


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EXHIBIT C

KEY PERSONNEL

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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Below is the Staffing Plan for the **CDBG-DR SOCIAL INTEREST HOUSING (SIH) PROGRAM**, which reflects a combination existing employees or new hired employees dedicated for the **CDBG-DR SIH Program**.

I. Personnel Breakdown

Position Titles	FTE	Unit Price	Max. Monthly Cost
Executive Director	1	\$72.79	\$4,367.40
Chief Financial Officer	1	\$59.67	\$3,580.20
Human Resources and Administrative Specialist	1	\$22.61	\$1,356.60
Program and Quality Control Coordinator	1	\$43.06	\$2,583.60
Finance and Accounting Specialist	1	\$22.61	\$1,356.60
Project Manager I	1	\$23.68	\$4,025.60
Project Manager II	1	\$23.68	\$4,025.60
Finance support and compliance Officer	1	\$21.53	\$3,660.10
Total Max. Monthly Cost	8		\$24,955.70

II. Roles Description:

Role	Description
Executive Director	Subrecipient's key member is responsible of the organization actions for the delivery of the CDBG-DR approved project. Shall act as the main Point of Contact for PRDOH or designees, unless otherwise stated. Position is expected to provide strategic planning, work with the board of directors, and steering the organization and managing its operation within budget. Should have the ability on building an effective team of leaders, manage, provide guidance and coaching to other key personnel. Must ensure adherence of the organizations' daily activities and long-term plans to established policies and legal guidelines. Shall review reports by subordinate managers to acquire understanding of the organization's financial and non-financial positions. Shall be willing to learn knowledge of regulatory and statutory compliance requirements for CDBG-DR like mandatory training and participating in the capacity building sessions, so that the subrecipient can fully comply with federal requirements and PRDOH. Must address other responsibilities that may arise during project implementation, for example, all procurement packages, etc.
Chief Financial Officer	Subrecipient's key member oversees all financial aspects of the NGO, which includes but not limited to, task(s) like annual budget approval, financial health evaluations, staff payroll and ensure the organization follows financial rules. Must possess or develop knowledge of regulatory and statutory compliance requirements for CDBG-DR, SIH Program and PRDOH. These compliance requirements are mandatory training and building sessions such as modules to develop internal controls and implementation and monitoring procedure to ensure the effectiveness of internal protocols. Additional modules introduce the roles and responsibilities of subrecipients, applicable systems to manage CDBG-DR Program data, management and reporting of citizen complaints, and Protection of Personally Identifiable Information. Other responsibilities are the development of the projects budget cost, oversee all invoices and must be willing to learn the PRDOH Financial Management System to upload all required documentation to achieve CDBG-DR funds disbursements.
Human Resources and Administrative Specialist	In charge of verify and audit CDBG-DR Program employees time sheets. Officer in charge of the Digital Time Clock System for employees. Supervise time sheet submission on time and in compliance. Prepare fringe benefit processes for CDBG-DR Program employees. In charge of monitoring the CDBG-DR Program Procurement process and of micro-purchases related CDGB-DR Program.


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Program and Quality Control Coordinator	Prepare administrative monthly reports to CDBG-DR Program. In charge of gather data and information for CDBG-DR Program Performance Report. Receive and audit work hours from CDBG-DR Program employees. Receive, manage, and audit time sheets and other compliance documents from the CDBG-DR Program to prepare invoices and reimbursement processes. Monitoring and submit invoices and reimbursement processes from CDBG-DR Program. Submit invoices through Vendors Café System. Verify CDBG-DR reports from different departments. Participate in weekly and monthly reports conference calls and meetings with Social Interest Housing Program, HORNE and other entities related with the program. Maintains constant communication with HORNE and the managers to keep the Program in compliance.
Finance and Accounting Specialist	Monitor and verify that the travel expenses procedure from the CDBG-DR Program has been followed as compliance request. Check utilities and other CDBG-DR Program related bills, submitting as a tenant account, those bills to the system. Prepare banks reconciliations from the CDBG-DR Program, which the Chief Finance Officer approves. Prepare SURI tax forms, submissions of quarterly tax forms to State Agencies related CDBG-DR funds.
Project Manager	Assisting with the development of the project(s) schedule, and other activities. Recommending and advising with cost control, record keeping, auditing and procurement issues for the usage of construction development. Coordinating various components of project(s) to ensure the ethical behaviors and work ethic within the construction predevelopment and development process. Plays a crucial role performing indirect costing, including cost analysis, cost flow structuring, budgeting, forecasting, and analysis that supports the Interest Social Program. Duties included but not limited to involve a broad array of financial affairs, such as income, expenses, taxes, capital expenditures and financial statements.
Finance support and compliance Officer	In charge of collecting the data and information related to invoices. Prepare invoices and reimbursement processes. Support the reconciliation of bank accounts. Write the monthly reports of the Interest Social Program. Prepare the CDBG-DR Program Procurement process. Other duties related to the predevelopment and implementation of the Interest Social Program.

III. Notes:

1. Positions Title names, in Section one (I), are generic names assumed to designate the minimum roles to the Subrecipient's staff, therefore these positions may not necessarily coincide to current positions within Subrecipient's roster of employees and must be procured in order to achieve project completion.

2. Subrecipient will request authorization before any staff performs any work for the CDBG-DR Program, the request shall be completed submitting a standard form provided by PRDOH. Failure to obtain staff authorization form PRDOH, will result in payroll payment deduction for each unauthorized staff.
3. Subrecipient may use one (1) or more of its employees for each of the approved staff positions, therefore the maximum budget shall consider the summary of payroll cost for employees authorized for the position, which in summary is a full-time equivalent expectation.
4. Subrecipient may recruit new employees to fill-in staff positions included in Section one (I) that are not occupied at the start date of this Agreement.
5. Subrecipient shall require to each staff position daily time entry reports with a description of work performed during the report period.
6. Personnel Breakdown, shown in section one (I) in columns; Unit Price and Max. Monthly Cost, represent the total budget authorized for Subrecipient's personnel working as a staff position for the CDBG-DR Program.
7. The Staff Position Maximum Budget shall be considered as the total authorized budget for the term of the agreement for each Subrecipient's staff position.
8. After this Agreement is executed, the Subrecipient may request in writing to modify the distribution of budgeted amounts for any of the positions.
9. The total authorized available budget for all Subrecipient's staff positions will be established in the **Exhibit D** (Budget) of this agreement. The specific amount will be indicated in item described as "Subrecipient Self-Performed Services" of the **Exhibit D** (Budget).

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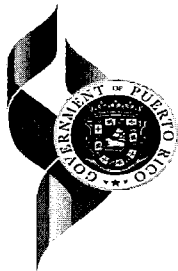


EXHIBIT D - BUDGET

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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1. Total Allocation and Authorized Budget

- The Puerto Rico Department of Housing (PRDOH) designated to the Ponce Neighborhood Housing Services, Inc. (the "Subrecipient") a total allocation amount of **five million dollars and cero cents (\$5,000,000.00)** for the Social Interest Housing (SIH) Program.
- The maximum authorized budget for the Subrecipient Self-Performed Services shall be according to the total staff position maximum budget established in **Exhibit C – (Key Personnel)**.

2. Distribution of Authorized Maximum Budget

- The maximum budget amount shall be distributed in the following eight (8) items:

Project A: Municipality of Coamo		
Item Id	Item Name:	Maximum Authorized Budget
1	Subrecipient Self-Performed Services	\$ 299,468.40
2	Professional Services (Contracted)	\$ 237,000.00
3	Construction Services (Contracted)	\$ 1,805,746.67
4	Land Acquisition	\$ 157,784.93
Total Authorized Budget:		\$2,500,000.00

Project B: Municipality of Guayama		
Item Id	Item Name:	Maximum Authorized Budget
1	Subrecipient Self-Performed Services	\$ 299,468.40
2	Professional Services (Contracted)	\$ 238,200.00
3	Construction Services (Contracted)	\$ 1,805,718.00
4	Land Acquisition	\$ 156,613.60
Total Authorized Budget:		\$2,500,000.00

3. Budget Re- Distribution

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


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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

Attachment 5

EXHIBIT E

Contract Code: 431-a
Type: Change Order A_V2
Original Registered Code:

CERTIFICATION OF FUNDS

Requested on behalf: CDBG-DR Director

The Finance Division certifies the availability of the following funds:

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Contracting Of: PONCE NEIGHBORHOOD HOUSING SERVICES INC
Source of Funds: 14.228 CDBG Funds
For: Amendment A- 2021-DR0199 for Social Interest Housing Program
Amount: \$2,500,000.00

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

Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DP-72-0001	Housing	r02h11sih-doh-lm	H - Program Subsidy	6090-01-000	\$2,500,000.00
					<u>\$2,500,000.00</u>

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties

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

Cesar Candelario Signed Date - 10/21/2021
Electronic Approval
Budget Manager

MARIA MARIN Signed Date - 10/26/2021
Electronic Approval
Finance Director



EXHIBIT F

HUD GENERAL PROVISIONS

SOCIAL INTEREST HOUSING PROGRAM

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PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this MOU shall be deemed to be inserted herein and the MOU shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the MOU shall forthwith be physically amended to make such insertion or correction.

2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

4. REPORTING REQUIREMENTS

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

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
- (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

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

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 C.F.R. Part 401, "Rights to Inventions Made


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by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements", and any implementing regulations issued by HUD.

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

The SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin. Policies and practices that have such an effect must be eliminated unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

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10. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

The SUBRECIPIENT shall comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as amended, and any applicable regulations.

The SUBRECIPIENT agrees that no qualified individual with a disability shall, solely on the basis of their disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance from HUD.

12. AGE DISCRIMINATION ACT OF 1975

The SUBRECIPIENT shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under, any program or activity receiving Federal financial assistance.

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this MOU or any aspect related to the anticipated work under this MOU raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any

additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

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

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (ii) Requiring unnecessary experience and excessive bonding;
- (iii) Noncompetitive pricing practices between firms or between affiliated Companies;
- (iv) Noncompetitive awards to consultants that are on retainer contracts;
- (v) Organizational conflicts of interest;
- (vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and
- (vii) Any arbitrary action in the procurement process.

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

The SUBRECIPIENT shall indemnify, defend, and hold harmless the Government of Puerto Rico and PRDOH, its agents and employees, from and against any and all claims, actions, suits, charges, and judgments arising from or related to the negligence or willful misconduct of the SUBRECIPIENT in the performance of the services called for in this MOU.

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

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

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subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

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20. DAVIS-BACON ACT

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

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

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

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

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973


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- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- C. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E. The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- F. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- G. Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

H. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).


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I. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.


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24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

25. CERTIFICATION OF NONSEGREGATED FACILITIES

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

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

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

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

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26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS

(Applicable to contracts exceeding \$100,000)

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


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


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

27. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

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

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

cooperative agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.

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


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

28. BONDING REQUIREMENTS

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

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

- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.
- 3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

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

- J. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- K. The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the in 24 C.F.R. Part 75 regulations.

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- L. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- M. The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- N. The SUBRECIPIENT acknowledges that SUBRECIPIENTS, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or SUBRECIPIENT agreements, program regulatory agreements, or contracts.
- O. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- P. Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- Q. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- R. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts

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

30. FAIR HOUSING ACT

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

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31. ENERGY POLICY AND CONSERVATION ACT

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

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32. HATCH ACT

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 76-252, as amended.

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

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

33. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 107 and 103 of the Contract Work Hours and Safety Standards Act. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation.

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

If in the performance of this Agreement, there is any underpayment of wages by the SUBRECIPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECIPIENT out of payment due to him or her an amount sufficient to pay to employees underpaid the difference between the wages required thereby to be paid and the wages actually paid such employees for the total number of hours worked. The amounts withheld may be disbursed by the PRDOH for and on account of the SUBRECIPIENT or subcontractor to the respective employees to whom they are due.

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36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

Claims and disputes pertaining to wage rates or to classifications of professional staff or technicians performing work under this MOU shall be promptly reported in writing by the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

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37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

No member of, or delegate to, the Congress of the United States and no Resident Commissioner shall be admitted any share or part of this Agreement or to any benefit to arise therefrom.

40. INTEREST OF SUBRECIPIENT

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

41. POLITICAL ACTIVITY

The SUBRECIPIENT will comply with the provisions of the Hatch Act (5 U.S.C. § 1501 et seq.), which limits the political activity of employees.

42. RELIGIOUS ACTIVITY

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

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43. FLOOD DISASTER PROTECTION ACT OF 1973

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

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44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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

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

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

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

proposal, and implementation of any project that includes real property acquisition or displacement of residential or business occupants.

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EXHIBIT G SPECIAL CONDITIONS

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SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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1. Policies and Procedures:

Within **one hundred and eighty (180) days** after this SRA is executed, the Subrecipient shall develop, update, and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations, including but not limited to:

- a. Record Retention and access to records (2 C.F.R. §§ 200.334-338), record keeping requirements (24 C.F.R. § 570.490), records to be maintained (24 C.F.R. § 570.506) and public access to Program Records (24 C.F.R. § 570.508).
- b. Financial management (2 C.F.R. § 200.302), Internal controls (§200.303), Payments (§200.305), revision of budget and program plans (§ 200.308) and Collection of amounts due (§200.345) policies and procedures in compliance with state and federal requirements in applicable regulation.
- c. Monitoring related policies and procedures in compliance with 2 C.F.R. § 200.329 Monitoring and Reporting Program Performance.
- d. Policies to regulate access and use of systems and protecting Personally Identifiable Information (PII) according to the CDBG-DR PII Policy.
- e. Citizen Complaints procedures in accordance with 24 C.F.R. § 570.431 b(5) of Citizen Participation, 24 C.F.R. § 91.115 and 24 C.F.R. § 570.486.
- f. Procurement policies and procedures in accordance with the PRDOH CDBG-DR Procurement Manual and in compliance with federal regulation.

2. **Staffing and Training Plan:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective).

3. **Organizational Chart:** Within **ten (10) days** after this SRA is executed, Subrecipient shall submit to the PRDOH CDBG-DR Program an updated organizational chart for offices and divisions in the municipality participating in the implementation and management of the CDBG-DR awarded funds, that clearly demonstrate an appropriate segregation of duties in compliance with the Standards for Internal Control in the Federal Government established by the GAO, and in compliance with 2 C.F.R. § 200.303. Furthermore, the organizational chart shall also include the position, title, and employee's name, clearly establishing the segregation of duties, including the finance division.

4. **Financial Workflow:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall provide an internal financial workflow including staff roles and responsibilities.

5. Personally Identifiable Information (PII): Subrecipient shall comply with all requirements to protect PII in compliance with all applicable regulations and the appropriate segregation of duties within their system.

6. Capacity Building, Training and Technical Assistance: Within **sixty (60) days** after this SRA is executed, Subrecipient shall participate in capacity building activities directed to the development and implementation of effective internal controls of federal awards to ensure that the municipality is capable of managing federal awards in compliance with federal statutes and regulation, with special emphasis on those established in 2 C.F.R. Part 200 and 24 C.F.R. §§ 570.501-502. The Subrecipient shall participate in the following training and capacity building seminars as provided by PRDOH:

- a. Financial Management.
- b. Internal controls development and implementation.
- c. Procurement requirements.
- d. Monitoring procedures to ensure the effectiveness of internal controls.
- e. Record Retention and access to records.
- f. Citizen complaints management and reporting.
- g. Grant administration requirements.
- h. Protected Personally Identifiable Information (PII).

In addition to the above, the Subrecipient shall participate in capacity building activities provided by PRDOH which include but are not limited to, topics related to Fair Housing Act, Davis-Bacon Act, Section 3 of the Housing and Urban Development Act and Minority and Women Owned Enterprises, among others.

7. Capacity Development in Procurement

Subrecipient shall participate in procurement requirements capacity development activities before commencing any procurement activity.

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EXHIBIT H

SUBROGATION AND ASSIGNMENT PROVISIONS

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SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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1. General Provisions

- a) The Parties acknowledge that the following provisions of this Exhibit are hereto incorporated by reference and made an integral part of the aforementioned Subrecipient Agreement as **Exhibit H**.
- b) Changes in the provisions of this Exhibit will require an amendment to the Subrecipient Agreement. Such amendment would result in the incorporation by reference of a modified **Exhibit H** to the Subrecipient Agreement.

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing - Social Interest Housing Program.

- a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need prior to awarding assistance.
- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Disaster Program**" and collectively, the "**Disaster Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or

its designated agent, to be a duplication of benefits ("DOB"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds"; any Proceeds that are determined to be a DOB shall be referred to herein as "DOB Proceeds".

- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to sih-cdbg@vivienda.pr.gov. PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.


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3. Cooperation and Further Documentation.

- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing suit to be brought in Subrecipient's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.
- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater

than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.

- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:

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- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
- (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient; and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.

- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

5. Miscellaneous.

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These provisions, and the rights and obligations of the parties shall be governed and construed in accordance with federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action

arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.

- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under Federal and State law and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.


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


PNHS-AMENDMENT A

Final Audit Report

2021-11-02

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By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
Status:	Signed
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