DM:bh
06/21/2012
Item #4

AN ORDINANCE 2012-06-21-0456

ADOPTING THE 38TH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) IN THE TOTAL AMOUNT OF $12,641,892.00; THE 21ST YEAR HOME INVESTMENT PARTNERSHIPS ENTITLEMENT GRANT (HOME) IN THE TOTAL AMOUNT OF $4,522,708.00; THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS ENTITLEMENT GRANT (HOPWA) IN THE TOTAL AMOUNT OF $1,187,881.00; AND THE EMERGENCY SOLUTIONS ENTITLEMENT GRANT (ESG) IN THE TOTAL AMOUNT OF $1,145,362.00 AS EACH GRANT IS CONTAINED IN THE FY 2012-2013 CONSOLIDATED ANNUAL ACTION PLAN BUDGET; AUTHORIZING THE REPROGRAMMING AND REALLOCATION OF $686,009.00 IN CDBG FUNDS, INCLUDED IN THE TOTAL AMOUNT; THE ALLOCATION OF PROGRAM INCOME IN THE AMOUNT OF $396,343.00 IN CDBG FUNDS AND $650,000.00 IN HOME FUNDS, INCLUDED IN THE TOTAL AMOUNT; AUTHORIZING THE SUBMISSION OF THE GRANTS TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD); AND AUTHORIZING A PERSONNEL COMPLEMENT OF 46 POSITIONS.

* * * * *

WHEREAS, the U.S. Department of Housing and Urban Development (HUD), pursuant to the Housing and Community Development Act of 1974, as amended (Public Law 93-383), (i) provides cities with annual grant support to enable the rehabilitation and economic development of their urban communities so as to improve conditions for low and moderate income citizens; (ii) provides cities with annual grant support to enable the rehabilitation and development of affordable housing in their urban communities so as to improve conditions for low and moderate income citizens; (iii) provides cities with annual grant support to enable the rehabilitation, supportive services, and operations of emergency shelters in their urban communities so as to improve conditions for homeless persons and families; and (iv) provides cities with annual grant support to enable the acquisition and/or rehabilitation of facilities, supportive services, and operations in their urban communities so as to improve conditions for persons with HIV/AIDS and their families; and

WHEREAS, the City of San Antonio, through its Community Development Block Grant (CDBG) Program, has administered CDBG grant funds annually beginning with Fiscal Year 1974-1975 (Year 1) and continuing through Fiscal Year 2011-2012 (Year 37); and

WHEREAS, the City of San Antonio, though its HOME Investment Partnerships Entitlement Grant (HOME) Program, has administered HOME grant funds annually beginning with Fiscal Year 1992-1993 (Year 1) and continuing through Fiscal Year 2011-2012 (Year 20); and

WHEREAS, the City of San Antonio, through its Housing Opportunities for Persons With AIDS Entitlement Grant (HOPWA) Program, has administered HOPWA grant funds annually

beginning with Fiscal Year 1995-1996 (Year 1) and continuing through Fiscal Year 2011-2012 (Year 17); and

WHEREAS, the City of San Antonio, through its Emergency Solutions Entitlement Grant (ESG) Program (formerly Emergency Shelter Entitlement Grant Program), has administered ESG grant funds annually beginning with Fiscal Year 1995-1996 (Year 1) and continuing through Fiscal Year 2011-2012 (Year 17); and

WHEREAS, pending completion of all required administrative procedures required for official U.S. Department of Housing and Urban Development (HUD) release of funds, Fiscal Year 2012-2013 CDBG Entitlement funds in the amount of $12,641,892.00, Fiscal Year 2012-2013 HOME Entitlement funds in the amount of $4,522,708.00, Fiscal Year 2012-2013 HOPWA Entitlement funds in the amount of $1,187,881.00, and Fiscal Year 2012-2013 ESG Entitlement funds in the amount of $1,145,362.00 will become available to the City on October 1, 2012; and

WHEREAS, pursuant to the Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Emergency Solutions Entitlement Grant (ESG) funds must be matched locally on a $1:$1 basis from other resources; and

WHEREAS, as required by federal regulation, the Fiscal Year 2012-2013 Consolidated Annual Action Plan Budget was prepared, encompassing grant funds of the 38th Year Community Development Block Grant (CDBG), the 21st Year HOME Investment Partnerships Entitlement Grant (HOME), the 18th Year Housing Opportunities for Persons With AIDS Entitlement Grant (HOPWA), and the 18th Year Emergency Solutions Entitlement Grant (ESG); and

WHEREAS, citizen recommendations regarding the allocation of the aforestated grant funds have heretofore been received at neighborhood and city-wide meetings and at public hearings, notices of which were duly posted; and

WHEREAS, pursuant to applicable HUD regulations designed to ensure adequate citizen input, a public hearing is required in this instance; and

WHEREAS, the City Council also desires to designate the Grants Administrator for the Office of Grants Monitoring and Administration as the Certifying Official concerning the National Environmental Policy Act (NEPA) and other related laws governing HUD's Environmental Review requirement; and

WHEREAS, Community Development Block Grant (CDBG) and HOME Investment Partnerships Entitlement Grant (HOME) funds available in previously-appropriated projects may, pursuant to regulations of the U.S. Department of Housing and Urban Development (HUD), be retained by grantees for reprogramming to provide supplementation to existing projects and/or funding in support of new programs; and

WHEREAS, the City of San Antonio ("City") is a CDBG and HOME fund grantee; and

WHEREAS, in connection with the current CDBG Program, the sum of $686,009.00 in reprogrammed funds and $393,343.00 in program income is currently available in CDBG funds for said reprogramming and allocation; and

WHEREAS, in connection with the HOME Program, the sum of $650,000.00 in program income is currently available in HOME funds for said reprogramming and allocation; and

WHEREAS, pursuant to applicable HUD regulations, statutory requirements, and/or City Council policy designed to ensure adequate citizen input, a public hearing is required prior to any reprogramming of or modification to funds and projects, respectively, and prior to the adoption of activities under the City's Community Development Program; and

WHEREAS, the required notice having been duly published, and said public hearing having been held before City Council on June 21, 2012, it is now the desire of the City, having considered the aforesaid citizen recommendations, to approve the CDBG, HOME, HOPWA, and ESG Budgets as part of the Fiscal Year 2012-2013 Consolidated Annual Action Plan Budget, and to fund the 38th Year CDBG Program, the 21st Year HOME Program, the 18th Year HOPWA Program, and the 18th Year ESG Program on the City's books, and to formally resolve the issues of allocating reprogrammable CDBG funds and allocating the program income of CDBG and HOME funds; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Community Development Block Grant (CDBG) Program Budget, the HOME Investment Partnerships Entitlement Grant (HOME) Program Budget, the Housing Opportunities for Persons With AIDS Entitlement Grant (HOPWA) Program Budget, and the Emergency Solutions Entitlement Grant (ESG) Program Budget, all of the Fiscal Year 2012-2013 Consolidated Annual Action Plan Budget is hereby approved and adopted as set forth therein, copies of which are affixed hereto and incorporated by reference herein as **Attachment I**.

SECTION 2. The Thirty-eighth (38th) Year Community Development Block Grant (CDBG) Program, the Twenty-first (21st)Year HOME Investment Partnerships Entitlement Grant (HOME) Program, the Housing Opportunities for Persons With Aids Entitlement Grant (HOPWA) Program, the Emergency Solutions Entitlement Grant (ESG) Program, and the Emergency Solutions Grant In-Kind Match, beginning October 1, 2012 and terminating September 30, 2013 is hereby authorized.

SECTION 3. Subject to and upon award, Fund Number 28038000 entitled "Community Development Block Grant 38th Year" is hereby designated for use in accounting for the Community Development Block Grant and the total sum of $12,641,892.00 is hereby appropriated in said fund for allocation to projects as set out in the proposed budget affixed hereto and incorporated herein for all purposes as **Attachment I**. A formal final budget including General Ledger numbers and Internal Order numbers will be submitted to the Finance Department upon approval of the above proposed budget.

SECTION 4. Subject to and upon award, Fund Number 25021000 entitled, "HOME Entitlement Block Grant 21st Year" is hereby designated for use in accounting for the HOME Investment Partnerships Entitlement Grant and the total sum of $4,522,708.00 is hereby appropriated in said fund for allocation to projects as set out in the proposed budget affixed hereto and incorporated herein for all purposes as **Attachment I**. A formal final budget including General Ledger numbers and Internal Order numbers will be submitted to the Finance Department upon approval of the above proposed budget.

SECTION 5. All projects in the HOME Investment Partnerships Entitlement Grant Program Funds for the Twentieth (20th) Year with completed scopes of work are hereby closed and unexpended grant monies and program income in said funds are hereby authorized to be retained by the City in the Unallocated Contingency account for future reprogramming action.

SECTION 6. Subject to and upon award, Fund Number 26054000 entitled, "Dept. of Housing and Urban Development" is hereby designated for use in accounting for the Housing Opportunities for Persons With Aids (HOPWA) Entitlement Grant and the total sum of $1,187,881.00 is hereby appropriated in said fund for allocation to projects as set out in the proposed budget affixed hereto and incorporated herein for all purposes as **Attachment I** to fund the ongoing HOPWA Program. A formal final budget including General Ledger numbers and Internal Order numbers will be submitted to the Finance Department upon approval of the above proposed budget.

SECTION 7. Subject to and upon award, Fund Number 26054000 entitled, "Dept. of Housing and Urban Development" is hereby designated for use in the accounting for the Emergency Solutions Entitlement Grant (ESG) and the total sum of $1,145,362.00 is hereby appropriated in said fund for allocation to projects as set out in the proposed budget affixed hereto and incorporated herein for all purposes as **Attachment I** to fund the ongoing ESG Program. Upon award, the City will contribute an in-kind match of $1,145,362.00 which is set out in the proposed budget affixed hereto and incorporated herein for all purposes as **Attachment I**. A formal final budget including General Ledger numbers and Internal Order numbers will be submitted to the Finance Department upon approval of the above proposed budget.

SECTION 8. The Deputy City Managers, all Assistant City Managers, Assistants to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, and the Director of the Department of Human Services are hereby designated and authorized as representatives of the City Manager for the purpose of CDBG, HOME, HOPWA, and ESG program administration and communication with the U.S. Department of Housing and Urban Development (HUD).

SECTION 9. The City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, or the Director of the Department of Human Services, is hereby authorized to submit to HUD those documents set forth herein as **Attachment I**, with certifications, as well as such other information as required by HUD for award of the aforestated entitlement funds.

SECTION 10. Subject to and upon award of the aforesaid grant funds, the City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, or the Director of the Department of Human Services, is hereby authorized to accept same and to execute any and all documents required by HUD in connection therewith.

SECTION 11. The City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, is hereby directed to monitor all CDBG-funded neighborhood revitalization and public service project activities and HOME-funded project activities so as to assure compliance with goals and objectives adopted by City Council; substantial fiscal or programmatic changes thereto shall in all cases be approved by the City Council.

SECTION 12. The City Manager, or in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, is hereby given authority to approve the 21st Year HOME Program Administrative budget for the City's Office of Grants Monitoring and Administration with a total budget not to exceed that set forth pursuant to **Attachment I** affixed hereto.

SECTION 13. The City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, or the Director of the Department of Human Services, is hereby authorized and directed to carry out the administration of the 38th Year CDBG Program, the 21st Year HOME Program, the Fiscal Year 2012-2013 HOPWA Program, and the Fiscal Year 2012-2013 ESG Program. Such administration shall include, but not be limited to, the execution of any and all contracts and other documents necessary in connection with the 38th Year CDBG Program, two form examples of which are affixed hereto and incorporated herein for all purposes as **Attachments II and III**, the 21st Year HOME Program, and the Fiscal Year 2012-2013 HOPWA Program, and the Fiscal Year 2012-2013 ESG Program, an example of which in substantially final form is affixed hereto and incorporated herein for all purposes as **Attachment IV**, and the reaffirmation of any and all assurances required of the City by HUD.

SECTION 14. The Grants Administrator for the Office of Grants Monitoring and Administration is hereby designated as the Certifying Official concerning the National Environmental Policy Act (NEPA) and other related laws governing HUD's Environmental Review requirement.

SECTION 15. The Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration is hereby authorized to execute any and all agreements with sub-grantees and/or City departments for each project delineated in **Attachment I**. Further, the Director of the Department of Planning and Community Development is hereby authorized to execute any and all documents in connection

with all Owner-Occupied Reconstruction, Rental Rehabilitation, and housing revitalization programs. Sub-grantee contracts and interdepartmental agreements are hereby required to contain acceptable detailed performance indicators for each project and the information for such contracts and agreements must be finalized on or before November 1, 2012 in order to facilitate their execution. The Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration and the Director of the Finance Department are hereby authorized and directed to automatically cancel and move the full budget allocation provided to any project, including City Administration project allocations, for which acceptable performance indicators are not provided, or for which information for contract/interdepartmental agreement execution has not been received by the appropriate City department by November 1, 2012, to the CDBG Contingency Account in preparation for timely reprogramming to other eligible activities. Additionally, the Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration is hereby authorized to cancel any project activity set-up in the HUD IDIS system for which no activity is evidenced for a forty-five (45) day period.

SECTION 16. The Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration is hereby authorized to execute any and all agreements with sub-recipients and/or City departments for each project delineated in **Attachment I**. Further, the Director of the Department of Planning and Community Development is hereby authorized to execute any and all loan documents in connection with the Homeownership Incentive Program, Owner-Occupied Housing Rehabilitation, Rental Rehabilitation, and Housing Revitalization projects delineated in **Attachment I**. Sub-recipient contracts and project loan documents are hereby required to contain acceptable detailed performance indicators for each project and the information for such contracts and loan documents must be finalized on or before November 1, 2012 in order to facilitate their execution. The Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration and the Director of the Finance Department are hereby authorized to cancel and move the full budget allocation provided to any project for which acceptable required loan document information or performance indicators are not provided, or for which information for contract/loan document execution has not been received by the appropriate City department by November 1, 2012, to the HOME Contingency Account in preparation for timely reprogramming to other eligible activities. Additionally, the Grants Administrator of the Office of Grants Monitoring and Administration is hereby authorized to cancel any project activity set-up in the HUD IDIS system for which no activity is evidenced for a forty-five (45) day period.

SECTION 17. The Director of the Department of Human Services is hereby authorized to execute any and all agreements with delegate agencies and/or City departments for each project and for the amounts appropriated as delineated in **Attachment I**. Delegate agency contracts are hereby required to contain acceptable detailed performance indicators for each project and the information for such contracts and agreements must be finalized on or before November 1, 2012 in order to facilitate their execution. The Directors of the Human Services and Finance Departments are hereby authorized and directed to automatically cancel and move the full budget allocation provided to any project, including City Department project allocations, for which acceptable performance indicators are not provided, or for which information for

contract/interdepartmental agreement execution has not been received by the appropriate City department by November 1, 2012, to the HOPWA Contingency Account and the ESG Contingency Account in preparation for timely reprogramming to other eligible activities.

SECTION 18. All Community Housing Development Organizations [CHDOs] receiving HOME funds are hereby authorized to establish the HOME Revolving Loan Funds for their HOME-funded housing programs, and loan repayments and interest, designated as proceeds, are hereby authorized to be deposited in said Revolving Loan Fund. Funds designated as proceeds shall be used for HOME eligible projects to benefit low-income families. Recaptured funds from projects no longer meeting HUD affordability requirements may be retained by CHDO for HOME eligible projects, as incorporated in the HOME Policy Guide and as approved by the City or repaid to the City. Additionally, HOME funds for projects that are terminated before completion, either voluntarily or otherwise, shall be repaid to City. CHDOs shall report revenues and expenditures of CHDO proceeds and CHDO recapture funds to be received by the Office of Grants Monitoring and Administration staff on or before the tenth (10th) calendar day of each month. These provisions shall be specified in a written agreement with the CHDO. In compliance with HUD regulations, the Finance Department, upon receipt of the revenue and expenditure reports, is hereby authorized to incorporate the program income in Fund Number 25021000, and to appropriate said amounts to HOME Project entitled "CHDO Revolving Loan Account."

SECTION 19. The Director of the Office of Management & Budget or the Grants Administrator of the Office of Grants Monitoring and Administration is hereby authorized to cancel and reprogram any and all budget allocations provided to any project, in the event any sub-grantee contract, sub-recipient, interdepartmental agreement, and/or delegate agency contract is not executed by January 1, 2013.

SECTION 20. All projects in CDBG Entitlement Program funds for the 38th Year and HOME 21st Year Projects with completed scopes of work are hereby closed and unexpended grant monies and program income in said funds are hereby authorized to be placed in the contingency fund in preparation for future reprogramming in compliance with City policies and HUD regulations and allowing up to ninety (90) days to move into the fund after the contract ceases.

SECTION 21. Transfer of funds, expenditures, and encumbrances necessitated and scheduled pursuant to the aforesaid **Attachment I** is hereby authorized for entry into the budgets as therein described.

SECTION 22. The City's Director of Finance is hereby authorized to effect on the books of the City the cancellations, revisions, and/or reprogramming in support thereof, set forth in **Attachment I**. The City Manager or in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, is hereby authorized to execute any and all contracts and other documents as necessary for (a) implementation of the reductions, revisions, and reprogramming set forth in **Attachment I;** and (b) compliance with HUD regulations and procedures, and to submit all certifications and such other information to and as required by HUD.

SECTION 23. The Grants Administrator of the Office of Grants Monitoring and Administration is hereby designated the Program Manager for the CDBG Program. Further program responsibilities shall be as follows:

(a) The Office of Grants Monitoring and Administration shall administer and monitor all CDBG and HOME Programs and fiscal activities and requests, and the Department of Human Services shall monitor all HOPWA and ESG programs and fiscal activities and requests; shall monitor, where applicable, fair housing compliance and shall administer the handling and resolution of complaints related thereto;

(b) The Human Resources Department shall monitor all projects and sub-agencies as necessary for compliance with all equal employment opportunity rules, regulations, policies, and laws;

(c) The Department of Economic Development shall monitor all projects and sub-agencies as necessary for compliance with local, state, and federal MBE-WBE rules, regulations, policies, and laws;

(d) The Department of Human Services shall monitor, where applicable, fair housing compliance and shall administer the handling and resolution of complaints related thereto;

(e) The Department of Public Works shall monitor flood insurance and floodplain management compliance, shall conduct pre-construction conferences, and shall monitor Davis-Bacon compliance for all CDBG capital improvement projects;

(f) The Office of the City Auditor shall accomplish fiscal and program compliance audits of the sub-grantee agencies in the CDBG, HOME, HOPWA, and ESG programs in compliance with OMB A-133, and in coordination with the City's annual independent audit; and

(g) The City Attorney's Office shall provide legal services including, but not limited to, contract and loan development and review and the preparation of legal opinions to resolve questions of regulatory application associated with the development and administration of HUD programs administered by the City's Office of Grants Monitoring and Administration.

SECTION 24. The proposed personnel complement, which is attached hereto and incorporated herein for all purposes as **Attachment V**, is authorized for carrying out aspects of the approved 38th Year CDBG Program, 21st Year HOME Program, the Fiscal Year 2012-2013 HOPWA Program, and the Fiscal Year 2012-2013 ESG Program.

SECTION 25. The Finance Department is hereby authorized and directed in its payments to other agencies to follow drawdown procedures established by both the City of San Antonio and HUD whereby CDBG funds shall be drawn down prior to other funds in the case of multi-funded

projects where not in conflict with other federal requirements. The Finance Department is further directed to ensure that prior to processing any and all fiscal requests related to Fund 28038000 CDBG accounts and Fund 25021000 HOME accounts, each such request has received prior compliance review and approval by the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, or her designated representative, and that such review and approval is indicated by their signatures or initials affixed to the fiscal request.

SECTION 26. The City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, or the Director of the Department of Human Services, is hereby authorized to approve budget adjustments within project allocations to conform with actual expenditures if line item cost overruns occur or are anticipated.

SECTION 27. The City Manager, or in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, the Grants Administrator of the Office of Grants Monitoring and Administration, or the Director of the Department of Human Services, is hereby authorized to complete all documents required by HUD to officially close projects and program financial records following completion of the contracted scope-of-work.

SECTION 28. Revisions to the Community Development Block Grant (CDBG) projects and the modifications to the budgets and reprogramming in support thereof in the amounts of $250,000.00 available from FY 2011 CDBG Administration, $311,009.00 available from FY 2006-2011 Capital Improvement Program, and $125,000.00 available from FY 2010 Owner-Occupied and Rental Rehabilitation Programs for a total reprogramming amount of $686,009.00 included in the total CDBG budget, are hereby approved in accordance with the budget revision schedule affixed hereto and incorporated by reference herein for all purposes as **Attachment VI**. Said funds are hereby authorized to be reprogrammed to cover existing project shortfalls, modifications, and/or the creation of new CDBG projects in accordance with **Attachment VI** and the allocation and appropriation of funds consistent with **Attachment VI** are hereby authorized.

SECTION 29. An allocation in an amount not to exceed $396,343.00 in CDBG funds program income is hereby approved in accordance with the budget revision schedule affixed hereto and incorporated by reference herein for all purposes as **Attachment I**.

SECTION 30. An allocation in an amount not to exceed $650,000.00 in HOME funds program income is hereby approved in accordance with the budget revision schedule affixed hereto and incorporated by reference herein for all purposes as **Attachment I**.

SECTION 31. The appropriations, reallocations, expenditures, encumbrances, and budget revisions necessitated and scheduled pursuant to aforesaid **Attachment I**, are hereby authorized for entry into the City's accounting system.

SECTION 32. The City Manager, or in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, is hereby authorized to approve budget adjustments within project allocations to conform with actual expenditures if line item costs overruns occur or are anticipated; authorizing the close-out and cancellation of affected projects and the creation of new project and project budget.

SECTION 33. The Director of the City's Finance Department is hereby authorized to effect on the books of the City the cancellations, revisions, and reprogramming in support thereof, set forth in **Attachment VI**. The City Manager, or her designee, the Director of the Office of Management & Budget, or the Grants Administrator of the Office of Grants Monitoring and Administration, is hereby authorized to execute any and all contracts and other documents as necessary for: (a) implementation of the reductions, revisions, and reprogramming set forth in **Attachment VI**; and (b) compliance with the U.S. Department of Housing and Urban Development (HUD) rules, regulations, and procedures, and to submit all certifications and such other information to and as required by HUD.

SECTION 34. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 35. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 21st day of June, 2012.

M A Y O R
Julián Castro

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

for Michael D. Bernard, City Attorney

Request for COUNCIL ACTION

City of San Antonio

Agenda Voting Results - 4

Name:	4
Date:	06/21/2012
Time:	09:52:13 AM
Vote Type:	Motion to Approve
Description:	A Public Hearing and Ordinance adopting the 38th year Community Development Block Grant (CDBG) in the total amount of $12,641,892.00; the 21st year HOME Investment Partnerships Program Entitlement Grant (HOME) in the total amount of $4,522,708.00; the Housing Opportunities for Persons with AIDS Entitlement Grant (HOPWA) in the total amount of $1,187,881.00; and the Emergency Solutions Grant (ESG) in the total amount of $1,145,362.00 as each grant is contained in the FY 2012-2013 Consolidated Annual Action Plan/Budget and authorizing the submission of the grants to the U.S. Department of Housing and Urban Development (HUD). [Peter Zanoni, Assistant City Manager; Maria Villagomez, Director, Office of Management and Budget]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x			x	
Ivy R. Taylor	District 2		x				x
Leticia Ozuna	District 3	x					
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

ATTACHMENT I

FY 2013 COMMUNITY DEVELOPMENT BLOCK GRANT		FY 2013 RECOMMENDED BUDGET
REVENUES		
FY 2013 CDBG Entitlement	$	11,559,540
Projected Program Income		396,343
Reprogramming Funds		686,009
Total Revenue Sources	**$**	**12,641,892**
EXPENSES		
HUD 108 LOAN REPAYMENT	**$**	**4,741,041**
PUBLIC SERVICE ACTIVITIES		
Youth Programs	$	681,056
Programs for Disabled		223,752
Food Programs		331,671
Shelter Programs		50,063
COSA - Parks and Recreation - Summer Youth Program at Community Centers		199,782
COSA - Parks and Recreation - Summer Outdoor Pools		76,557
COSA - Parks and Recreation - Community Center Summer Extended Hours		72,640
COSA - Code Enforcement Services		157,861
Total Public Service	**$**	**1,793,382**
FACILITY IMPROVEMENTS		
Ella Austin Community Center Facility Improvements		500,000
Total Facility Improvements	**$**	**500,000**
HOUSING ACTIVITIES		
Planning and Community Development Program Delivery (Housing Rehabilitation)	$	907,236
Lead Based Paint Hazard Control Program		510,000
Total Housing Activities	**$**	**1,417,236**
NEIGHBORHOOD REVITALIZATION/ECONOMIC DEVELOPMENT		
Operation Facelift Façade Improvement Program		125,000
Railroad Quite Zone in CD 1		257,192
Acquisition, rehabilitation and/or construction of education facilities related to sales tax venue for education initiatives		2,000,000
Total Neighborhood Revitalization/Economic Development	**$**	**2,382,192**
ADMINISTRATION AND PLANNING		
Office of Grants Monitoring and Administration	$	1,088,793
City Attorney's Office		201,401
Planning and Community Development		314,916
Human Services		202,931
Total Administration and Planning	**$**	**1,808,041**
Total FY 2013 CDBG Budget	**$**	**12,641,892**

Prepared by Grants Monitoring and Administration
June 13, 2012

ATTACHMENT I

FY 2013 HOME INVESTMENT PARTNERSHIP PROGRAM		FY 2013 RECOMMENDED BUDGET
REVENUES		
FY 2013 HOME Entitlement	$	3,872,708
Projected Program Income		650,000
Total Revenue Sources	**$**	**4,522,708**
EXPENSES		
HOUSING ACTIVITIES		
Multi-Family New Construction Set-Aside for Projects that Qualify for State Housing Tax Credits	$	1,484,307
San Antonio Housing Authority - San Juan Phase III		1,351,130
Habitat for Humanity of San Antonio - San Antonio Infill Housing		1,300,000
Total Housing Activities	**$**	**4,135,437**
ADMINISTRATION		
Monitoring Oversight and Administration	$	387,271
Total Administration Allocation	**$**	**387,271**
Total FY 2013 HOME Budget	**$**	**4,522,708**

Prepared by Grants Monitoring and Administration
June 13, 2012

ATTACHMENT I

FY 2013 EMERGENCY SOLUTIONS GRANT (ESG)		FY 2013 RECOMMENDED BUDGET
REVENUES		
FY 2013 ESG Entitlement	$	1,145,362
Total Revenue Sources	**$**	**1,145,362**
EXPENSES		
PROGRAMS		
Homeless Program - Rapid Rehousing	$	383,558
Homeless Program - Prevention		400,902
Emergency Shelter		200,000
Outreach		75,000
Total Program Allocation	**$**	**1,059,460**
ADMINISTRATION		
Department of Human Services Administration	$	85,902
Total Administration Allocation	**$**	**85,902**
Total FY 2013 ESG Budget	**$**	**1,145,362**

Prepared by Grants Monitoring and Administration
June 13, 2012

ATTACHMENT I

FY 2013 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)		FY 2013 RECOMMENDED BUDGET
REVENUES		
FY 2013 HOPWA Entitlement	$	1,187,881
Total Revenue Sources	**$**	**1,187,881**
EXPENSES		
PROGRAMS		
Housing Assistance and Supportive Services	$	1,152,245
Total Program Allocation	**$**	**1,152,245**
ADMINISTRATION		
Department of Human Services Administration	$	35,636
Total Administration Allocation	**$**	**35,636**
Total FY 2013 HOPWA Budget	**$**	**1,187,881**

Prepared by Grants Monitoring and Administration
June 13, 2012

ATTACHMENT II

INTERDEPARTMENTAL AGREEMENT

PROJECT NAME:

PROJECT NO.:

CFDA 14.218

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This Interdepartmental Agreement ("AGREEMENT") is hereby made and entered into by and between the Office of Grants Monitoring and Administration (hereinafter referred to as "GMA") of the City of San Antonio (hereinafter referred to as "CITY") and CITY's Department (hereinafter referred to as "DEPARTMENT").

WHEREAS, CITY has received certain funds from the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, as amended (hereinafter referred to as "Community Development Act") for utilization in connection with its Community Development Block Grant (CDBG) Program; and

WHEREAS, the City Council has adopted a budget for such funds and has included therein, pursuant to Ordinance No. , dated , the allocation of and /100 Dollars ($) for a project entitled, " " (hereinafter referred to as "Project"); and

WHEREAS, the City Council has designated the Office of Grants Monitoring and Administration as the CITY's representative responsible for the administration and monitoring of the Project and all matters pertaining thereto; and

WHEREAS, GMA wishes to engage DEPARTMENT to implement and manage said Project; and

WHEREAS, in consideration for the tasks to be performed by DEPARTMENT hereunder, such allocated funds shall be available for use by DEPARTMENT, as herein authorized; **NOW THEREFORE**:

The parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

1.1 Except as otherwise provided for pursuant to the provisions hereof, this AGREEMENT shall commence immediately upon its execution and shall terminate on the earlier of (a) , or (b) Project completion.

II. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS

2.1 DEPARTMENT understands that funds provided to it pursuant to this AGREEMENT are funds which have been made available to CITY by the federal government under the Community Development Act and in accordance with CITY's HUD-approved Grant Application and with other specific assurances made and executed by CITY. DEPARTMENT, therefore, assures and certifies that it will comply with the requirements of the Community Development Act, with all regulations promulgated thereunder as codified at Title 24 of the Code of Federal Regulations, and with any and all applicable amendments or revisions to said Community Development Act or regulations.

2.2 DEPARTMENT understands that summaries of certain compliance requirements mandated by applicable laws or regulations are contained in CITY's Federal Compliance Manual, CDBG and HOME Housing Program Policies, and that DEPARTMENT must at all times remain in compliance therewith. DEPARTMENT further understands that said summaries are intended only as such and in no way are meant to constitute a complete compilation of all duties imposed upon DEPARTMENT by law or administrative ruling, or to narrow the standards which DEPARTMENT must follow.

2.3 DEPARTMENT assures that all contractors and subcontractors receiving funds in connection with this Project are familiar with, and shall comply with, any and all applicable rules and regulations as contained in CITY's Federal Compliance Manual and that a copy of said Federal Compliance Manual will be included as part of every contract awarded in connection with this Project.

2.4 DEPARTMENT shall observe and comply with all city, state and federal laws, regulations, ordinances, and codes affecting DEPARTMENT's operations pursuant to the AGREEMENT.

III. MAINTENANCE OF EFFORT

3.1 DEPARTMENT agrees that the funds and resources provided to it under the terms of this AGREEMENT shall in no way be substituted for funds and resources provided from other sources, nor shall such funds and resources in any way serve to reduce the funds, resources, services, or other benefits which would have been available to, or provided through, DEPARTMENT had this AGREEMENT not been executed.

IV. PERFORMANCE

4.1 DEPARTMENT shall manage, implement, perform, provide, and carry out in a timely manner all of the tasks, activities, and services set forth in the Work Program (Exhibit "A") attached hereto and incorporated herein for all purposes, utilizing funds only in the manner allocated in the Project Budget (Exhibit "B") also attached hereto and incorporated herein for all purposes.

4.2 Modifications or alterations to the Work Program or the Project Budget may be made only pursuant to the prior written approval of GMA.

4.3 Funds are provided for the accomplishment of this Project and its specific work tasks only, as approved by the City Council. Accordingly, when all approved work tasks are completed, DEPARTMENT shall forward to GMA a Project completion statement in conjunction with the final invoice.

V. FISCAL

5.1 Inasmuch as the City Council has designated to GMA the responsibility for fiscal oversight, control and monitoring of CDBG project funds, DEPARTMENT shall submit to GMA, for written approval prior to final processing, all Project matters fiscal in nature including, but not limited to, requests for payment, purchase orders, requisitions, budget adjustments and invoices. DEPARTMENT agrees and understands that funds are awarded only for the current fiscal year. DEPARTMENT is solely responsible for submitting any and all invoices incurred through September of the current fiscal year by no later than October 15th of the next fiscal year.

VI. PROGRAM INCOME

6.1 For purposes of this AGREEMENT, "program income" shall mean earnings of DEPARTMENT realized from activities resulting from this AGREEMENT or from DEPARTMENT's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of DEPARTMENT provided as a result of this AGREEMENT, and payments from clients or third parties for services rendered by DEPARTMENT pursuant to this AGREEMENT.

6.2 On a monthly basis, DEPARTMENT shall report and return to CITY all program income received or accrued during the preceding month. Alternative arrangements to this requirement may be made only upon written request to and written approval by CITY.

6.3 Records of the receipt and disposition of program income shall be maintained by DEPARTMENT in the same manner as required from other AGREEMENT funds and shall be submitted to CITY in the format prescribed by CITY.

6.4 DEPARTMENT shall include this Article, in its entirety, in all of its subcontracts involving income-producing services or activities.

6.5 It shall be DEPARTMENT's responsibility to obtain from CITY a prior determination as to whether or not income arising directly or indirectly from this AGREEMENT, or from the performance thereof, constitutes program income, and unless otherwise approved in writing by CITY, DEPARTMENT shall be responsible to CITY for the repayment of any and all amounts determined by CITY to be program income.

VII. MAINTENANCE AND ACCESSIBILITY OF RECORDS

7.1 DEPARTMENT agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of any funds received pursuant to this AGREEMENT. DEPARTMENT further agrees:

(A) That maintenance of said records shall be in compliance with all terms, provisions and requirements of this AGREEMENT and with all applicable federal and state regulations establishing standards for financial management; and

(B) That DEPARTMENT's record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure.

7.2 As often, at such times, and in such form as GMA may require, DEPARTMENT shall, upon GMA's verbal or written request, make available and furnish to GMA any and all statements, reports, data, and information deemed by GMA to pertain to matters covered by this AGREEMENT.

VIII. PERFORMANCE REPORTS

8.1 At minimum, DEPARTMENT shall submit project performance reports to GMA in accordance with the following schedule:

Fiscal Quarter	Report Due
First (October-December)	January
Second (January-March)	April
Third (April-June)	July
Fourth (July-September)	October

8.2 Project performance reports shall be submitted to GMA by DEPARTMENT no later than ten (10) working days following the end of each required reporting period.

IX. CHANGES AND AMENDMENTS

9.1 Alterations, additions or deletions to the terms of this AGREEMENT shall be by written amendment executed by both GMA and DEPARTMENT.

X. SPECIAL CONDITIONS

10.1 DEPARTMENT acknowledges, understands, and agrees to comply with the following federal regulations as promulgated in Section 3 clause of the Housing and Urban Development Act of 1968, as amended, and as attached hereto and incorporated herein as , if applicable:

(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. 170(1)(u) (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 135, 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 135 regulations.

(C) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor'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 contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, 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 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(E) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 135.

(F) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this AGREEMENT for default, and debarment or suspension from further HUD-assisted contracts.

(G) 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 (25 U.S.C.C. 450e) 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 provision 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).

10.2

EXECUTED this _____ day of _____ _____, 2012

OFFICE OF GRANTS MONITORING
AND ADMINISTRATION

By: _____ By: _____

APPROVED AS TO FORM:

By: _____

Assistant City Attorney

EXHIBITS:
Exhibit "A" – Work Program
Exhibit "B" – Project Budget

ATTACHMENT III

CONTRACT

PROJECT NAME:

PROJECT NO.:

CFDA 14.253

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This CONTRACT is hereby made and entered into by and between the CITY OF SAN ANTONIO (hereinafter referred to as "CITY"), a Texas municipal corporation, acting by and through its Grants Administrator of the Office of Grants Monitoring and Administration pursuant to Ordinance No. dated , and (hereinafter referred to as "SUB-GRANTEE"), a Texas non-profit organization, acting by and through its duly authorized .

WHEREAS, CITY has received certain funds from the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, as amended (hereinafter referred to as "the Community Development Act") for utilization in connection with its Community Development Block Grant (CDBG) Program; and

WHEREAS, the City Council has adopted a budget for such funds and has included therein the expenditure of funds for the project entitled " " (hereinafter referred to as "Project"); and

WHEREAS, the City Council has designated the Office of Grants Monitoring and Administration as the CITY's representative responsible for the administration and monitoring of the Project and all matters pertaining thereto; and

WHEREAS, CITY wishes to engage SUB-GRANTEE to implement and manage said Project; **NOW THEREFORE:**

The parties hereto severally and collectively agree, and by the execution hereof are bound to the mutual obligations herein contained, and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

1.1 Except as otherwise provided for pursuant to the provisions hereof, this CONTRACT shall commence immediately upon its execution and shall terminate on the earlier of (a) , or (b) Project completion.

II. RESPONSIBILITIES

2.1 SUB-GRANTEE hereby accepts responsibility for the performance, in a satisfactory and efficient manner as solely determined by CITY, of all services and activities set forth in this CONTRACT.

2.2 Unless written notification by SUB-GRANTEE to the contrary is received and approved by CITY, SUB-GRANTEE's shall be SUB-GRANTEE's designated representative responsible for the management of all contractual matters pertaining to this CONTRACT.

2.3 City's Office of Grants Monitoring and Administration's Grants Administrator or her designate shall be CITY's representative responsible for the administration of this CONTRACT.

2.4 Communications between CITY and SUB-GRANTEE shall be directed to the designated representatives of each as set forth in paragraphs numbered 2.2 and 2.3 hereinabove.

III. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

3.1 SUB-GRANTEE understands that funds provided to it pursuant to this CONTRACT are funds which have been made available to CITY by the federal government under the Community Development Act and in accordance with CITY's HUD-approved Grant Application and with other specific assurances made and executed by CITY. SUB-GRANTEE, therefore, assures and certifies that it will comply with the requirements of the Community Development Act and with all regulations promulgated thereunder as codified as Title 24 of the Code of Federal Regulations. SUB-GRANTEE understands, however, that the Community Development Act in no way is meant to constitute a complete compilation of all duties imposed upon SUB-GRANTEE by law or administrative ruling, or to narrow the standards which SUB-GRANTEE must follow. Accordingly, SUB-GRANTEE understands that if the regulations and issuances promulgated pursuant to the Community Development Act are amended or revised, it shall comply with them or otherwise immediately notify CITY pursuant to the provisions of Article XLV of this CONTRACT.

3.2 SUB-GRANTEE understands that summaries of certain compliance requirements mandated by applicable laws or regulations are contained in CITY's Federal Compliance Manual, and any amendments thereof, a copy of which is attached hereto and incorporated herein for all purposes as Attachment "III B", and that SUB-GRANTEE must at all times remain in compliance therewith. SUB-GRANTEE further understands that said summaries are intended only as such and in no way are meant to constitute a complete compilation of all duties imposed upon SUB-GRANTEE by law or administrative ruling, or to narrow the standards which SUB-GRANTEE must follow.

3.3 SUB-GRANTEE assures that all contractors and subcontractors receiving funds in connection with this Project are familiar with, and shall comply with, any and all applicable rules and regulations as contained in CITY's Federal Compliance Manual and that a copy of said Federal Compliance Manual will be included as part of every contract awarded in connection with this Project.

3.4 SUB-GRANTEE shall observe and comply with all city, state and federal laws, regulations, ordinances, and codes affecting SUB-GRANTEE's operations pursuant to this CONTRACT.

IV. LEGAL AUTHORITY

4.1 SUB-GRANTEE represents, warrants, assures, and guarantees that it possesses the legal authority, pursuant to any proper, appropriate, and official motion, resolution, or action passed or taken, to enter into this CONTRACT and to perform the responsibilities herein required.

4.2 The signer of this CONTRACT for SUB-GRANTEE represents, warrants, assures, and guarantees that he or she has full legal authority to execute this CONTRACT on behalf of SUB-GRANTEE and to bind SUB-GRANTEE to all terms, performances, and provisions herein contained.

4.3 In the event that a dispute arises as to the legal authority to enter into this CONTRACT of either the SUB-GRANTEE or the person signing on behalf of SUB-GRANTEE, CITY shall have the right, at its option, to either temporarily suspend, or permanently terminate this CONTRACT. Should CITY suspend or permanently terminate this CONTRACT pursuant to this paragraph, however, SUB-GRANTEE shall be liable to CITY for any money it has received from CITY for performance of any of the provisions hereof.

V. MAINTENANCE OF EFFORT

5.1 SUB-GRANTEE agrees that the funds and resources provided to it under the terms of this CONTRACT shall in no way be substituted for funds and resources provided from other sources, nor shall such funds and resources in any way serve to reduce the funds, resources, services, or other benefits which would have been available to, or provided through, SUB-GRANTEE had this CONTRACT not been executed.

VI. PERFORMANCE BY SUB-GRANTEE

6.1 SUB-GRANTEE, in accordance and compliance with the terms, provisions and requirements of this CONTRACT, shall manage, perform and provide all of the activities and services set forth in the Work Statement attached hereto, and incorporated herein for all purposes as Attachment "I," to CITY's satisfaction, utilizing only those funds remitted to SUB-GRANTEE by CITY under the terms of this CONTRACT. The funds available for utilization hereunder shall be as described in Attachment "II" also attached hereto, and incorporated herein for all purposes.

6.2 Modifications or alterations to Attachment "I" may be made only pursuant to the prior written approval of CITY's Office of Grants Monitoring and Administration's Grants Administrator or her designate.

VII. REIMBURSEMENT BY CITY

7.1 In consideration of SUB-GRANTEE's performance, in a satisfactory and efficient manner as determined by CITY, of all services and activities set forth in this CONTRACT, CITY agrees to reimburse SUB-GRANTEE for all eligible expenses incurred hereunder. Such reimbursement, however, shall be in accordance with the Project Budget set forth in Attachment "II" and shall be subject to any and all limitations and provisions set forth in this Article and in Article IX hereunder.

7.2 Notwithstanding any other provision of this CONTRACT, the total of all payments and other obligations made or incurred by CITY hereunder shall not exceed the sum of and /100 Dollars ($).

7.3 It is expressly understood and agreed by CITY and SUB-GRANTEE that CITY's obligations under this Article are contingent upon the actual receipt of adequate CDBG funds to meet CITY's liabilities hereunder. Should CITY not receive funds to make payments pursuant to this CONTRACT or should fund awards be reduced, CITY shall notify SUB-GRANTEE in writing within a reasonable time after such fact has been determined and may, at its option, either terminate this CONTRACT or reduce the amount of its liability accordingly.

7.4 It is expressly understood by CITY and SUB-GRANTEE that this CONTRACT in no way obligates CITY's general fund monies or any other monies or credits of CITY.

7.5 CITY shall not be liable for any SUB-GRANTEE cost, or portion thereof, which:

(A) Has been paid, reimbursed or is subject to payment or reimbursement from another source;

(B) Was incurred prior to the commencement date or subsequent to the termination date of this CONTRACT as specified in Article I hereinabove;

(C) Is not in strict accordance with the terms of this CONTRACT, including all Attachments attached hereto;

(D) Has not been billed to CITY within thirty (30) calendar days following billing to SUB-GRANTEE, or termination of this CONTRACT, whichever is earlier; or

(E) Is not an allowable cost as defined by Article X of this CONTRACT or by the Project Budget (Attachment "II").

7.6 CITY shall not be liable for any SUB-GRANTEE cost, or portion thereof, which is or was incurred in connection with an activity of SUB-GRANTEE where:

(A) Prior written authorization from CITY is required for the activity and such authorization was not first procured; or

(B) CITY has requested that SUB-GRANTEE furnish data concerning an activity prior to proceeding further therewith and SUB-GRANTEE nonetheless proceeds without first submitting the data and receiving CITY approval thereof.

7.7 CITY shall not be obligated or liable under this CONTRACT to any party, other than SUB-GRANTEE, for payment of any monies or provision of any goods or services.

VIII. RECEIPT, DISBURSEMENT AND ACCOUNT OF FUNDS BY SUB-GRANTEE

8.1 SUB-GRANTEE understands and agrees that it shall maintain a separate numbered account for the receipt and disbursement of all funds received pursuant to this CONTRACT and of any program income resulting therefrom, if applicable. SUB-GRANTEE further agrees that:

(A) Such account shall contain only those funds received pursuant to this CONTRACT and that no other funds shall be mingled therewith, except funds deemed to be program income as defined in Article X hereunder;

(B) All checks and withdrawals from such account shall have itemized documentation in support thereof;

(C) Such account shall be maintained, under conditions approved by CITY, in a financial institution having federal deposit insurance coverage, with any account balance exceeding the federal deposit insurance coverage likewise collaterally secured; and

(D) Upon SUB-GRANTEE's written request and solely within the discretion of CITY, an alternative accounting mechanism may be permitted, provided such alternative adheres at all times to generally accepted accounting principles.

8.2 Regarding method of payment, CITY and SUB-GRANTEE agree as follows:

(A) SUB-GRANTEE shall deliver a Billing Package, a copy of which is attached hereto and incorporated herein for all purposes as Attachment "VI," to CITY's Office of Grants Monitoring and Administration, in accordance with one of the following schedules as determined and agreed upon by both parties at the time of execution of this CONTRACT:

1. Monthly billing, with the prior month's Billing Package received by CITY's Office of Grants Monitoring and Administration by no later than the fifth (5th) day of each month;

2. Semi-monthly billing, with the prior month's Billing Packages received by CITY's Office of Grants Monitoring and Administration by no later than the fifth (5th) and twentieth (20th) day of each month, respectively; or

3. Weekly billing, with the prior week's Billing Package received by CITY's Office of Grants Monitoring and Administration by no later than Wednesday of each week.

(B) SUB-GRANTEE shall submit to CITY such other reports as may be required by CITY to document CITY liabilities under this CONTRACT.

(C) Upon receipt of and approval by CITY of each of SUB-GRANTEE's Billing Packages, CITY shall pay to SUB-GRANTEE an amount equal to CITY's liabilities not previously billed to and subsequently paid by CITY, subject to deduction for any costs questioned or not allowable. Delinquent or unacceptable billing of CITY by SUB-GRANTEE, however, shall justify delay of payment by CITY.

(D) SUB-GRANTEE's financial management system shall provide for an adequate procedure to minimize the time elapsed between CITY's payment to SUB-GRANTEE and SUB-GRANTEE's disbursement of funds.

8.3 Within ten (10) working days of CITY's written request therefor, SUB-GRANTEE shall refund to CITY any sum of money paid by CITY to SUB-GRANTEE later determined to:

(A) Have resulted in overpayment to SUB-GRANTEE;

(B) Have not been spent by SUB-GRANTEE strictly in accordance with the terms of this CONTRACT; and/or

(C) Not be supported by adequate documentation to fully justify the expenditure.

8.4 Upon termination of this CONTRACT, should any expense or charge for which payment has been made be subsequently disallowed or disapproved as a result of any auditing or monitoring by CITY, HUD, or any other federal agency, SUB-GRANTEE shall refund such amount to CITY within ten (10) working days of CITY's written request therefor wherein the amount disallowed or disapproved shall be specified. Refunds of disallowed or disapproved costs, however, shall not be made from funds received pursuant to this CONTRACT or from funds received from or through the federal government or CITY.

8.5 In the event that the actual amount expended by SUB-GRANTEE to meet the level of performance specified in Attachment "I," or any amendment thereto, is less than that amount

provided to SUB-GRANTEE pursuant to this CONTRACT, then CITY reserves the right to reappropriate or recapture any such underexpended funds.

8.6 Utilizing the format provided by CITY, a "Contract Close-Out Package," together with a final expenditure report, for the period commencing on the date of SUB-GRANTEE's last invoice requesting reimbursement of funds pursuant to this CONTRACT, shall be submitted by SUB-GRANTEE to CITY within fifteen (15) working days following the expiration of the term of this CONTRACT.

8.7 Upon termination of this CONTRACT, all unclaimed (30 days or older) salaries or wages must be returned to CITY in the following format:

(A) A cashier's check for the net aggregate amount payable to the "City of San Antonio"; and

(B) A listing showing each person's social security number, full name, last known completed address, and amount owing.

IX. ALLOWABLE COSTS

9.1 Costs shall be considered allowable only if approved in writing and incurred directly and specifically in the performance of and in compliance with this CONTRACT and with all city, state and federal laws, regulations and ordinances affecting SUB-GRANTEE's operations hereunder.

9.2 Approval of SUB-GRANTEE's budget as set forth in Attachment "II", however, shall not constitute prior written approval of the items included therein. For example, CITY's prior written authorization shall be required in order for the following to be considered allowable costs:

(A) Encumbrance or expenditure during any one month period falling within the term of this CONTRACT which exceeds one-twelfth (1/12) of any budgeted line items for personnel costs as specified in Attachment "II";

(B) CITY shall not be obligated to any third party sub-contracts of SUB-GRANTEE, nor shall CITY funds be used to pay for contract services extending beyond the expiration of this CONTRACT;

(C) Out of town travel;

(D) Costs or fees associated with the alteration or relocation of the facilities on and in which the activities specified in Attachment "I" are conducted;

(E) Costs or fees associated with alterations, deletions or additions to the Personnel Schedule incorporated within Attachment "II";

(F) Costs or fees for temporary employees or services;

(G) Costs or fees for consultant and/or professional services; and

(H) Costs or fees associated with attendance at meetings, seminars, or conferences.

9.3 Written requests for prior approval shall be SUB-GRANTEE's responsibility and shall be made within sufficient time to permit a thorough review by CITY. Written approval by CITY must be obtained prior to the commencement of procedures to solicit or purchase services, equipment, or real or personal property. Procurements and/or purchases which must be approved pursuant to the terms of this CONTRACT shall be conducted entirely in accordance with all applicable terms, provisions and requirements hereof.

X. PROGRAM INCOME

10.1 For purposes of this CONTRACT, "program income" shall mean earnings of SUB-GRANTEE realized from activities resulting from this CONTRACT or from SUB-GRANTEE's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of SUB-GRANTEE, provided as a result of this CONTRACT, and payments from clients or third parties for services rendered by SUB-GRANTEE pursuant to this CONTRACT.

10.2 On a monthly basis, SUB-GRANTEE shall report and return to CITY all program income received or accrued during the preceding month. Alternative arrangements to this requirement may be made only upon written request to and written approval by CITY.

10.3 Records of the receipt and disposition of program income shall be maintained by SUB-GRANTEE in the same manner as required from other CONTRACT funds and shall be submitted to CITY in the format prescribed by CITY.

10.4 SUB-GRANTEE shall include this Article, in its entirety, in all of its subcontracts involving income-producing services or activities.

10.5 It shall be SUB-GRANTEE's responsibility to obtain from CITY a prior determination as to whether or not income arising directly or indirectly from this CONTRACT, or from the performance thereof, constitutes program income, and unless otherwise approved in writing by CITY, SUB-GRANTEE shall be responsible to CITY for the repayment of any and all amounts determined by CITY to be program income.

XI. OWNERSHIP OF PROPERTY

11.1 All equipment and/or non-recurring items necessary in connection with this Project shall be purchased or leased by CITY's Purchasing Department through CITY's Grants Monitoring and Administration Department. Furthermore, during the last four (4) months of this CONTRACT, purchases or leasing of expendable items, such as, but not limited to, office

supplies, shall be made only upon the procurement of CITY's written consent where the cumulative cost for such items over said four-month period totals or exceeds the sum of $200.00.

11.2 Ownership title to all capital acquisitions, supplies, materials or other property purchased with funds received pursuant to this CONTRACT and in accordance with the provisions hereof shall be vested in CITY, and possession thereof, upon termination of this CONTRACT, shall revert to CITY unless otherwise provided for by CITY in writing.

11.3 Upon delivery to SUB-GRANTEE of non-expendable property, written notification thereof shall be provided by SUB-GRANTEE to CITY within five (5) calendar days of the property's delivery so as to enable CITY to effect property identification and recording for inventory purposes. Regarding the property, SUB-GRANTEE shall at all times maintain adequate records thereon and control thereof; SUB-GRANTEE shall further perform annual physical inventories of the property in accordance with Attachment "VI" attached hereto and incorporated herein for all purposes.

11.4 SUB-GRANTEE shall be fully and solely responsible for safeguarding and maintaining all property referred to in this Article. Furthermore, SUB-GRANTEE shall be fully and solely responsible for reporting any and all lost, stolen, missing, damaged or destroyed property referred to in this Article. Inasmuch as funds provided to SUB-GRANTEE pursuant to this CONTRACT are funds which have been made available to CITY by the federal government, all such lost, stolen, missing, damaged or destroyed property shall be reported by SUB-GRANTEE to the local Police Department. SUB-GRANTEE shall make such reports immediately and shall deliver a copy of the official written police report to CITY's Office of Grants Monitoring and Administration office immediately. Prior to such delivery, SUB-GRANTEE shall ascertain that said report includes, at a minimum, the following:

(A) An accurate and reasonably complete description of such property; and

(B) An accurate and reasonably complete description of the circumstances surrounding the loss, theft, damage or destruction of such property.

In the event a copy of the official written police report has not been made available to SUB-GRANTEE, a summary of said report shall be provided and delivered by SUB-GRANTEE to CITY's Grants Monitoring and Administration, including therein the date the report was made to the local Police Department and the name and badge number of the police officer who wrote such police report.

XII. FURTHER REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 SUB-GRANTEE further represents and warrants that:

(A) All information, data or reports heretofore or hereafter provided to CITY are, shall be and shall remain complete and accurate as of the date shown on the information, data or report, and that since said date shown, shall not have undergone any significant change without written notice to CITY;

(B) Any supporting financial statements heretofore or hereafter provided to CITY are, shall be and shall remain complete, accurate and reflective of the financial condition of SUB-GRANTEE on the date shown on said statements and during the period covered thereby, and that since said date shown, except as provided by written notice to CITY, there has been no material change, adverse or otherwise, in the financial condition of SUB-GRANTEE;

(C) No litigation or proceedings are presently pending or threatened against SUB-GRANTEE, and that SUB-GRANTEE has no information, or cause to believe, that litigation or proceedings, whether judicial or administrative, against SUB-GRANTEE is imminent;

(D) None of the provisions contained herein contravene or in any way conflict with the authority under which SUB-GRANTEE is doing business or with the provisions of any existing indenture or agreement of SUB-GRANTEE;

(E) SUB-GRANTEE has the legal authority to enter into this CONTRACT and accept payments hereunder, and has taken all necessary measures to authorize such execution of CONTRACT and acceptance of payments pursuant to the terms and conditions hereof; and

(F) None of the assets of SUB-GRANTEE are, both currently and for the duration of this CONTRACT, subject to any lien or encumbrance of any character, except for current taxes not delinquent and except as shown in the financial statements provided by SUB-GRANTEE to CITY.

12.2 During the period of time that payment may be made hereunder and so long as any payments remain unliquidated, SUB-GRANTEE covenants that it shall not, without the prior written consent of CITY's Office of Grants Monitoring and Administration's Grants Administrator or her designate:

(A) Mortgage, pledge, or otherwise encumber or cause to be encumbered any of the assets of SUB-GRANTEE now owned or hereafter acquired by it;

(B) Permit any pre-existing mortgages, liens, or other encumbrances to remain on or attached to any of the assets of SUB-GRANTEE which are allocated to the performance of this CONTRACT and with respect to which CITY has ownership hereunder;

(C) Sell, assign, pledge, transfer or otherwise dispose of accounts receivable, notes or claims for money due or to become due;

(D) Sell, convey, or lease all or any substantial part of its assets; or

(E) Make any advance or loan to, or incur any liability as guarantor, surety or accommodation endorser for any other firm, person, entity, or corporation.

12.3 Each of the foregoing representations, warranties, and covenants shall be continuing and deemed repeated each time SUB-GRANTEE submits a new request for payment in accordance with the terms, provisions and requirements of this CONTRACT.

XIII. MAINTENANCE OF RECORDS

13.1 SUB-GRANTEE agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of any funds received pursuant to this CONTRACT. SUB-GRANTEE further agrees:

(A) That maintenance of said records shall be in compliance with all terms, provisions and requirements of this CONTRACT and with all applicable federal and state regulations establishing standards for financial management; and

(B) That SUB-GRANTEE's record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure.

13.2 SUB-GRANTEE agrees to retain, for the period of time and under the conditions specified by CITY, all books, records, documents, reports, and written accounting policies and procedures pertaining to the operation of programs and expenditures of funds under this CONTRACT.

13.3 SUB-GRANTEE agrees to include the substance of this Article in all of its sub-contracts.

13.4 Nothing in this Article shall be construed to relieve SUB-GRANTEE of:

(A) Responsibility for retaining accurate and current records which clearly reflect the level and benefit of services provided under this CONTRACT; and

(B) Fiscal accountability and liability pursuant to this CONTRACT and any applicable rules, regulations and laws.

XIV. ACCESSIBILITY OF RECORDS

14.1 At any reasonable time and as often as CITY may deem necessary, SUB-GRANTEE shall make all of its records available to CITY, HUD, or any of their authorized representatives, and shall permit CITY, HUD, or any of their authorized representatives to audit, examine, and make excerpts and/or copies of same. SUB-GRANTEE's records shall include, but shall not be limited to, the following: payroll, personnel and employment records, contracts, and invoices.

XV. PERFORMANCE RECORDS AND REPORTS

15.1 As often and in such form as CITY may require, SUB-GRANTEE shall furnish CITY such performance records and reports as deemed by CITY as pertinent to matters covered by this CONTRACT.

15.2 At minimum, monthly performance records and reports shall be submitted to CITY by SUB-GRANTEE no later than the tenth day of the following month. Records and reports shall be in accordance with the formats set forth in Attachment "V" attached hereto and incorporated herein for all purposes.

15.3 As of the commencement date of this CONTRACT, SUB-GRANTEE agrees to gather information and data relative to all programmatic and financial reporting.

XVI. MONITORING AND EVALUATION

16.1 CITY shall perform on-site monitoring of SUB-GRANTEE's performance pursuant to the terms of this CONTRACT.

16.2 SUB-GRANTEE agrees that CITY may carry out monitoring and evaluation activities so as to ensure SUB-GRANTEE's compliance with this CONTRACT, with the Community Development Act, with the Work Statement and the Performance Goals, Objectives and Indicators set forth in Attachment "I", with the program assurances and certifications executed by CITY, and with all other laws, regulations and ordinances related to the performance hereof.

16.3 SUB-GRANTEE agrees to cooperate fully with CITY in the development, implementation, and maintenance of record-keeping systems and to provide CITY with any data determined by CITY to be necessary for its effective fulfillment of its monitoring and evaluation responsibilities.

16.4 SUB-GRANTEE agrees that it will cooperate with CITY in such a way so as not to obstruct or delay CITY in its monitoring of SUB-GRANTEE's performance and that it will designate one of its staff to coordinate the monitoring process as requested by CITY staff.

16.5 After each official monitoring visit, CITY shall provide SUB-GRANTEE with a written report of monitoring findings.

16.6 Copies of any fiscal, management, or audit reports by any of SUB-GRANTEE's funding or regulatory bodies shall be submitted to CITY within five (5) working days of receipt thereof by SUB-GRANTEE.

XVII. INSURANCE

17.1 SUB-GRANTEE agrees to comply with the following insurance provisions:

(A) Prior to the commencement of any work under this CONTRACT, SUB-GRANTEE shall furnish copies of all required endorsements and a completed Certificate(s) of Insurance to the CITY's Office of Grants Monitoring and Administration, which shall be clearly labeled " " in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The CITY will not accept Memorandum of Insurance or Binders as proof of insurance. The certificate(s) or form must have the agent's original signature, including the signer's phone number, and be mailed with copies of all applicable endorsements, directly from the insurer's authorized representative to the CITY. The CITY shall have no duty to pay or perform under this CONTRACT until such certificate and endorsements have been received and approved by the CITY's Office of Grants Monitoring and Administration. No officer or employee, other than the CITY's Risk Manager, shall have authority to waive this requirement.

(B) The CITY reserves the right to review the insurance requirements of this Article during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by CITY's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this CONTRACT. In no instance will CITY allow modification whereupon CITY may incur increased risk.

(C) SUB-GRANTEE's financial integrity is of interest to the CITY; therefore, subject to SUB-GRANTEE's right to maintain reasonable deductibles in such amounts as are approved by the CITY, SUB-GRANTEE shall obtain and maintain in full force and effect for the duration of this CONTRACT, and any extension hereof, at SUB-GRANTEE's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated by companies authorized to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed amount listed below:

POLICY TYPE	AMOUNTS

(D) Grantee agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Grantee herein, and provide a certificate of insurance and endorsement that names the Grantee and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances

surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

(E) As they apply to the limits required by the City, the CITY shall be entitled upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). SUB-GRANTEE shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to CITY at the address provided below within ten (10) days of the requested change. MERCED HOUSING shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Office of Grants Monitoring and Administration
P.O. Box 839966
San Antonio, Texas 78283-3966

(F) SUB-GRANTEE agrees that with respect to the above-required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:

- Name the CITY and its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the CITY, with the exception of the workers' compensation and professional liability polices;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the CITY is an additional insured shown on the policy;

- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the CITY; and
- Provide advance written notice directly to CITY of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

(G) Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, SUB-GRANTEE shall provide a replacement Certificate of Insurance and applicable endorsements to CITY. CITY shall have the option to suspend SUB-GRANTEE's performance should there be a lapse in coverage at any time

during this CONTRACT. Failure to provide and to maintain the required insurance shall constitute a material breach of this CONTRACT.

(H) In addition to any other remedies the CITY may have upon SUB-GRANTEE's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the CITY shall have the right to order SUB-GRANTEE to stop work hereunder, and/or withhold any payment(s) which become due to SUB-GRANTEE hereunder until SUB-GRANTEE demonstrates compliance with the requirements hereof.

(I) Nothing herein contained shall be construed as limiting in any way the extent to which SUB-GRANTEE may be held responsible for payments of damages to persons or property resulting from SUB-GRANTEE's or its subcontractors' performance of the work covered under this CONTRACT.

(J) It is agreed that SUB-GRANTEE's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this CONTRACT.

(K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this CONTRACT and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided.

(L) SUB-GRANTEE and any subcontractors are responsible for all damage to their own equipment and/or property.

XIX. INDEMNIFICATION

18.1 SUB-GRANTEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors and representatives of the CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon the CITY, directly or indirectly arising out of, resulting from or related to SUB-GRANTEE's activities under this CONTRACT, including any acts or omissions of SUB-GRANTEE, any agent, officer, director, representative, employee, contractor or subcontractor of SUB-GRANTEE, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this CONTRACT, all without, however, waiving any governmental immunity available to the CITY under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF THE CITY,

THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND/OR REPRESENTATIVES OF CITY, UNDER THIS CONTRACT. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. SUB-GRANTEE shall promptly advise the CITY in writing of any claim or demand against the CITY or SUB-GRANTEE known to SUB-GRANTEE related to or arising out of SUB-GRANTEE's activities under this CONTRACT and shall see to the investigation and defense of such claim or demand at SUB-GRANTEE's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving SUB-GRANTEE of any of its obligations under this paragraph.

18.2 It is the EXPRESS INTENT of the parties to this CONTRACT, that the INDEMNITY provided for in this Article (Article XVIII), is an INDEMNITY extended by SUB-GRANTEE to INDEMNIFY, PROTECT, and HOLD HARMLESS the CITY from the consequences of the CITY's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this Article SHALL APPLY only when the NEGLIGENT ACT of the CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the CITY is the sole cause of the resultant injury, death or damage. SUB-GRANTEE further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

18.3 It is expressly understood and agreed that SUB-GRANTEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions and that CITY shall in no way be responsible therefor.

XIX. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

19.1 In the event that SUB-GRANTEE receives funding hereunder in excess of $10,000.00, SUB-GRANTEE shall submit for CITY approval, within thirty (30) calendar days following execution of this CONTRACT, a written plan for compliance with federal equal employment opportunity and affirmative action rules, regulations and laws.

19.2 SUB-GRANTEE shall comply with all applicable local, state, and federal equal employment opportunity and affirmative action rules, regulations and laws.

19.3 So that CITY can investigate compliance with local, state and federal equal employment opportunity and affirmative action rules, regulations and laws, SUB-GRANTEE shall furnish to CITY any and all information and reports requested by CITY, and shall permit access by CITY of any and all of its books, records and accounts.

19.4 In the event of non-compliance by SUB-GRANTEE (or SUB-GRANTEE's sub-contractors) with local, state and federal equal employment opportunity and affirmative action rules, regulations and laws, this CONTRACT may be canceled, terminated, or suspended by

CITY, in whole or in part, and SUB-GRANTEE may be barred from further contracts with CITY.

XX. NONDISCRIMINATION

20.1 SUB-GRANTEE covenants that it, or its agents, employees or anyone under its control, will not discriminate against any individual or group on account of race, color, sex, age, religion, national origin, handicap or familial status, in employment practices or in the use of or admission to the premises at, in or on which the Project described herein is to be performed, which said discrimination SUB-GRANTEE acknowledges is prohibited.

XXI. PERSONNEL POLICIES, PROCEDURES AND PRACTICES

21.1 Personnel policies, procedures and practices shall be established by SUB-GRANTEE and shall be available for examination. Such policies, procedures and practices, however, shall:

(A) Be in writing, approved by the governing body of SUB-GRANTEE and submitted to CITY;

(B) Be no more liberal than CITY's personnel policies, procedures, and practices including, but not limited to, those related to employment, salary and wage rates, working hours and holidays, fringe benefits, vacation and sick leave privileges, and travel; however a variance may be permitted upon SUB-GRANTEE's written request and CITY's approval and solely within the CITY's discretion which shall be decided on a case-by-case basis; and

(C) Indicate that upon termination, for whatever reason, CITY shall not be liable nor responsible to SUB-GRANTEE for reimbursement of accrued annual leave and/or personal leave exceeding a total of two weeks [ten (10) working days] per employee. To this effect, SUB-GRANTEE shall inform its employees of this restriction and shall encourage employees to utilize leave benefits during the fiscal year for which the benefits are provided pursuant to the terms, provisions and requirements of this CONTRACT.

21.2 SUB-GRANTEE represents and warrants that it has complied with, and will continue to comply with, throughout the course of this solicitation and contract award process, the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of Ordinance No. 2010-06-17-0531, passed and approved on June 17, 2010 (hereinafter referred to as "CITY's SBEDA Ordinance"). As part of such compliance, SUB-GRANTEE shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination. SUB-GRANTEE shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit

otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's Relevant Marketplace. The CITY's Relevant Marketplace is defined in the CITY's SBEDA Ordinance as the geographic market area affecting the S/M/WBE Program as determined for purposes of collecting data for the MGT Studies (disparity and availability study done by MGT of Anerica). The San Antonio Metropolitan Statistical Area (SAMSA), currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson, determines eligibility for participation under various programs established by the CITY's SBEDA Ordinance. SUB-GRANTEE understands and agrees that a material violation of this clause shall be considered a material breach of this CONTRACT and may result in termination of this CONTRACT, disqualification of SUB-GRANTEE from participating in CITY contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. SUB-GRANTEE's certification of its compliance with this Commercial Nondiscrimination Policy as submitted to the CITY, pursuant to the solicitation for this CONTRACT, is hereby attached and incorporated into the material terms of this CONTRACT. SUB-GRANTEE shall incorporate this clause into each of its subcontractor and supplier agreements entered into pursuant to this CONTRACT.

XXII. CONFLICT OF INTEREST

22.1 SUB-GRANTEE acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a CITY officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the CITY or any CITY agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the CITY or in the sale to the CITY of land, materials, supplies or service, if any of the following individual or entities is a party to the contract or sale: a CITY officer or employee, his parent, child or spouse, a business entity in which the officer or employee, or his parent, child or spouse owns ten percent (10%) or more of the voting stock or shares of the business entity, or ten percent (10%) or more of the fair market value of the business entity, a business entity in which any individual or entity above listed is a subcontractor on a CITY contract, a partner or a parent or subsidiary business entity.

22.2 Pursuant to the subsection above, SUB-GRANTEE warrants and certifies, and this CONTRACT is made in reliance thereon, that it, its officers, employees, and agents are neither officers nor employees of the CITY. SUB-GRANTEE further warrants and certifies that is has tendered to the CITY a Discretionary Contracts Disclosure Statement in compliance with the CITY's Ethics Code.

XXIII. NEPOTISM

23.1 SUB-GRANTEE shall not employ in any paid capacity any person who is a member of the immediate family of any person who is currently employed by SUB-GRANTEE or who is a member of SUB-GRANTEE's governing body. The term "member of immediate family" shall include: wife, husband, son, daughter, mother, father, brother, sister, in-law, aunt, uncle, cousin, nephew, niece, step-parent, step-child, half-brother and half-sister.

XXIV. POLITICAL ACTIVITY

24.1 None of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, either directly or indirectly, for any political activity including, but not limited to, an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation.

XXV. SECTARIAN ACTIVITY

25.1 None of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXVI. DIRECTORS' MEETINGS

26.1 During the term of this CONTRACT, SUB-GRANTEE shall cause to be delivered to CITY copies of all notices of meetings of its Board of Directors. Said copies of notices shall set forth the time and place of each meeting, shall be delivered to CITY in a timely manner so as to give CITY adequate notice thereof and shall include therein an agenda and a brief description of the matters to be discussed thereat.

26.2 SUB-GRANTEE understands and agrees that CITY representatives shall be afforded access to all of SUB-GRANTEE's Board of Directors' meetings.

26.3 Minutes of all meetings of SUB-GRANTEE's governing body shall be submitted to CITY within ten (10) working days of approval.

XXVII. PUBLICITY

27.1 When appropriate, as determined by and upon written approval of CITY, SUB-GRANTEE shall publicize the activities conducted by SUB-GRANTEE pursuant to the terms of this CONTRACT. In any news release, sign, brochure, or other advertising medium disseminating information prepared or distributed by or for SUB-GRANTEE, however, mention shall be made that the Project was made possible with HUD funding and CITY participation.

XXVIII. PUBLICATIONS

28.1 All published materials and written reports submitted pursuant to this CONTRACT shall be originally developed unless otherwise specifically provided for herein. If material not originally developed is included in a report, however, said material shall have its source identified, either in the body of the report or by footnote, regardless of whether the material is in a verbatim or extensive paraphrase format.

28.2 All published materials submitted pursuant to this Project shall include the following reference on the front cover or title page:

> "This document was prepared in accordance with the City of San Antonio's Community Development Block Grant Program, with funding received from the United States Department of Housing and Urban Development."

XXIX. RIGHTS TO PROPOSAL AND CONTRACTUAL MATERIAL

29.1 All finished or unfinished reports, documents, data, studies, surveys, charts, drawings, maps, models, photographs, designs, plans, schedules, or other appended documentation to any proposal or contract, and any responses, inquiries, correspondence and related material submitted by SUB-GRANTEE, shall, upon receipt, become the property of CITY.

XXX. FUNDING APPLICATIONS

30.1 SUB-GRANTEE agrees to notify CITY each time SUB-GRANTEE is preparing or submitting any application for funding. When so preparing or submitting such an application, the following procedures shall be adhered to by SUB-GRANTEE:

(A) When the funding application is in the planning stages, a description of the funds being applied for and of the proposed use for the funds shall be submitted by SUB-GRANTEE to CITY;

(B) Upon award or notice of award, whichever is sooner, SUB-GRANTEE shall notify CITY of the award or notice thereof, and of the effect, if any, of such funding on the funds and programs agreed to hereunder. Such notice shall be submitted by SUB-GRANTEE to CITY, in writing, within ten (10) working days of receipt of the award or notice thereof, together with copies of the applicable budget, personnel complement, program description, and contract; and

(C) Except pursuant to prior written consent of CITY, SUB-GRANTEE shall not use, either directly or indirectly, resources provided hereunder to prepare applications for other federal or private funds, nor shall said resources be used, directly or indirectly, as contributions.

XXXI. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS

31.1 SUB-GRANTEE certifies, and the CITY relies thereon in execution of this CONTRACT, that neither SUB-GRANTEE nor its Principals are presently debarred, suspended, proposed for debarment, or declared ineligible, or voluntarily excluded for the award of contracts by any Federal governmental agency or department.

31.2 "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a

business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).

31.3 SUB-GRANTEE shall provide immediate written notice to CITY, in accordance with Article XLV, if, at any time during the term of this CONTRACT, including any renewals hereof, SUB-GRANTEE learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances.

31.4 SUB-GRANTEE's certification is a material representation of fact upon which the CITY has relied in entering into this CONTRACT. Should CITY determine, at any time during this CONTRACT, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, the CITY may terminate this CONTRACT in accordance with Article XXXV relating to termination of the CONTRACT.

XXXII. SUB-CONTRACTING

32.1 Any other clause of this CONTRACT to the contrary notwithstanding, none of the work or services covered by this CONTRACT shall be sub-contracted without the prior written approval of CITY. Any work or services approved for sub-contracting hereunder, however, shall be sub-contracted only by written contract or agreement and, unless specific waiver is granted in writing by CITY, shall be subject by its terms to each and every provision of this CONTRACT. Compliance by sub-contractors with this CONTRACT shall be the responsibility of SUB-GRANTEE.

32.2 SUB-GRANTEE agrees that no sub-contract approved pursuant to this CONTRACT shall provide for payment on a "cost plus a percentage of cost" basis.

32.3 Despite CITY approval of a sub-contract, CITY shall in no event be obligated to any third party, including any sub-contractor of SUB-GRANTEE, for performance of work or services, nor shall CITY funds ever be used for payment of work or services performed prior to the date of CONTRACT execution or extending beyond the date of CONTRACT expiration.

XXXIII. CHANGES AND AMENDMENTS

33.1 Except when the terms of this CONTRACT expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by both CITY and SUB-GRANTEE.

33.2 Whenever and as often as deemed necessary by CITY, CITY may request and require changes to SUB-GRANTEE's Work Statement (Attachment "I"). Such changes as requested or required by CITY, however, must be by written amendment hereto and may incorporate therein increases or decreases in the total monetary obligation of CITY to SUB-GRANTEE as provided for pursuant to the terms, provisions and conditions of this CONTRACT.

33.3 Except pursuant to (a) prior submission by SUB-GRANTEE of detailed information regarding budget and Project revisions, and (b) prior written approval thereof by CITY, SUB-

GRANTEE shall neither make transfers between or among line items approved within the budget categories set forth in the Budget Summary incorporated within Attachment "II," nor shall SUB-GRANTEE alter, add to or delete from the Budget Detail likewise incorporated within said Attachment "II." Instead, SUB-GRANTEE shall request budget revisions in writing and in a form prescribed by CITY; such request for revisions, however, shall not increase the total monetary obligation of CITY as provided for pursuant to this CONTRACT, nor shall said revisions significantly change the nature, intent, or scope of the Project funded hereunder.

33.4 In the event that the level of funding for SUB-GRANTEE or for the Project described herein is altered, SUB-GRANTEE shall submit, immediately upon request by CITY, revised budget and Project information so as to enable re-evaluation by CITY of the original funding levels set forth in Attachment "II."

33.5 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this CONTRACT and that any such changes shall be automatically incorporated into this CONTRACT without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

33.6 SUB-GRANTEE agrees to notify CITY in writing of any proposed change in physical location for work to be performed pursuant to the terms of this CONTRACT. Such notice shall be provided by SUB-GRANTEE to CITY at least thirty (30) calendar days in advance of the proposed change.

33.7 SUB-GRANTEE further agrees to notify CITY of any changes in personnel or governing board composition, such notice to be provided within five (5) working days of the change.

XXXIV. SUSPENSION OF FUNDING

34.1 Upon determination by CITY of SUB-GRANTEE's failure to timely and properly perform pursuant to the provisions of this CONTRACT, CITY, without limiting or waiving any rights it may otherwise have, may, at its discretion and upon five (5) working days written notice to SUB-GRANTEE, withhold further payments to said SUB-GRANTEE. CITY's notice shall specifically set forth SUB-GRANTEE's alleged default or failure as well as the action required for cure thereof.

34.2 The period of funding suspension shall be of such duration as is appropriate to accomplish corrective action, but in no event shall it exceed thirty (30) calendar days. Upon expiration of the suspension period:

(A) Should CITY determine that the default or deficiency has been cured, SUB-GRANTEE may be restored to full compliance status and paid all eligible funds withheld during the suspension period; or

(B) Should CITY determine continued non-compliance, the provisions of Article XXXV hereunder may be effectuated.

XXXV. TERMINATION

35.1 "Termination" of this CONTRACT shall mean termination by expiration of the CONTRACT term or earlier termination pursuant to any of the provisions hereof.

35.2 CITY may terminate this CONTRACT for any of the following reasons:

(A) Neglect or failure by SUB-GRANTEE to perform or observe any of the terms, conditions, covenants or guarantees of this CONTRACT or of any written contract or amendment between CITY and SUB-GRANTEE;

(B) Termination or reduction of funding of the Project by HUD;

(C) Failure by SUB-GRANTEE to cure, within the period prescribed pursuant to the above Article XXXIV of this CONTRACT, any default or deficiency basis for suspension of funding hereunder;

(D) Finding by CITY that SUB-GRANTEE:

(1) is in such unsatisfactory financial condition as to endanger performance under this CONTRACT, including, but not limited to:

(a) The apparent inability of SUB-GRANTEE to meet its financial obligations;

(b) The appearance of items that reflect detrimentally on the creditworthiness of SUB-GRANTEE, including, but not limited to, liens, encumbrances, etc., on the assets of SUB-GRANTEE.

(2) has allocated inventory to this CONTRACT substantially exceeding reasonable requirements; or

(3) is delinquent, in the ordinary course of business, in the payment of taxes or in the payment of costs of performance of this CONTRACT;

(E) Appointment of a trustee, receiver or liquidator for all or a substantial part of SUB-GRANTEE's property, or institution of bankruptcy, reorganization, rearrangement of or liquidation proceedings by or against SUB-GRANTEE;

(F) The entry by a court of competent jurisdiction of a final order providing for the modification or alteration of the rights of SUB-GRANTEE's creditors;

(G) Inability by SUB-GRANTEE to conform to changes in local, state and federal rules, regulations and laws as provided for in Article III and in paragraph number 33.5 of this CONTRACT; and

(H) Violation by SUB-GRANTEE of any rule, regulation or law to which SUB-GRANTEE is bound or shall be bound under the terms of this CONTRACT.

35.3 CITY may terminate this CONTRACT for convenience at any time after which SUB-GRANTEE shall be paid an amount not to exceed the total accrued expenditures as of the effective date of termination. In no event, however, will compensation to SUB-GRANTEE exceed an amount which bears the same ratio to the total compensation as the services actually performed by SUB-GRANTEE bears to the total services required of SUB-GRANTEE, less payments previously made.

35.4 SUB-GRANTEE may terminate this CONTRACT for any of the following reasons:

(A) Cessation of outside funding upon which SUB-GRANTEE depends for performance hereunder; SUB-GRANTEE may opt, however, within the limitations of this CONTRACT and with the written approval of CITY, to seek an alternative funding source, provided that the termination of funding by the initial outside source was not occasioned by a breach of agreement as defined herein or as defined in a contract between SUB-GRANTEE and the funding source in question; or

(B) Upon the dissolution of the SUB-GRANTEE organization, provided such dissolution was not occasioned by a breach of this CONTRACT.

35.5 Upon a decision to terminate by either CITY or SUB-GRANTEE, written notice of such, and the effective date thereof, shall be immediately provided to the other party.

35.6 Upon receipt of notice to terminate, SUB-GRANTEE shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts which relate to the performance of this CONTRACT. To this effect, CITY shall not be liable to SUB-GRANTEE or SUB-GRANTEE's creditors for any expense, encumbrances, or obligations whatsoever incurred after the date of termination.

35.7 Upon receipt of notice to terminate, all finished or unfinished documents, data, studies, surveys, charts, drawings, maps, models, photographs, designs, plans, schedules, or other appended documentation to any proposal or contract, prepared by or on behalf of SUB-GRANTEE under this CONTRACT shall, at the option of CITY, and in accordance with Article XXX hereof, become the property of CITY and shall, if requested or agreed to by CITY, be delivered by SUB-GRANTEE to CITY in a timely and expeditious manner.

35.8 Within thirty (30) days after receipt of notice to terminate, SUB-GRANTEE shall submit a statement to CITY, indicating in detail the services performed under this CONTRACT prior to the effective date of termination.

35.9 Any termination of this CONTRACT as herein provided shall not relieve SUB-GRANTEE from the payment of any sum(s) that shall then be due and payable or become due

and payable to CITY hereunder or as provided for at law or in equity, or any claim for damages then or theretofore accruing against SUB-GRANTEE hereunder or by law or in equity, and any such termination shall not prevent CITY from enforcing the payment of any such sum(s) or claim for damages from SUB-GRANTEE. Instead, all rights, options, and remedies of CITY contained in this CONTRACT shall be construed and held to be cumulative and no one of them shall be exclusive of the other, and CITY shall have the right to pursue any one or all of such remedies or any such other remedy or relief which may be provided by law or in equity whether or not stated in this CONTRACT.

35.10 Should this CONTRACT be terminated by either party hereto for any reason, including termination under Section 35.3 of this CONTRACT, if the work required hereunder of SUB-GRANTEE is not fully completed to the satisfaction of CITY in accordance with the terms of this CONTRACT, SUB-GRANTEE shall refund any and all sums of money paid by CITY to SUB-GRANTEE within ten (10) working days of CITY's written request therefor.

35.11 Upon termination of this CONTRACT by CITY under paragraph number 35.2(A), SUB-GRANTEE shall be barred from future CONTRACTS with CITY absent the express written consent of the City Manager of CITY, or the City Manager's designate.

XXXVI. NOTIFICATION OF ACTION BROUGHT

36.1 In the event that any claim, demand, suit, proceeding, cause of action, or other action (hereinafter collectively referred to as "claim") is made or brought against SUB-GRANTEE, SUB-GRANTEE shall give written notice thereof to CITY within two (2) working days after itself being notified. SUB-GRANTEE's notice to CITY shall state the date and hour of notification to SUB-GRANTEE of the claim, the names and addresses of those instituting or threatening to institute the claim, the basis of the claim, and the name(s) of any others against whom the claim is being made or threatened. Written notice pursuant to this Article shall be delivered either personally or by mail in accordance with Article XLV of this CONTRACT.

XXXVII. ASSIGNMENTS

37.1 SUB-GRANTEE shall not transfer, pledge or otherwise assign this CONTRACT, any interest in and to same, or any claim arising thereunder, without first procuring the written approval of CITY. Any attempt at transfer, pledge, or other assignment shall be void *ab initio* and shall confer no rights upon any third person.

XXXVIII LEGAL EXPENSES

38.1 Under no circumstances will the funds received under this CONTRACT be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the CITY or any other public entity.

38.2 During the term of this CONTRACT, if SUB-GRANTEE files and/or pursues an adversarial proceeding against the CITY then, at the CITY's option, this CONTRACT and all

access to the funding provided for hereunder may terminate if SUB-GRANTEE is in violation of paragraph 38.1.

38.3 SUB-GRANTEE, at the CITY's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the CITY remains unresolved.

38.4 For purposes of this Article, "adversarial proceeding" includes any cause of action filed by the SUB-GRANTEE in a state or federal court, as well as any state or federal administrative hearing, but does not include Alternative Dispute Resolution proceedings.

XIX. SEVERABILITY OF PROVISIONS

39.1 If any clause or provision of this CONTRACT is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this CONTRACT that is invalid, illegal, or unenforceable, there be added as a part of the CONTRACT a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XL. RENEWAL NOT AUTOMATIC

40.1 Funding under this CONTRACT and any amendments or waivers that may be made or granted hereunder shall not be automatically renewed on the anniversary date of this CONTRACT. To the contrary, funding of any project requiring contract execution shall be achieved only pursuant to approval of the City Council of the City of San Antonio.

XLI. NON-WAIVER OF PERFORMANCE

41.1 No waiver by CITY of a breach of any of the terms, conditions, covenants, or guarantees of this CONTRACT shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of CITY to insist in any one or more cases upon the strict performance of any of the covenants of this CONTRACT, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification, or discharge by either party hereto of any provision of this CONTRACT shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

41.2 No act or omission of CITY shall in any manner impair or prejudice any right, power, privilege, or remedy available to CITY hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

41.3 No representative or agent of CITY may waive the effect of the provisions of this Article.

XLII. SPECIAL CONDITIONS

42.1 SUB-GRANTEE acknowledges, understands, and agrees to comply with the following federal regulations as promulgated in Section 3 clause of the Housing and Urban Development Act of 1968, as amended:

(A) The work to be performed under this CONTRACT is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 170(l)(u) (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 CONTRACT agree to comply with HUD's regulations in 24 C.F.R. 135, which implement Section 3. As evidenced by their execution of this CONTRACT, the parties to this CONTRACT certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(C) SUB-GRANTEE agrees to send to each labor organization or representative of workers with which the contract has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of SUB-GRANTEE's commitments under the 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) SUB-GRANTEE agrees to include the Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in the Section 3 clause upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. 135. SUB-GRANTEE will not subcontract with any subcontractor where SUB-GRANTEE has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. 135.

(E) SUB-GRANTEE will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the

regulations of 24 C.F.R. 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. 135.

(F) Noncompliance with HUD's regulations in 24 C.F.R. 135 may result in sanctions, termination of this CONTRACT for default, and debarment or suspension from further HUD-assisted contracts.

(G) 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 (25 U.S.C.C. 450e) also applies to the work to be performed under this CONTRACT. 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 CONTRACT that are subject to the provision 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).

42.2

XLIII. ENTIRE CONTRACT

43.1 This CONTRACT constitutes the final and entire agreement between the parties hereto and contains all of the (including all attachments hereto) terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this CONTRACT shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and duly executed by the parties.

XLIV. INTERPRETATION

44.1 In the event any disagreement or dispute should arise between the parties hereto pertaining to the interpretation or meaning of any part of this CONTRACT or its governing rules, regulations, laws, codes or ordinances, CITY, as the party ultimately responsible to HUD for matters of compliance, shall have the final authority to render or secure an interpretation.

XLV. NOTICES

45.1 For purposes of this CONTRACT, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

CITY:
Grants Administrator
Office of Grants Monitoring and Administration
1400 S. Flores Street
San Antonio, Texas 78204

SUB-GRANTEE:

Notice of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of such change.

XLVI. PARTIES BOUND

46.1 This CONTRACT shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided herein.

XLVII. GENDER

47.1 Words of gender used in this CONTRACT shall be held and construed to include the other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XLVIII. RELATIONSHIP OF PARTIES

48.1 Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the parties hereto.

XLIX. TEXAS LAW TO APPLY

49.1 THIS CONTRACT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS. VENUE AN JURISDICTION ARISING UNDER OR IN CONNECTION WITH THIS CONTRACT SHALL LIE EXCLUSIVELY IN BEXAR COUNTY, TEXAS.

L. CAPTIONS

50.1 The captions contained in this CONTRACT are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this CONTRACT.

CITY OF SAN ANTONIO,
a Texas municipal corporation

a Texas non-profit organization

By: _____
TADD WILLE
Grants Administrator
Office of Grants Monitoring
and Administration

By:_____

APPROVED AS TO FORM:

By: _____
DENISE MONDAY
Assistant City Attorney

ATTACHMENTS:
Attachment "I" – Work Statement
Attachment "II" – Project Budget
Attachment "III A"– Special Conditions
Attachment "III B"– Federal Compliance Manual
Attachment "IV" – Performance Records/Reports
Attachment "V" – Billing Package
Attachment "VI" – Non-Expendable Property Report
Attachment "VII" – Income Eligibility Report

ATTACHMENT IV

STATE OF TEXAS * **DELEGATE AGENCY CONTRACT WITH**

* **PROJECT NUMBER:**

COUNTY OF BEXAR **CFDA: 14.218**

CITY OF SAN ANTONIO *

This CONTRACT is entered into by and between the City of San Antonio (hereinafter referred to as "CITY"), a Texas municipal corporation, acting by and through its of the Office of Grants Monitoring and Administration pursuant to Ordinance No. , dated , and (hereinafter referred to as "CONTRACTOR").

WITNESSETH:

WHEREAS, the CITY has received certain funds from the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, as amended (hereinafter referred to as "the Community Development Act") for utilization in connection with its Community Development Block Grant Fund Operating Budget (hereinafter referred to as the "Grant Fund") for human development services; and

WHEREAS, the Office of Grants Monitoring and Administration is designated as the managing CITY department (hereinafter referred to as "Managing City Department") for the CITY; and

WHEREAS, the CITY has adopted a budget for the expenditure of such funds, and included therein is an allocation of and /100 Dollars ($) in funds for a project entitled, " " (hereinafter referred to as "Project"); and

WHEREAS, the CITY wishes to engage CONTRACTOR to carry out the Project; **NOW THEREFORE:**

The parties hereto agree as follows:

I. SCOPE OF WORK

1.1 CONTRACTOR will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the CITY and in compliance with the Work Statement affixed hereto, and incorporated herein for all purposes as Attachment I.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this CONTRACT shall begin on the execution date and shall terminate on the earlier of (a) , or (b) Project completion.

2.2 The CITY shall have the option to renew this CONTRACT for an additional period not to exceed one (1) year, subject to (a) the CITY's receipt of additional monies sufficient to fund the renewal term; (b) CONTRACTOR satisfactorily meeting the performance requirements of this CONTRACT, as solely determined by the CITY; and (c) the prior approval by the City Council for the City of San Antonio of such contract renewal, as evidenced by an ordinance duly passed and approved.

III. CONSIDERATION

3.1 In consideration, the CITY will reimburse CONTRACTOR for costs incurred in accordance with the Project Budget approved by the City Council for the City of San Antonio in Ordinance No. . Said Project Budget is affixed hereto and incorporated herein for all purposes as Attachment II. It is specifically agreed that reimbursement hereunder shall not exceed the total amount of $.

3.2 The funding level of this CONTRACT is based on an allocation from the following funding sources:

$ Community Development Block Grant (CDBG).

Consequently, CONTRACTOR agrees to comply with Sections I, II- Exhibit "A" and III- Exhibit "A" of the Technical Workbook, affixed hereto and incorporated herein for all purposes as Attachment III, as may be amended from time to time, and the Special Provisions, affixed hereto and incorporated herein for all purposes as Attachment .

3.3 It is expressly understood and agreed by the CITY and CONTRACTOR that the CITY's obligations under this CONTRACT are contingent upon the actual receipt of adequate Grant Funds to meet the CITY's liabilities hereunder.

IV. PAYMENT

4.1 CONTRACTOR agrees that this is a cost reimbursement contract and that the CITY's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of CITY-funded services provided by CONTRACTOR in accordance with the terms of this CONTRACT. Allowable costs are defined as those costs which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Section XI hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in Attachment II of

this CONTRACT. In no event shall the CITY be liable for any cost of CONTRACTOR not eligible for reimbursement as defined within this CONTRACT.

4.2 If specific circumstances require an advance payment on this CONTRACT, CONTRACTOR must submit to the Director of the Managing City Department a written request for such advance payment, including the specific reason for such request. The Director of the Managing City Department may, in his sole discretion, approve an advance payment on this CONTRACT. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the Managing City Department no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the Managing City Department on a case-by-case basis; and (c) the decision by the Director of the Managing City Department whether or not to approve an advance payment is final. For purposes of this CONTRACT, the term, "business day" shall mean every day of the week except all Saturdays, Sundays, and those scheduled holidays officially adopted and approved by the City Council for the City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Advance payments to vendors shall be remitted to the vendors in a prompt and timely manner, defined as not later than ten (10) calendar days after the CONTRACTOR is notified that a check is available from the CITY.

(B) CONTRACTOR must deposit the CITY funds in a separate account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where CONTRACTOR's total deposits in said bank, including all the CITY funds deposited in such separate account, exceed the FDIC insurance limit, CONTRACTOR must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by CONTRACTOR from CONTRACTOR's banking institution, maintained on file and be available for CITY monitoring reviews and audits. Advanced funds that causes CONTRACTOR's account balance to exceed $100,000.00 shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended.

4.3 CONTRACTOR agrees that reimbursements of eligible expenses shall be made monthly or bi-weekly, as determined by the Director of the Managing City Department according to standard procedures followed by the CITY's Finance Department.

4.4 CONTRACTOR agrees that all requests for reimbursement shall be accompanied with documentation required by the Director of the Managing City Department.

4.5 CONTRACTOR shall submit to CITY all final requests for payment no later than forty-five (45) days from the termination date of this CONTRACT, unless CONTRACTOR receives written authorization from the Director of the Managing City Department prior to such forty-five (45) day period allowing CONTRACTOR to submit a request for payment after such forty-five (45) day period.

4.6 CONTRACTOR agrees that the CITY shall not be obligated to any third parties (including any subcontractors or third party beneficiaries of the CONTRACTOR).

4.7 CONTRACTOR shall maintain a financial management system, and acceptable accounting records that provide for:

(A) Accurate, current, and complete disclosure of financial support from each federal, state, and locally sponsored project, and program in accordance with the reporting requirements set forth in Article VIII of this CONTRACT. If accrual basis reports are required, CONTRACTOR shall develop accrual data for its reports based on an analysis of the documentation available;

(B) Identification of the source and application of funds for CITY-sponsored activities. Such records shall contain information pertaining to CITY awards, authorizations, obligations, un-obligated balances, assets, equity, outlays, and income;

(C) Effective control over and accountability for all funds, property, and other assets. CONTRACTOR shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes. CONTRACTOR shall maintain an accounting system that can separate funds by funding source and project;

(D) Comparison of actual outlays with budget amounts for each award. Whenever appropriate or required by the CITY, financial information should be related to performance and unit cost data;

(E) Procedures to minimize the time elapsing between the transfer of funds from the CITY and the disbursement of said funds by CONTRACTOR;

(F) Procedures for determining reasonable, allowable, and allocable costs in accordance with the provisions of any and all applicable cost principles including, but not limited to, the cost principles referenced in Article XI hereof, and the terms of the award, grant, or contract, with the CITY;

(G) Supporting source documentation (i.e., timesheets, employee benefits, professional services agreements, purchases, and other documentation as required by CITY); and

(H) An accounting system based on generally acceptable accounting principles which accurately reflects all costs chargeable (paid and unpaid) to the Project. A Receipts and Disbursements Ledger must be maintained. A general ledger with an Income and Expense Account for each budgeted line item is necessary. Paid invoices revealing check number, date paid, and evidence of goods or services received are to be filed according to the expense account to which they were charged.

4.8 CONTRACTOR agrees that CONTRACTOR's costs or earnings claimed under this CONTRACT will not be claimed under another contract or grant from another agency.

4.9 CONTRACTOR shall establish and utilize a cost allocation methodology and plan, which ensures that the CITY is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project funded by this CONTRACT. The Cost Allocation Plan and supportive documentation shall be included in the financial statements that are applicable to CONTRACTOR's Project. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the program.

4.10 Upon completion or termination of this CONTRACT, or at any time during the term of this CONTRACT, all unused funds, rebates, or credits on-hand or collected thereafter relating to the Project must immediately, upon receipt, be returned by CONTRACTOR to the CITY.

4.11 Upon execution of this CONTRACT or at any time during the term of this CONTRACT, the CITY's Director of Finance, the CITY Auditor, or a person designated by the Director of the Managing City Department may review and approve all CONTRACTOR's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this CONTRACT, "program income" shall mean earnings of CONTRACTOR realized from activities resulting from this CONTRACT or from CONTRACTOR's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of CONTRACTOR provided as a result of this CONTRACT, and payments from clients or third parties for services rendered by CONTRACTOR pursuant to this CONTRACT. At the sole option of the Director of the Managing City Department, CONTRACTOR will either (a) be required to return program income funds to the CITY through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, CONTRACTOR may be permitted to retain such funds to be:

(A) Added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the CITY; or

(B) Deducted from the total Project cost for the purpose of determining the net cost reimbursed by the CITY.

5.2 In any case, where CONTRACTOR is required to return program income to the Managing City Department, CONTRACTOR must return such program income to the CITY within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department grants CONTRACTOR authority to retain

program income, CONTRACTOR must submit all reports required by the Managing City Department within the timeframe specified in this CONTRACT.

5.3 CONTRACTOR shall provide the Managing City Department with thirty (30) days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 CONTRACTOR shall fully disclose and be accountable to the CITY for all program income. CONTRACTOR must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) days of the activity that generates program income. The statement is subject to audit verification by Managing City Department. Failure by CONTRACTOR to report program income as required is grounds for suspension, cancellation, or termination of this CONTRACT.

5.5 CONTRACTOR is prohibited from charging fees or soliciting donations from participants in any CITY-funded project without the prior written approval of the Director of the Managing City Department.

5.6 CONTRACTOR shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 THIS SECTION INTENTIONALLY LEFT BLANK.

6.2 In the event that any disagreement or dispute should arise between the parties hereto pertaining to the interpretation or meaning of any part of this CONTRACT or its governing rules, regulations, laws, codes, or ordinances, the City Manager, as representative of the CITY, the party ultimately responsible for all matters of compliance with U.S. Department of Housing and Urban Development (HUD) rules and regulations, shall have the final authority to render or secure an interpretation.

6.3 CONTRACTOR shall not use funds awarded from this CONTRACT as matching funds for any federal, state, or local grant without the prior written approval of the Director of the Managing City Department.

6.4 The CITY shall have the authority during normal business hours to make physical inspections to the operating facility occupied to administer this CONTRACT and to require such physical safeguarding devices as locks, alarms, security/surveillance systems, safes, fire extinguishers, sprinkler systems, etc., to safeguard property and/or equipment authorized by this CONTRACT.

6.5 CONTRACTOR's board of Directors and Management shall adopt and approve an Employee Integrity Policy and shall establish and use internal program management procedures to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These procedures shall specify the

consequences to CONTRACTOR's employees and vendors involved in such illegal activities to include, but not be limited to, termination and prosecution where necessary. Said procedures shall be provided to the Managing City Department upon request by the Managing City Department.

6.6 CONTRACTOR agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance.

(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. CONTRACTOR agrees that the aggregate amount of petty cash reimbursement shall not exceed $200.00 per location for any given calendar month during the term of this CONTRACT unless CONTRACTOR receives prior written approval from the Managing City Department to exceed such limit. Such requests for petty cash must be supported by the submission to the Managing City Department of an original receipt.

(C) Checks issued by the CITY to CONTRACTOR shall be deposited into the appropriate bank account immediately or by the next business day after CONTRACTOR's receipt of each such check, and shall never be cashed for purposes of receiving any of the face amounts back.

6.7 CITY reserves the right to request CONTRACTOR to provide additional records for long distance calls, faxes, internet service, and/or cell phone calls charged to the CITY.

VII. AUDIT

7.1 If CONTRACTOR expends $500,000.00 or more of CITY funds, then during the term of this CONTRACT, CONTRACTOR shall have completed an independent audit of its financial statements performed within a period not to exceed ninety (90) days immediately succeeding the end of CONTRACTOR's fiscal year or termination of this CONTRACT, whichever is earlier. CONTRACTOR understands and agrees to furnish the Managing City Department a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the Managing City Department by CONTRACTOR within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

CONTRACTOR agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of CONTRACTOR or its programs of any findings about accounting deficiencies, or violations of CONTRACTOR's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the Managing City Department within a period of ten (10) days upon CONTRACTOR's receipt of the report.

7.2 CONTRACTOR agrees that if CONTRACTOR receives or expends more than $500,000.00 in federal funds from the CITY, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMBA-133 revision) and CONTRACTOR shall also be required to submit copies of their annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred twenty (120) days after the end of CONTRACTOR's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. CONTRACTOR may submit reports through the following website: http://gov.fac@census.gov and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, CONTRACTOR may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 If CONTRACTOR expends less than $500,000.00 of CITY funds, then during the term of this CONTRACT, CONTACTOR shall complete and submit an unaudited financial statement(s) within a period not to exceed ninety (90) days immediately succeeding the end of CONTRACTOR's fiscal year or termination of this CONTRACT, whichever is earlier. Said financial statement shall include a balance sheet and income statement prepared by a bookkeeper and a cover letter signed by CONTRACTOR attesting to the correctness of said financial statement.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the CITY.

7.5 The CITY reserves the right to conduct, or cause to be conducted an audit or review of all funds received under this CONTRACT at any and all times deemed necessary by the CITY. The CITY Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the CITY, may perform such audit(s) or reviews. The CITY reserves the right to determine the scope of every audit. In accordance herewith, CONTRACTOR agrees to make available to the CITY all accounting and Project records.

"CONTRACTOR shall, during normal business hours, and as often as deemed necessary by the CITY and/or the applicable state, or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this CONTRACT and shall continue to be so available for a minimum period of three (3) years" or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this CONTRACT. Said records shall be maintained for the required period beginning immediately after contract termination, save, and except there is litigation or if the audit report covering such agreement has not been accepted, CONTRACTOR shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts,

transcripts, and copies from all such books, records, documents and evidence, including all books and records used by CONTRACTOR in accounting for expenses incurred under this CONTRACT, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this CONTRACT.

The CITY may, in its sole and absolute discretion, require the CONTRACTOR to use any and all of the CITY's accounting or administrative procedures used in the planning, controlling, monitoring, and reporting of all fiscal matters relating to this CONTRACT, and CONTRACTOR shall abide by such requirements.

7.6 When an audit or examination determines that CONTRACTOR has expended funds or incurred costs, which are questioned by the CITY and/or the applicable state or federal governing agency, CONTRACTOR shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, CONTRACTOR will immediately refund such amount to the CITY no later than ten (10) days from the date of notification of such disapproval or disallowance by the CITY. At its sole option, the Managing City Department may instead deduct such claims from subsequent reimbursements; however, in the absence of prior notice by the CITY of the exercise of such option, CONTRACTOR shall provide to the CITY a full refund of such amount no later than ten (10) days from the date of notification of such disapproval or disallowance by the CITY. If CONTRACTOR is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to the CITY by cashiers check or money order. Should the CITY, at its sole discretion, deduct such claims from subsequent reimbursements, CONTRACTOR is forbidden from reducing Project expenditures and CONTRACTOR must use its own funds to maintain the Project.

CONTRACTOR agrees and understands that all expenses associated with the collection of delinquent debts owed by CONTRACTOR shall be the sole responsibility of CONTRACTOR and shall not be paid from any Project funds received by CONTRACTOR under this CONTRACT.

7.7 If the CITY determines, in its sole discretion, that CONTRACTOR is in violation of the above requirements, the CITY shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the CONTRACTOR pay for such audit from non-CITY resources.

VIII. RECORDS, REPORTING, AND COPYRIGHTS

8.1 The Managing City Department is assigned monitoring, fiscal control, and evaluation of projects. Therefore, at such times and in such form as may be required by the Managing City Department, CONTRACTOR shall furnish to the Managing City Department and the Grantor of the Grant Funds, if applicable, such statements, records, data, all polices and procedures, and information and permit the CITY and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this CONTRACT.

8.2 CONTRACTOR shall submit to the Managing City Department such reports as may be required by U.S. Department of Housing and Urban Development (HUD), including Performance Records/Reports, a copy of which is affixed hereto and incorporated herein as Attachment IV. The Performance Records/Reports are to be submitted by CONTRACTOR no later than the tenth (10th) business day of each month. CONTRACTOR ensures that all information contained in all required reports submitted to the CITY is accurate.

8.3 CONTRACTOR agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from the CITY including, without limitation, reports, information, project evaluation, project designs, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this CONTRACT. CONTRACTOR shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information. If disclosure is required (i) by law or (ii) by order of a governmental agency or court of competent jurisdiction, CONTRACTOR shall give the Director of the Managing City Department prior written notice that such disclosure is required with a full and complete description regarding such requirement. CONTRACTOR shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.3 including, but not limited to, execution of confidential disclosure agreements, regarding the Confidential Information with CONTRACTOR's employees and subcontractors prior to any disclosure of the Confidential Information. This Article VIII, Section 8.3 shall not be construed to limit the CITY's or its authorized representatives' right of access to records or other information, confidential or otherwise, under this CONTRACT. Upon termination of this CONTRACT, CONTRACTOR shall return to the CITY all copies of materials related to the Project, including the Confidential Information.

8.4 The Public Information Act, Government Code, Section 552.021, requires the CITY to make public information available to the public. Under Government Code, Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if CONTRACTOR receives inquiries regarding documents within its possession pursuant to this CONTRACT, CONTRACTOR shall within twenty-four (24) hours of receiving the requests forward such requests to the CITY for disposition. If the requested information is confidential pursuant to State or Federal law, CONTRACTOR shall submit to the CITY the list of specific statutory authority mandating confidentiality no later than three (3) business days of CONTRACTOR's receipt of such request.

8.5 In accordance with Texas law, CONTRACTOR acknowledges and agrees that all local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, CONTRACTOR agrees that no such local

government records produced by or on the behalf of CONTRACTOR pursuant to this CONTRACT shall be the subject of any copyright or proprietary claim by CONTRACTOR.

CONTRACTOR acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this CONTRACT, shall belong to and be the property of the CITY and shall be made available to the CITY at any time. CONTRACTOR further agrees to turn over to the CITY all such records upon termination of this CONTRACT. CONTRACTOR agrees that it shall not, under any circumstances, release any records created during the course of performance of this CONTRACT to any entity without the written permission of the Director of the Managing City Department, unless required to do so by a court of competent jurisdiction. The Managing City Department shall be notified of such request as set forth in Article VIII, Section 8.3 of this CONTRACT.

8.6 Ownership of Intellectual Property. CONTRACTOR and the CITY agree that the Project shall be and remain the sole and exclusive proprietary property of the CITY. The Project shall be deemed a "work for hire" within the meaning of the copyright laws of the United States, and ownership of the Project and all rights therein shall be solely vested in the CITY. CONTRACTOR hereby grants, sells, assigns, and conveys to the CITY all rights in and to the Project and the tangible and intangible property rights relating to or arising out of the Project, including, without limitation, any and all copyright, patent and trade secret rights. All intellectual property rights including, without limitation, patent, copyright, trade secret, trademark, brand names, color schemes, designs, screens, displays, user interfaces, data structures, organization, sequences of operation, trade dress, and other proprietary rights (the "Intellectual Property Rights") in the Project shall be solely vested in the CITY. CONTRACTOR agrees to execute all documents reasonably requested by the CITY to perfect and establish the City's right to the Intellectual Property Rights. In the event the CITY shall be unable, after reasonable effort, to secure CONTRACTOR's signature on any documents relating to Intellectual Property Rights in the Project, including without limitation, any letters patent, copyright, or other protection relating to the Project, for any reason whatsoever, CONTRACTOR hereby irrevocably designates and appoints the CITY and its duly authorized officers and agents as CONTRACTOR's agent and attorney-in-fact, to act for and in CONTRACTOR's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by CONTRACTOR. Provided, however, nothing herein contained is intended nor shall it be construed to require CONTRACTOR to transfer any ownership interest in CONTRACTOR's best practice and benchmarking information to the CITY.

8.7 Within a period not to exceed forty-five (45) days from the termination date of this CONTRACT, CONTRACTOR shall submit all final client and/or fiscal reports and all required deliverables to the CITY. CONTRACTOR understands and agrees that in conjunction with the submission of the final report, CONTRACTOR shall execute and deliver to the CITY a receipt for all sums and a release of all claims against the Project.

8.8 CONTRACTOR shall provide to the Managing City Department all information requested by the Managing City Department relating to CONTRACTOR's board functions. Information required for submission shall include but may not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);

(B) Current Bylaws and Charter;

(C) Terms of Officers;

(D) Amendments to Bylaws;

(E) Schedule of anticipated board meetings for current Fiscal Year;

(F) Minutes of board meetings that are approved by CONTRACTOR's board will become part of the CONTRACTOR's Project records and as such, must be available to the CITY staff upon request, provided; however, CONTRACTOR shall submit to the CITY minutes of board meetings that are approved by the CONTRACTOR's board on a quarterly basis for contracts with the CITY that are in an amount of $1,000,000.00 or greater;

(G) Board agenda, to be submitted at least three (3) business days prior to each board meeting.

8.9 CONTRACTOR agrees to comply with official records retention schedules in accordance with the Local Government Records Act of 1989 and any amendments thereto, referenced in Section 11.3 of this CONTRACT.

IX. INSURANCE

9.1 CONTRACTOR agrees to comply with the following insurance provisions:

(A) Prior to the commencement of any work under this CONTRACT, CONTRACTOR shall furnish copies of all required endorsements and a completed Certificate(s) of Insurance to the CITY's Office of Grants Monitoring and Administration, which shall be clearly labeled "_____ " in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The CITY will not accept Memorandum of Insurance or Binders as proof of insurance. The certificate(s) or form must have the agent's signature, including the signer's phone number, and be mailed with copies of all applicable endorsements, directly from the insurer's authorized representative to the CITY. The CITY shall have no duty to pay or perform under this CONTRACT until such certificate and endorsements have been received and approved by the CITY's

Office of Grants Monitoring and Administration. No officer or employee, other than the CITY's Risk Manager, shall have authority to waive this requirement.

(B) The CITY reserves the right to review the insurance requirements of this Article during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by the CITY's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this CONTRACT. In no instance will the CITY allow modification whereupon the CITY may incur increased risk.

(C) CONTRACTOR's financial integrity is of interest to the CITY; therefore, subject to CONTRACTOR's right to maintain reasonable deductibles in such amounts as are approved by the CITY, CONTRACTOR shall obtain and maintain in full force and effect for the duration of this CONTRACT, and any extension hereof, at CONTRACTOR's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated by companies authorized to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

POLICY TYPES	AMOUNTS

(D) Grantee agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Grantee herein, and provide a certificate of insurance and endorsement that names the Grantee and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

(E) As they apply to the limits required by the CITY, the CITY shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). CONTRACTOR shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to the CITY at the address provided below within ten (10) days of the requested change. CONTRACTOR shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Office of Grants Monitoring and Administration
P.O. Box 839966
San Antonio, Texas 78283-3966

(F) CONTRACTOR agrees that with respect to the above-required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:

- Name the CITY and its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the CITY, with the exception of the workers' compensation and professional liability polices;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the CITY is an additional insured shown on the policy;

- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the CITY; and

- Provide advance written notice directly to the CITY of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

(G) Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, CONTRACTOR shall provide a replacement Certificate of Insurance and applicable endorsements to the CITY. The CITY shall have the option to suspend CONTRACTOR's performance should there be a lapse in coverage at any time during this CONTRACT. Failure to provide and to maintain the required insurance shall constitute a material breach of this CONTRACT.

(H) In addition to any other remedies the CITY may have upon CONTRACTOR's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the CITY shall have the right to order CONTRACTOR to stop work hereunder, and/or withhold any payment(s) which become due to CONTRACTOR hereunder until CONTRACTOR demonstrates compliance with the requirements hereof.

(I) Nothing herein contained shall be construed as limiting in any way the extent to which CONTRACTOR may be held responsible for payments of damages to

persons or property resulting from CONTRACTOR's or its subcontractors' performance of the work covered under this CONTRACT.

(J) It is agreed that CONTRACTOR's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this CONTRACT.

(K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this CONTRACT and that no claim or action by or on behalf of the CITY shall be limited to insurance coverage provided.

(L) CONTRACTOR and any subcontractors are responsible for all damage to their own equipment and/or property.

X. INDEMNITY

10.1 CONTRACTOR agrees to comply with the following indemnity provision:

(A) CONTRACTOR covenants and agrees to FULLY INDEMNIFY, and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers, and representatives of the CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CONTRACTOR's activities under this CONTRACT, including any acts or omissions of CONTRACTOR, any agent, officer, director, representative, employee, consultant or subcontractor of CONTRACTOR, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this CONTRACT, all without, however, waiving any governmental immunity available to the CITY under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS CONTRACT. The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. CONTRACTOR shall promptly advise the CITY in writing of any claim or demand against the CITY or CONTRACTOR known to CONTRACTOR related to or

arising out of CONTRACTOR's activities under this CONTRACT and shall see to the investigation of and defense of such claim or demand at CONTRACTOR's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving CONTRACTOR of any of its obligations under this paragraph.

(B) **It is the EXPRESS INTENT of the parties to this CONTRACT, that the INDEMNITY provided for in this Article is an INDEMNITY extended by CONTRACTOR to INDEMNIFY, PROTECT and HOLD HARMLESS, the CITY from the consequences of the CITY's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this Article SHALL APPLY only when the NEGLIGENT ACT of the CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the CITY is the sole cause of the resultant injury, death, or damage. CONTRACTOR further AGREES TO DEFEND, AT ITS OWN EXPENSE, and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.**

XI. APPLICABLE LAWS

11.1 CONTRACTOR certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject CONTRACTOR to suspension of payments, termination of this CONTRACT, and debarment and suspension actions.

11.2 CONTRACTOR understands that certain funds provided it pursuant to this CONTRACT are funds which have been made available by the CITY's General Operating Budget and/or by federal, state, or other granting entities. Consequently, CONTRACTOR agrees to comply with all laws, rules, regulations, policies, and procedures applicable to the funds received by CONTRACTOR hereunder as directed by the CITY or as required in this CONTRACT. In addition, CONTRACTOR shall comply with the following Office of Management and Budget (OMB) Circulars, as applicable to the funds received by CONTRACTOR hereunder:

(A) OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";

(B) OMB Circular A-87, entitled, "Cost Principles for State, Local, and Indian Tribal Governments";

(C) OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";

(D) OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and

(E) OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations."

11.3 All of the work performed under this CONTRACT by CONTRACTOR shall comply with all applicable laws, rules, regulations, and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and County of Bexar. Additionally, CONTRACTOR shall comply with the following:

- Local Government Records Act of 1989 official record retention schedules;
- Government Code Chapter 552 pertaining to Texas Public Information Act;
- Texas Government Code Chapter 2254 pertaining to Professional and Consulting Services; and
- Texas Local Government Code.

In addition to the applicable laws referenced above, CONTRACTOR must also adhere to compliance requirements that are applicable to the specific funding source(s) from which funds paid to CONTRACTOR hereunder originated. For example, CDBG contractors are required to follow applicable CDBG regulations.

11.4 CONTRACTOR shall not engage in employment practices, which have the effect of discriminating against any employee or applicant for employment, and, will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation. Specifically, CONTRACTOR agrees to abide by all applicable provisions of the City of San Antonio Ordinance No. 69403 on file in the City Clerk's Office. Additionally, CONTRACTOR certifies that it will comply fully with the following non-discrimination, minimum wage, and equal opportunity provisions, including but not limited to:

(A) Title VII of the Civil Rights Act of 1964, as amended;

(B) Section 504 of the Rehabilitation Act of 1973, as amended;

(C) The Age Discrimination Act of 1975, as amended;

(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);

(E) Fair Labor Standards Act of 1938, as amended;

(F) Equal Pay Act of 1963, P.L. 88-38; and

(G) All applicable regulations implementing the above laws.

11.5 CONTRACTOR warrants that any and all taxes that CONTRACTOR may be obligated for, including but not limited to, federal, state, and local taxes, fees, special assessments, federal and state payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of this CONTRACT. CONTRACTOR shall comply with all applicable local, state, and federal laws including, but not limited to:

(A) Worker's compensation;

(B) Unemployment insurance;

(C) Timely deposits of payroll deductions;

(D) Filing of Information on Tax Return Form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc.;

(E) Occupational Safety and Health Act regulations; and

(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

11.6 CONTRACTOR agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

11.7 CONTRACTOR agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies, and procedures as they may be promulgated.

11.8 All expenditures by CONTRACTOR or any of its subcontractors must be made in accordance with all applicable federal, state, and local laws, rules and regulations.

11.9 CONTRACTOR shall submit to the Managing City Department on an annual basis Form 990 or 990T.

XII. NO SOLICITATION/CONFLICT OF INTEREST

12.1 CONTRACTOR warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this CONTRACT upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the CONTRACTOR or the CITY. For breach or violation of this warrant, the CITY shall have the right to terminate this CONTRACT without liability or, at its discretion, to deduct from the CONTRACT or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

12.2 CONTRACTOR covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this CONTRACT. CONTRACTOR further covenants that in the performance of this CONTRACT, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

12.3 CONTRACTOR further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

12.4 No member of the CITY's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this CONTRACT shall:

(A) Participate in any decision relating to this CONTRACT which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or

(B) Have any direct or indirect interest in this CONTRACT or the proceeds thereof.

12.5 CONTRACTOR acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a CITY officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the CITY or any CITY agency such as CITY-owned utilities. An officer or employee has "prohibited financial interest" in a contract with the CITY or in the sale to the CITY of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a CITY officer or employee, his parent, child or spouse, a business entity in which the officer or employee, or his parent, child or spouse owns ten percent (10%) or more of the voting stock or shares of the business entity, or ten percent (10%) or more of the fair market value of the business entity, a business entity in which any individual or entity above listed is subcontractor on a CITY contract, a partner or a parent or subsidiary business entity.

12.6 CONTRACTOR warrants and certifies, and this CONTRACT is made in reliance thereon, (that neither CONTRACTOR nor his or her spouse, parent, child, sibling or first-degree relative is a CITY officer or employee as defined by Section 2-52 (e) of the CITY Ethics Code. If CONTRACTOR is a business entity, CONTRACTOR representative further warrants and certifies that no CITY officer or employee nor any spouse, parent, child sibling or first-degree relative of a CITY officer or employee owns ten percent (10%) or more of the voting stock or shares of the business entity, or ten percent (10%) or more of the fair market value of the business entity). CONTRACTOR further warrants and certifies that is has tendered to the CITY a Discretionary Contracts Disclosure Statement in compliance with the CITY's Ethics Code.

XIII. TERMINATION

13.1 Termination for Cause – Should CONTRACTOR fail to fulfill, in a timely and proper manner, obligations under this CONTRACT to include performance standards established by the CITY, or if CONTRACTOR should violate any of the covenants, conditions, or stipulations of this CONTRACT, the CITY shall thereupon have the right to terminate this CONTRACT by sending written notice to CONTRACTOR of such termination and specify the effective date thereof (which date shall not be sooner than the end of ten (10) days following the day on which such notice is sent). CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be determined by the CITY alone, and its decision shall be final. It is further expressly understood and agreed by the parties that CONTRACTOR's performance upon which final payment is conditioned shall include, but not be limited to, CONTRACTOR's complete and satisfactory performance, of its obligations for which final payment is sought.

13.2 Termination for Convenience – This CONTRACT may be terminated in whole or in part when the CITY determines that continuation of the Project would not produce beneficial results commensurate with the further expenditure of funds. Such termination by the CITY shall specify the date thereof, which date shall not be sooner than thirty (30) days following the day on which notice is sent. CONTRACTOR shall also have the right to terminate this CONTRACT and specify the date thereof, which date shall not be sooner than the end of thirty (30) days following the day on which notice is sent. CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be determined by the CITY alone, and its decision shall be final. It is further expressly understood and agreed by the parties that CONTRACTOR's performance upon which final payment is conditioned shall include, but not be limited to, CONTRACTOR's complete and satisfactory performance of its obligations for which final payment is sought.

13.3 Notwithstanding any other remedy contained herein or provided by law, the CITY may delay, suspend, limit, or cancel funds, rights, or privileges herein given CONTRACTOR for failure to comply with the terms and provisions of this CONTRACT. Specifically, at the sole option of the CITY, CONTRACTOR may be placed on probation during which time the CITY may withhold reimbursements in cases where it determines that the CONTRACTOR is not in compliance with this CONTRACT. CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of this CONTRACT, and the CITY may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to the CITY.

13.4 Should CONTRACTOR be debarred by the CITY pursuant to a debarment policy currently existing or hereafter adopted, said debarment may within the CITY's sole and absolute discretion, be grounds for termination for cause.

XIV. PROHIBITION OF POLITICAL ACTIVITIES

14.1 CONTRACTOR agrees that no funds provided from or through the CITY shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this CONTRACT be assigned to work for or on behalf of any partisan or non-partisan political activity.

14.2 CONTRACTOR agrees that no funds provided under this CONTRACT may be used in any way to attempt to influence, in any manner, a member of congress or any other state or local elected or appointed official.

14.3 The prohibitions set forth in Article XIV; Sections 14.1 and 14.2 of this CONTRACT include, but are not limited to, the following:

(A) An activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) Working or directing other personnel to work on any political activity during time paid for with CITY funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) Coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) Using facilities or equipment paid for, in whole or in part with CITY funds for political purposes including physical facilities such as office space, office equipment, or supplies, such as telephones, computers, fax machines, during and after regular business hours.

14.4 To ensure that the above policies are complied with, CONTRACTOR shall provide every member of its personnel paid out of CITY funds with a statement of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the Managing City Department. CONTRACTOR shall list the name and number of a contact person from the Managing City Department on the statement that CONTRACTOR's personnel can call to report said violations.

14.5 CONTRACTOR agrees that in any instance where an investigation of the above is ongoing or has been confirmed, reimbursements paid to CONTRACTOR under this CONTRACT may, at the CITY's discretion, be withheld until the situation is resolved.

14.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, CONTRACTOR and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with CITY funds.

XV. PERSONNEL MANAGEMENT

15.1 CONTRACTOR agrees to establish internal procedures that assure employees of an established complaint and grievance policy. The grievance policy will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

15.2 CONTRACTOR is permitted to pay its full time employees for the total number of holidays authorized by the City Council for the City of San Antonio employees. If the CONTRACTOR elects to observe more than the total number of holidays authorized by the City Council for the City of San Antonio employees, then such additional days are not eligible for reimbursement under this CONTRACT.

15.3 CONTRACTOR agrees that the job titles and descriptions set forth in the Project Budget (Attachment II) that affect a salary or range increase may not be changed without justification and prior written approval from the Director of the Managing City Department, as evidenced through a written amendment to this CONTRACT approved by the Director of the Managing City Department.

15.4 CONTRACTOR agrees that all copies of written job descriptions will be filed in all individual personnel folders for each position in the organization.

15.5 CONTRACTOR agrees to provide the CITY with the names and license registration of any employees of contractor regulated by state law whose activities contribute towards, facilitate, or coordinate the performance of this CONTRACT.

15.6 At the sole discretion of the Director of the Managing City Department, CONTRACTOR may be reimbursed by the CITY for the cost of pay granted to full time, permanent employees that is not chargeable to annual or personal leave only for the reasons listed below:

(A) To attend annual training in a branch of the Armed Services, not to exceed fifteen (15) business days during the term of this CONTRACT;

(B) To serve as a juror;

(C) To attend the funeral of someone in the immediate family. Immediate family shall include father, mother, sister, brother, husband, wife or child, and other relatives, (including in-laws) if such other relatives are actually members of the

employee's household. In such event, CONTRACTOR may grant up to three (3) work days of leave with pay that is not chargeable to annual or personal leave; or

(D) To attend seminars or workshops.

15.7 Chief Executive Officers (CEOs), directors and other supervisory personnel of CONTRACTOR may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through CITY funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVI. ADVERSARIAL PROCEEDINGS

16.1 CONTRACTOR agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this CONTRACT be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the CITY or any other public entity; and

(B) CONTRACTOR, at the CITY's option, could be ineligible for consideration to receive any future funding while any adversarial proceedings against the CITY remains unresolved.

XVII. CITY-SUPPORTED PROJECT

17.1 CONTRACTOR shall publicly acknowledge that this Project is supported by the CITY as directed by the Managing City Department.

XVIII. EQUIPMENT

18.1 CONTRACTOR understands and agrees that if equipment is authorized in the CONTRACTOR's approved budget, prior approval must be requested and received from the CITY for the purchase of non-expendable items which equal or exceed the single unit cost of $100.00 and which have an expected lifetime of more than one year, and for groups of items equaling or exceeding the total cost of $100.00 and which have an expected lifetime of more than one year. CONTRACTOR retains ownership of all equipment/property purchased with funds received through the CITY. It is understood that the terms, "equipment," and "property," as used herein, shall include not only furniture and other durable property, but also vehicles.

18.2 CONTRACTOR shall not use equipment acquired with Community Development Block Grant funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute. CONTRACTOR shall use the equipment for the Project as long as needed, whether or not the Project continues to be supported by Federal funds, but shall not encumber the equipment without approval of HUD. When the equipment is no longer needed for this Project, CONTRACTOR shall use the equipment in connection with CDBG activities. Equipment not

needed by CONTRACTOR for CDBG activities shall be transferred to the CITY for its CDBG program or may be retained by CONTRACTOR after compensating the CITY. If the CONTRACT is terminated for cause, CONTRACTOR agrees that title to such equipment/property shall, at the CITY's sole option, revert to the CITY at the CONTRACT's termination. CONTRACTOR agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon termination for cause of this CONTRACT.

18.3 During the time that equipment is used on this Project, CONTRACTOR shall make it available for use on other projects or programs if such other use will not interfere with the work on this Project. First preference for such other use shall be given to other projects or programs sponsored by HUD that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible only if authorized by HUD. User charges shall be treated as program income.

18.4 CONTRACTOR shall maintain accurate records on all items obtained with CITY funds to include:

(A) A description of the equipment, including the model and serial number, or other identification number, if applicable;

(B) The date of acquisition, cost, and procurement source, purchase order number, and vendor number;

(C) Information from which one can calculate the percentage of Federal participation in the cost of the equipment;

(D) An indication of whether the equipment is new or used;

(E) The vendor's name (or transferred from);

(F) The location and condition of the equipment and the date the information was reported;

(G) The property number shown on the property tag; and

(H) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where CONTRACTOR compensates the CITY or HUD for its share.

18.5 CONTRACTOR shall provide to the CITY an annual physical inventory of equipment and a reconciliation of the results with the equipment records. CONTRACTOR shall investigate any differences between quantities determined by the physical inspection and those shown in the accounting records to determine the causes of the difference. CONTRACTOR shall, in

connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

18.6 CONTRACTOR is fully and solely responsible for the safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with CITY funds. All lost, stolen, missing, damaged and/or destroyed equipment/property shall be reported to the local Police Department and, if applicable, the Federal Bureau of Investigation (FBI). CONTRACTOR shall make such reports immediately and shall notify and deliver a copy of the official report to the Managing City Department within seventy-two (72) hours from the date that CONTRACTOR discovers the lost, stolen, missing, damaged, and/or destroyed equipment/property. The report submitted by CONTRACTOR to the Managing City Department shall minimally include:

(A) A reasonably complete description of the missing damaged or destroyed articles of property, including the cost and serial number and other pertinent information;

(B) A reasonably complete description of the circumstances surrounding the loss, theft, damage or destruction; and

(C) A copy of the official written police report or, should the Police not make such copy available, a summary of the report made to the Police, including the date the report was made and the name and badge number of the Police Officer who took the report.

18.7 CONTRACTOR shall implement adequate maintenance procedures to keep the equipment in good condition. Additionally, all equipment purchased under this CONTRACT shall be fully insured against fire, loss, and theft.

18.8 CONTRACTOR agrees that no equipment purchased with CITY funds may be disposed of without receiving prior written approval from the Managing City Department. Where CONTRACTOR is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return, and all sale proceeds shall be program income, prorated to reflect the extent to which Community Development Block Grant funds were used to acquire the equipment. In cases of theft and/or loss of equipment, it is the responsibility of CONTRACTOR to replace it with like equipment. CITY funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with CITY funds.

XIX. TRAVEL

19.1 The cost associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) CONTRACTOR agrees that mileage reimbursement paid to CONTRACTOR's employees shall be reimbursed at a rate no more liberal than the CITY's policy

for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. CONTRACTOR further agrees that in order for its employees to be eligible for mileage reimbursement, the employees: 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must record, on a daily basis, odometer readings before and after business use, showing total business miles driven each day and must keep such record in the vehicle. Mileage records are subject to spot-checks by the CITY. CONTRACTOR shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with CONTRACTOR.

(B) CONTRACTOR agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this CONTRACT, CONTRACTOR shall: 1) provide the CITY with detailed documentation of such business travel expense(s), 2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the CITY's travel policies which conform with the reimbursement rates established by the United States General Services Administration, 3) purchase all business travel at economy class rates and shall document such; and 4) submit support for conferences to include itineraries and documentation certifying conference attendance.

XX. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

20.1 CONTRACTOR agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the acquisition, construction, operation, maintenance, administration or rehabilitation of a facility to the extent that that facility is used for inherently religious activities, such as worship, religious instruction, or proselytization. CONTRACTOR further agrees not to engage in inherently religious activities, such as worship, religious instruction, or proselytization when using said facility.

XXI. DEBARMENT

21.1 CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

21.2 CONTRACTOR shall provide immediate written notice to the CITY, in accordance with the notice requirements of Article XXV herein, if, at any time during the term of this CONTRACT, including any renewals hereof, CONTRACTOR learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXII. ASSIGNMENT

22.1 CONTRACTOR shall not assign or transfer CONTRACTOR's interest in this CONTRACT or any portion thereof without the written consent of the City Council for the City of San Antonio, and if applicable, the Grantor of the grant source. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIII. AMENDMENT

23.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both the CITY and CONTRACTOR and evidenced by passage of a subsequent CITY ordinance, as to the CITY's approval, provided; however, the Director of the Managing City Department shall have the authority to execute an amendment of this CONTRACT without the necessity of seeking any further approval by the City Council for the City of San Antonio, if permitted by all applicable local, state and federal laws, and in the following circumstances:

(A) An increase in funding of this CONTRACT in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this CONTRACT or (b) $25,000.00, whichever is the lesser amount, provided; however, that the cumulative total of all amendments increasing contract funding during the term of this CONTRACT shall not exceed the foregoing amount;

(B) Modifications to the Performance Measures set forth in Attachment I hereto, so long as the terms of the amendment stay within the parameters set forth in the Statement of Work, also set forth in Attachment I hereto;

(C) Budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this CONTRACT remains unchanged, provided; however, that budget line item shifts of funds related to personnel services cannot exceed the total dollar amount allocated to personnel services set forth in the Project Budget (Attachment II) of this CONTRACT; and

(D) Modifications to the insurance provisions described in Article IX of this CONTRACT that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the Managing City Department.

XXIV. SUBCONTRACTING

24.1 None of the work or services covered by this CONTRACT shall be sub-contracted without the prior written consent of the Grantor of the grant source, if so required by said Grantor.

24.2 CONTRACTOR must comply with all applicable local, state and federal procurement standards, rules, regulations, and laws in all its sub-contracts related to the work or funds herein.

It is further agreed by the parties hereto that the CITY has the authority to monitor, audit, examine, and make copies and transcripts of all sub-contracts, as often as deemed appropriate by the CITY. If, in the sole determination of the CITY, it is found that all applicable local, state and federal procurement standards, rules, regulations and laws have not been met by CONTRACTOR with respect to any of its sub-contracts, then CONTRACTOR will be deemed to be in default of this CONTRACT, and as such, this CONTRACT will be subject to termination in accordance with the provisions hereof.

24.3 Any work or services for sub-contracting hereunder, shall be sub-contracted only by written contract, and unless specific waiver is granted in writing by the CITY, shall be subject by its terms to each and every provision of this CONTRACT. Compliance by sub-contractors with this CONTRACT shall be the responsibility of CONTRACTOR. CONTRACTOR agrees that payment for services of any sub-contractor shall be submitted through CONTRACTOR, and CONTRACTOR shall be responsible for all payments to sub-contractors.

24.4 CONTRACTOR certifies that its subcontractors are not presently debarred, suspended, or proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

XXV. OFFICIAL COMMUNICATIONS

25.1 For purposes of this CONTRACT, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

CITY:

Office of Grants Monitoring and Administration
1400 S. Flores
San Antonio, Texas 78204

CONTRACTOR:

Notices of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of the change.

XXVI. VENUE

26.1 CONTRACTOR and the CITY agree that this CONTRACT shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought

to enforce the terms of this CONTRACT or adjudicate any dispute arising out of this CONTRACT shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVII. GENDER

27.1 Words of any gender used in this CONTRACT shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXVIII. AUTHORITY

28.1 The signer of this CONTRACT for CONTRACTOR represents, warrants, assures, and guarantees that he has full legal authority to execute this CONTRACT on behalf of CONTRACTOR and to bind CONTRACTOR to all of the terms, conditions, provisions and obligations herein contained. CONTRACTOR shall provide evidence to the CITY upon execution of this CONTRACT that it is currently operating as a non-profit entity with a current Internal Revenue Code, Section 501(c)(3) status, or a for-profit entity governed by an autonomous governing body, acting in accordance with the governing instruments submitted to the CITY in the application for funding. Whether a non-profit or for-profit entity, CONTRACTOR must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. CONTRACTOR shall provide Managing City Department verification of the foregoing requirements no later than the execution date of this CONTRACT.

XXIX. LICENSES AND TRAINING

29.1 CONTRACTOR warrants and certifies that CONTRACTOR's employees and its subcontractors have the requisite training, license, or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXX. INDEPENDENT CONTRACTOR

30.1 It is expressly understood and agreed that CONTRACTOR is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the CITY shall in no way be responsible therefore, and that neither party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

30.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the parties hereto.

30.3 Any and all of the employees of CONTRACTOR, wherever located, while engaged in the performance of any work required by the CITY under this CONTRACT shall be considered employees of CONTRACTOR only, and not of the CITY, and any and all

claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of CONTRACTOR.

XXXI. SEVERABILITY

31.1 If any clause or provision of this CONTRACT is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the CITY Charter, CITY Code, or ordinances of the CITY, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this CONTRACT that is invalid, illegal or unenforceable, there be added as a part of this CONTRACT a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXII. CONTRIBUTION PROHIBITIONS

The provisions of Article XXXII shall apply to all contracts considered "high risk" as that term is defined in the City of San Antonio Contracting Policy and Process Manual.

32.1 CONTRACTOR acknowledges that City Code, Section 2-309 provides that any person acting as a legal signatory for a proposed contractual relationship that applies for a "high-risk" discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a campaign contribution to any councilmember or candidate at any time from the time the person submits the response to the Request for Proposal (RFP) or Request for Qualifications (RFQ) until thirty (30) calendar days following the contract award. CONTRACTOR understands that if the legal signatory entering this CONTRACT has made such a contribution, the CITY may not award the contract to that contributor or to that contributor's business entity. Any legal signatory for a proposed high-risk contract must be identified within the response to the RFP or RFQ, if the identity of the signatory will be different from the individual submitting the response.

32.2 CONTRACTOR acknowledges that the CITY has identified this CONTRACT as high risk.

32.3 CONTRACTOR warrants and certifies, and this CONTRACT is made in reliance thereon, that the individual signing this CONTRACT has not made any contributions in violation of City Code, Section 2-309, and will not do so for thirty (30) calendar days following the award of this CONTRACT. Should the signor of this CONTRACT violate this provision, the City Council may, in its discretion, declare this CONTRACT void.

XXXIII. ENTIRE CONTRACT

33.1 This CONTRACT and its attachments, if any, constitute the entire and integrated contract between the parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or contracts, either oral or written.

In witness of which this CONTRACT has been executed effective the _____ day of _____, 2012.

CITY OF SAN ANTONIO:

_____

Office of Grants Monitoring and and Administration

CONTRACTING AGENCY:

_____

_____

Board President (if required by Agency)

APPROVED AS TO FORM:

_____

DENISE MONDAY
Assistant City Attorney

ATTACHMENTS:

Attachment I – Work Statement
Attachment II – Project Budget
Attachment III – Technical Workbook (to which the Federal Compliance Manual is attached as Attachment III-Exhibit "A")
Attachment IV – Performance Records/Reports
Attachment V – Billing Package
Attachment –Special Provisions

ATTACHMENT V

FY 2013 CDBG, HOME, HOWPA, ESG, HOPWA, NSP
Funded Personnel Counts

Department/ Program/Job Title	FY 2013 Adopted Budget
GMA MONITORING & OVERSIGHT	
Grants Administrator	1
Sr. Management Coordinator	1
Administrative Asst. II	1
Dept Fiscal Administrator	1
Fiscal Manager	1
Fiscal Analyst	1
Grants Manager	1
Sr. Mgmt Analyst	2
Mgmt Analyst	5
Compliance & Resolution Mgr.	1
Compliance Lead Analyst	1
Compliance Sr. Analyst	1
Grants Monitoring & Administration Total	**17**
HOUSING REHABILITATION PROGRAM DELIVERY	
Construction Specialist	1
Neighborhood Renewal Manager	1
Construction Specialist	1
Construction Specialist	1
Housing Loan Officer	1
Housing Loan Coordinator	1
Fiscal Officer	1
Construction Specialist Supervisor	1
Construction Specialist	1
Sr Customer Svcs Rep.	1
Construction Specialist I	1
Administrative Assistant I	1
Planning and Community Development Department Total	**12**
COMMUNITY DEVELOPMENT PROGRAM	
Planning Coordinator	1
Sr. Management Analyst	1
Sr Geo Info Sys (GIS) Analyst	1
Planning & Community Development Services Total	**3**
HOUSING ADMINISTRATION	
Housing Loan Coordinator	1
Planning & Community Development Services Total	**1**

ATTACHMENT V

FY 2013 CDBG, HOME, HOWPA, ESG, HOPWA, NSP
Funded Personnel Counts

Department/ Program/Job Title	FY 2013 Adopted Budget
NEIGHBORHOOD COMMERCIAL REVITILIZATION	
Sr Economic Dev Specialist	1
Sr Planner	1
Planning & Community Development Total	**2**
DEVELOPMENT SERVICES	
Code Enforcement Officer	1
Code Enforcement Officer	1
Code Enforcement Officer	1
Code Enforcement Officer	1
Code Enforcement (Public Service)Total	**4**
LEGAL ADMINISTRATION	
Asst City Attorney III	1
City Attorney's Office Total	**1**
CIVIL CODE COMPLIANCE	
Assistant City Attorney II	1
City Attorney's Office Total	**1**
ESG/HOPWA ADMINISTRATION	
Management Analyst	1
Community Services Specialist	1
Human Services, Community Action Division Total	**2**
FAIR HOUSING ADMINISTRATION	
Program Manager	1
Community Services Specialist	1
Community Services Specialist	1
Human Services, Fair Housing Total	**3**
Grant Total	**46**

ATTACHMENT VI

CDBG - Reprogramming

Project Name	Fiscal Year	Project Budget	Project Expenses	Balance to be Reprogrammed	Internal Order Number
Grants Monitoring & Administration Program Monitoring and Oversight	2011	1,443,564.20	1,193,564.20	250,000.00	131000001919
District 6 Capital Improvements - WETC House Move	2010	30,000.00	0.00	30,000.00	131000001750
Macdonna Street	2006	35,292.26	35,287.20	5.06	131000001849
Escalon Street Improvements	2007	158,000.00	77,465.69	80,534.31	131000001854
District 2 Street Repairs	2007	75,000.00	70,383.09	4,616.91	131000001855
Anchor/Belair Curbs and Sidewalks	2007	71,000.00	18,331.76	52,668.24	131000001858
ADA Curb Cuts	2009	300,000.00	274,736.26	25,263.74	131000001866
District 5 Quiet Zone	2010	210,000.00	124,137.33	85,862.67	131000001875
Ramsey Sidewalks	2010	155,280.00	128,793.70	26,486.30	131000001883
Providence Catholic School	2011	100,000.00	94,609.88	5,390.12	131000001898
Myra Davis Hemmings Resource Center	2011	125,000.00	124,818.85	181.15	131000001900
Historic Preservation - OORR	2010	350,000.00	2,780.00	125,000.00	131000001879
Total CDBG Reprogramming		**$1,609,572.26**	**$951,343.76**	**$686,008.50**	

Total Amount to Reprogram for CDBG **$686,008.50**

FY 2013 CDBG, HOME, ESG & HOPWA BUDGET
City Council "A" Session

Presented by Peter Zanoni
Assistant City Manager
June 21, 2012

Overview

- Present FY 2013 Budget Recommendations to City Council for four Housing and Urban Development (HUD) grant programs:
  - Community Development Block Grant (CDBG)
  - Home Investment Partnerships Program (HOME)
  - Emergency Solutions Grant (ESG)
  - Housing Opportunities for Persons with AIDS (HOPWA)
- Quality of Life Council Committee reviewed and unanimously approved FY 2013 staff recommendations on May 15, 2012

FY 2013 Proposed Budget

HUD Entitlement Grant	FY 2012 Adopted Budget	FY 2013 Proposed Budget	Variance
CDBG*	$14,590,831	$12,641,892	($1,948,939)
HOME*	7,483,584	4,522,708	($2,960,876)
ESG	1,001,730	1,145,362	143,632
HOPWA	1,168,601	1,187,881	19,280
Total	**$24,244,746**	**$19,497,842**	**($4,746,903)**

*Budget comprised of annual allocation, program income & reprogramming funds

Overview of CDBG Funds

- CDBG funds assist low to moderate income residents through:
  - Public Service Programs
  - Capital Improvements/Infrastructure
  - Housing
  - Economic Development
  - Neighborhood Revitalization

FY 2013 CDBG Funding Recommendations

Funding Category	Budget Allocation	%
HUD 108 Loan Repayment	$4.7 M	38%
Facilities and Neighborhood Revitalization	$2.9 M	22%
Public Service Programs	$1.8 M	15%
Administration	$1.8 M	14%
Lead Based Paint Grant Match and Housing Rehab Program Staff	$1.4 M	11%
Total*	$12.6 M	100%

*Budget comprised of $11.6 M in CDBG annual allocation, $396,000 in program income and $686,000 in Re-Programming Funds

HUD 108 Annual Loan Payment - $4.7 M

- $57 million HUD Section 108 Loan approved in September, 2004
  - Provided upfront funds for CDBG eligible infrastructure activities
- $4.7 million Annual Loan Repayment required through 2026 from CDBG entitlement funds

CDBG Facilities and Neighborhood Revitalization - $2.9 M

- $2.0 Million - Education Facilities
  - Acquisition, rehabilitation and/or construction of education facilities related to a potential sales tax venue for education initiative

CDBG Facilities and Neighborhood Revitalization - $2.9 M

- $500,000 - Ella Austin Community Center Facility improvements
  - Center provides community services including early childhood development and senior services

CDBG Facilities and Neighborhood Revitalization - $2.9 M

- $257,192 – Railroad Crossing Quiet Zone (Partially Funds)
  - Installation of Quiet Zone safety improvements at 12 railroad crossings in Austin Subdivision

CDBG Facilities and Neighborhood Revitalization - $2.9 M

- $125,000 - Commercial Façade Improvement Program

  - Purpose of Program
    - reverse deterioration of commercial structures
    - market vacant space and attract new businesses
    - stimulate new, private investment and economic growth
  - Administered by Planning & Community Development

Public Services - $1.8 Million (15%)

- Provides funding for employment training, youth programs, health services, and child care services
- Project selection managed by Department of Human Services through Consolidated Human Development Services Fund process
- Agency funding recommendations will be made in August, 2012 with City FY 2013 Budget recommendations

Housing Activities - $1.4 Million

- Funds program delivery-costs (staff) for City housing programs to include Owner Occupied Rehabilitation and Rental Rehabilitation ($907 K)
- Provides $510 K grant match for $1 million annual lead based paint abatement
- Managed by Planning and Community Development

Overview of HOME Funds

- HOME Funds assist low to moderate income residents through:
  - First-time Homebuyer Activities
  - Homeowner Rehabilitation Activities
  - Rental Rehabilitation Activities
  - Housing New Construction Activities

HOME Request for Application Process

- FY 2013 HOME Request for Applications process
  - Released March 2, 2012
  - Deadline March 30, 2012
  - Two application workshops conducted
- 16 HOME Applications received totaling $21.6 Million
- Applications evaluated based on organizational capacity, community need, project location, ability to proceed, and leveraging of funds
- Applications evaluated by representatives from Human Services, Grants Monitoring, Budget Office, and City Attorney's Office

HOME Funding Recommendations

Funding Category	Budget Allocation
SAHA – San Juan Phase III	$1.35 M
Habitat for Humanity Infill Housing	$1.30 M
Multi-Family Tax Credit Set Aside	$1.48 M
Administration	$0.39 M
Total*	$4.52 M

*Budget comprised of $3.87 M in HOME annual allocation and $650,000 in Re-Programming Funds

SAHA San Juan Phase III - $1.35 M

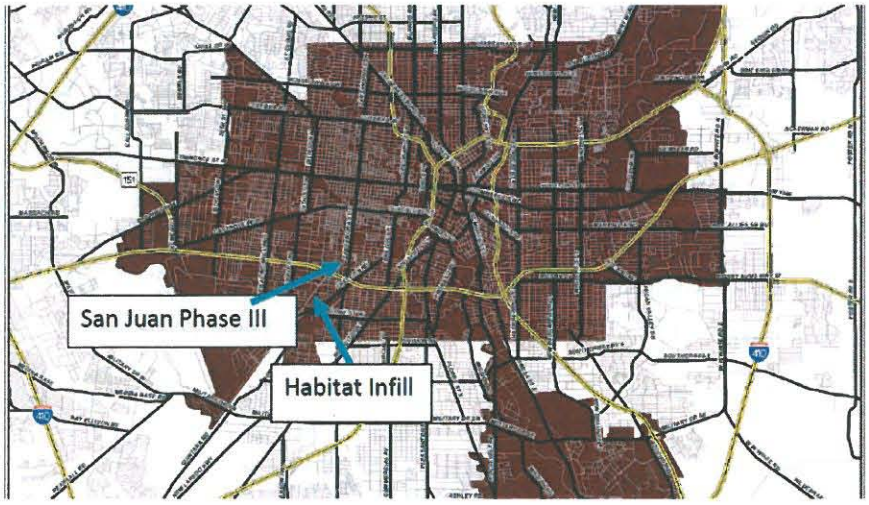
- 252 Multi-family development on 17 acres
- Demolition and reconstruction of 60+ year old housing project
- Located within inner-city and ICRIP area
- $27 million in matching resources

Habitat for Humanity Infill Housing - $1.30 M

- HOME funds used for acquisition of land and development infrastructure
- Habitat to construct of 38 – 40 affordable homes
- Over $2 million in matching resources
- Project helps meet HUD required 15% Community Development Housing Organization (CHDO) funding requirement
- Located within inner-city and ICRIP area

Habitat for Humanity®

Projects Located in the Inner City Reinvestment / Policy Area (ICRIP)



Multi-family Tax Credit Set Aside - $1.48 M

- Set aside funds for multi-family projects that have applied for State tax credits in FY 2013
  - Two applications currently being evaluated by Texas Department of Housing & Community Affairs to receive 9% tax credits
  - If awarded, City HOME Funds would be provided as low-interest loans

Overview of ESG and HOPWA

- Emergency Solutions Grant (ESG) supports programs that provide homeless persons with basic shelter and essential supportive services

- Housing Opportunities for Persons with AIDS Grant (HOPWA) supports programs that design long-term, comprehensive strategies for meeting housing needs of low income individuals living with HIV/AIDS

ESG and HOPWA

	FY 2012 Award	FY 2013 Award	Change	Change (%)
ESG	$1,001,730	$1,145,362	$143,632	14.3%
HOPWA	$1,168,601	$1,187,881	$19,280	1.6%

- Managed and distributed by Department of Human Services through delegate agency request for application process
- Agencies receiving funding finalized in August, 2012

Budget Impact to City Positions

- In FY 2013, 8 City staff positions to be reduced
  - 2 filled, 6 vacant
- FY 2013 Authorized Position Count: 46

Other Federal Funds

- Staff anticipates upcoming Neighborhood Stabilization Program (NSP) reprogramming of $1.2 million in program income
  - $8.6 million received in 2009 for acquisition and rehabilitation of foreclosed homes and redevelopment of vacant properties
  - Program and funds substantially complete/expensed
- Staff is developing reprogramming recommendations to potentially include:
  - Land Banking for Choice Neighborhood Area
  - Vacant Community Center Revitalization Project

Community Input Process

- 1st public hearing held on April 18, 2012
  - Held during the Development of the Proposed Budget to encourage public participation and comments
- Budget recommendations presented to Quality of Life Committee on May 15, 2012
- Recommendations made available for review on City's website, Central Library, and Grants Monitoring and Human Services Department Offices during required 30-day public comment period
- 2nd public hearing being held today, June 21, 2012

CDBG and Home Audit Performance

- On May 25, 2012 City received official notification that all findings from prior years audits/monitoring visits have been cleared with HUD
- Before recent organizational restructuring, consistency in program findings that had not been cleared
- City of San Antonio currently has no outstanding CDBG and HOME findings with HUD

Next Steps

Date	Event
August 15, 2012	CDBG, HOME, ESG, and HOPWA Budget Submitted to HUD
October 1, 2012	Start of Fiscal Year

Staff Recommendation

- Staff recommends approval of Proposed Budget for FY 2013 CDBG, HOME, ESG and HOPWA Grants

San Antonio City Council

Proposed FY 2013
CDBG, HOME, ESG & HOPWA BUDGET

Presented by Peter Zanoni
Assistant City Manager
June 21, 2012