



SUBRECIPIENT AGREEMENT
BETWEEN PUERTO RICO DEPARTMENT OF HOUSING
AND
PUERTO RICO HOUSING FINANCE AUTHORITY
FOR
CDBG-DR LOW INCOME HOUSING TAX CREDITS (LIHTC)

THIS SUBRECIPIENT AGREEMENT is entered this 29 day of November, 2018 (the "Agreement"), by and between the **PUERTO RICO DEPARTMENT OF HOUSING**, a public agency of the Government of Puerto Rico created under Act No. 97, dated June 10, 1972, as amended, known as the Department of Housing Organic Act ("Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. Fernando A. Gil-Enseñat, of legal age, attorney, married, and resident of Guaynabo, Puerto Rico (herein the "PRDOH" or "Grantee"); and **PUERTO RICO HOUSING FINANCE AUTHORITY** (herein the "Subrecipient"), herein represented by its Executive Director, Luis Burdiel Agudo, of legal age, married, and resident of San Juan, Puerto Rico.

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, Pursuant to Public Law 115-56 (the "Appropriations Act") and the Federal Register Notice dated February 9, 2018, at 83 FR 5844, the U.S. Department of Housing and Urban Development ("HUD") has awarded \$1,507,179,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds (also referred to as "Federal Award") to the PRDOH for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the PRDOH's "Puerto Rico Disaster Recovery Action Plan" (the "Action Plan") approved by HUD on July 29, 2018.

WHEREAS, according to the approved Action Plan, Puerto Rico intends to undertake a CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS (LIHTC) program (the "Program") that will result in an increase of affordable rental properties across Puerto Rico through providing grant gap financing and coupled with loans when needed for otherwise shovel-ready projects. The program has a designated total budget of \$100,000,000 to be funded by CDBG-DR (the "Subaward") in accordance to the Housing Construction, Acquisition, Green Building Standards (Section 105(a)(18) of HCDA) as described in the PRDOH's approved Action Plan.

WHEREAS, the PRDOH wishes to engage the Subrecipient to assist the PRDOH in utilizing such funds to carry out the Program to be funded with CDBG-DR funds, pursuant to this Agreement;

WHEREAS, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a Subaward of the PRDOH's Federal Award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the PRDOH's Federal Award; and

WHEREAS, the Subrecipient has legal authority to enter this Agreement and has agreed to undertake the corresponding administrative responsibilities under the Program.

GENERAL AWARD INFORMATION

The Subaward from PRDOH to the Subrecipient is for the purpose of carrying out a portion of the Federal Award described in Section I above; thus, a federal assistance relationship is created with the Subrecipient. This Agreement shall be updated to reflect any changes to the Federal Award and the following award information.

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| Subrecipient Contact Information: | Executive Director Luis Burdiel Agudo Puerto Rico Housing Finance Authority 606 Barbosa Avenue Juan C. Cordero Building Rio Piedras, Puerto Rico 00918 |
| CDBG-DR Grantee Federal Award Identification Number: | PRDOH DUNS #:054115628 |
| CDBG-DR Grantee Federal Award Date: | September 20, 2018 |
| Indirect Cost Rate for the Federal Award: | Indirect Cost Rate applicable to the Subaward to the Subrecipient: See Section V(A) of this Agreement. |
| Federal Award project description: | See Exhibit A for Scope Work |
| Subrecipient Unique Identifier: | PRHFA DUNS #: 0905918010000 |
| Subaward Period of Performance: | Start Date: Effective Date, as defined in Section IV of this Agreement. End Date: Thirty – Six (36) months from Start Date |

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| Total amount of Federal Award committed to the Subrecipient: | \$100,000 for GAP to Low Income Housing Tax Credit |
| Amount of funds obligated under Subrecipient Agreement: | \$100,000,000 |
| Total Amount of Federal Funds Obligated to Subrecipient: | \$100,000,000 |

Indirect Cost Rate applicable to the Subaward to the Subrecipient: See Section V(A) of this Agreement.

NOW, THEREFORE, in consideration of the need for recovery from Hurricanes Irma and Maria and the premises and mutual covenants described herein, the parties mutually agree to the terms described in this Agreement.

II. SCOPE OF WORK

The Subrecipient will be responsible for performing the activities detailed in **Exhibit A** (the "Scope of Work") of this Agreement, which may be amended from time to time. The Subrecipient shall complete the Scope of Work in a manner satisfactory to the PRDOH and consistent with the terms and conditions of this Agreement and applicable Federal and local statutes and regulations.

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Designated Projects and Work Agreements with Developers:

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The Subrecipient shall only perform the activities detailed in the Scope of Work with respect to the projects identified in writing by the PRDOH (a "Designated Project" or the "Designated Projects"). With the previous written approval of PRDOH, Designated Projects shall be carried out in accordance with a written agreement (each such agreement, a "Work Agreement") between the Subrecipient and the governmental or non-profit/for-profit entity (each such entity, a "Developer") that shall perform or cause to be performed all of the design, construction and related work required to complete the Designated Project.

The Work Agreement will specify that CDBG-DR funds or Grant Funds destined for reimbursement payments to Developers will be disbursed by PRDOH to the Subrecipient. The Subrecipient will open and have available a separate bank account in which only the CDBG-DR funds or Grant Funds destined to the reimbursement payments to Developers will be deposited. The Subrecipient will not commingle these funds with any other funds and will assure that PRDOH has access to monitor this bank account.

After receipt of CDBG-DR funds or Grant Funds for reimbursement payments to Developers, the Subrecipient shall have no more than forty-eight hours to disburse such funds to Developers. Any interests earned by CDBG-DR funds will be considered Program Income and shall be retained by the Subrecipient for use in the same activity, as established in Section V(B) of this Agreement. The Work Agreement will specify and incorporate the above Grant Funds disbursement parameters and requirements, as well as any other parameter requested by PRDOH, for the disbursement of Grant Funds to the Subrecipient and from the Subrecipient to Developers, to assure compliance with all applicable Federal and local statutes and regulations.

Each Developer shall submit a separate project application (each a "Project Application") form that shall be provided and completed by the Developer for each Designated Project after the execution of and under this Agreement. Project Applications shall address the housing, infrastructure, and/or economic recovery and/or revitalization needs, as applicable, of the area for which the Designated Project has been proposed.

The parties agree that the designation of the Designated Projects and the approval of the Project Applications shall be made in accordance with PRDOH guidelines (hereinafter the "Policy"), HUD guidelines and regulations, and other applicable state and federal laws and regulations.

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The Work Agreements will be subject to the previous written approval of PRDOH to become effective, and will incorporate the above dispositions and any other clauses or dispositions required by PRDOH, including, but not limited to, the termination of the Work Agreement for convenience of the PRDOH.

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Project Application Acceptance and Funding

The designation of a Designated Project does not commit PRDOH to providing any CDBG-DR or other funding to a project. PRDOH shall only be committed to providing funding to a Designated Project upon the approval of a Project Application, and confirmation of the availability of CDBG-DR funds.

Project Applications submitted to the PRDOH shall set forth the proposed scope, budget, and schedule for all or part of the work contemplated with respect to the Designated Project.

Any proposed budget set forth in the Project Application will clearly specify proposed funding for administrative costs and/or program delivery costs and/or design or planning costs, and/or construction costs, to the extent that such costs are considered applicable categories for funding.

The amount of CDBG-DR funds for a Designated Project, under this Agreement and/or the Work Agreement to be executed, is expressly conditioned upon PRDOH's receipt of CDBG-DR funds. PRDOH reserves the right to reduce the CDBG-DR funds for a Designated Project if funding from HUD is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the proposed budget.

Project Application Approval

PRDOH may, upon HUD's issuance of the authority to use grant funds for a Designated Project, (i) approve the proposed Project Application and, notwithstanding anything to the contrary contained in the Agreement, unilaterally adjust the Grant Funds amount accordingly, or; (ii) reject the project application and, notwithstanding anything to the contrary contained in the Agreement, unilaterally reduce the Grant Funds by an amount equal to the amount otherwise allocated to construction or other implementation phase of the Designated Project.

Project Phase and Environmental Review

Following the completion of Environmental Review and approval of the Project Application for a Designated Project, PRDOH will notify the Subrecipient in writing ("Clearance Letter") that PRDOH intends to commit funds for implementation of a Designated Project.

If construction/implementation is authorized by PRDOH in the Clearance Letter, the Subrecipient must ensure that the Developer complies with any and all conditions or required mitigation set forth in any environmental review documents and shall retain, on the PRDOH's behalf, an independent environmental monitor to document compliance with such measures, as well as any permit requirements, or other applicable requirements of federal and state environmental laws, including worker health and safety requirements. The independent environmental monitor must be approved in writing by PRDOH prior to the commencement of any construction activities. The Subrecipient shall, by contract, ensure that the independent environmental monitor provides monthly reports to PRDOH to document compliance with the requirements referenced above for the entirety of the construction phase.

The Developer may not commence any work, including design work, without adhering to the proposed project schedule set forth in the PRDOH's approval of the Project Application. Additionally, the Developer and its design contractor shall provide any analysis or information reasonably requested by the

Subrecipient to conduct the environmental review for a proposed project. The Developer is required to comply and cooperate with the PRDOH and the Subrecipient in meeting all terms and conditions under this Agreement, the Project Application and PRDOH's approval thereof.

As a reimbursement-based program,¹ tasks and deliverables contained in the Project Application and in the PRDOH's approval thereof must be conducted in a manner satisfactory to PRDOH and in compliance with applicable federal and state requirements, laws, and regulations. The Subrecipient will monitor the performance of Developers against goals and performance standards as stated in the Project Application and in the PRDOH's approval thereof. While PRDOH may consider additional costs, as they arise, Developer must be prepared to perform (and document to PRDOH) the Designated Project's compliance with the Project Application and the PRDOH's approval thereof, even if the funds provided hereunder do not cover 100% of the costs of performance. In the event PRDOH's funds do not cover 100% of the agreed upon budget, Developer must make a showing of committed supplemental funding.

A. General Administration

Prohibited Activities

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The Subrecipient may only carry out the activities described in the Scope of Work of this Agreement. The Subrecipient is prohibited from charging to the PRDOH the costs of CDBG and/or CDBG-DR ineligible activities, including those described at 24 CFR 570.207, as may be amended from time to time, and from using funds provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for the carry out of activities outside of the parameters of the Scope of Work of this Agreement.

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B. Program Delivery (CDBG-DR Eligible Activities)

¹ By "reimbursement" the PRDOH means that typically costs must be actually incurred before the PRDOH will make payment to the Subrecipient. However, this does not mean that the Subrecipient must have previously paid these costs. Rather, these costs can be passed along to PRDOH in the form of an invoice(s) (or similar document) and appropriate supporting information as required by the terms of this Agreement, for payment of such invoice(s), per the payment terms of this Agreement.

Housing Construction, Acquisition, Green Building Standards (Section 105(a)(4) of HCDA).

C. National Objectives

All activities funded with CDBG-DR funds must meet one of the CDBG-DR program's National Objectives: (i) benefit low-and moderate-income persons; (ii) aid in the prevention or elimination of slums or blight, or; (iii) meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Subrecipient certifies that the activities carried out under this Agreement shall meet the following national objective(s) and satisfy the following criteria:

- Low-and moderate-income{LMI} Housing;

The Subrecipient shall ensure that the Designated Projects meet the applicable CDBG-DR National Objective(s) and that the Developers complete the applicable forms to document the National Objective(s).

D. Levels of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under the Scope of Work of this Agreement in accordance with the timeframes and performance goals established in **Exhibit B** of this Agreement.

E. Nonperformance Standard

If at the end of the Two (2) Years the program activity has not begun or has not accomplished the performance objectives set forth by the PRDOH, the PRDOH, may, at its option, terminate this Agreement and recapture funds allocated. No contract extensions will be granted unless the Subrecipient can document circumstances beyond its control that prevented start of the activity. The PRDOH will review the properly filed and documented circumstances which are alleged to have prevented the initiation of activity and exclusively reserves the right to make a decision relative to the reasons stated as well as the prevailing circumstances.

F. Staffing

The Subrecipient shall supervise and direct the completion of all activities under this Agreement. Any changes in the Key Personnel assigned or their responsibilities under the activities are subject to the prior approval of the PRDOH. If possible, it

is the best practice for Subrecipient to provide the PRDOH with ample written notice to the personnel changes and requests. Ample notice in this context shall be Five (5) business days. If that is not possible, then the Subrecipient shall make all reasonable effort to notify the PRDOH of changes.

At a minimum, the Subrecipient shall assign the staff with the identified responsibilities (the "Key Personnel") to the identified activities as described in **Exhibit C** of this Agreement.

III. PERFORMANCE MONITORING & REPORTING

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary and in accordance with regulations on Subrecipient Monitoring and Management, 2 CFR 200.330 – 2 CFR 200.332, to ensure its compliance with all of the requirements of this Agreement, including the timeframes and performance goals associated with the activities included in the Scope of Work (**Exhibit A**). Substandard performance, as determined by the PRDOH, will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within days after being notified by the PRDOH, the PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 CFR 200.338.

B. Reporting

The Subrecipient shall submit regular monthly progress reports to the PRDOH, on the form and with the content to be specified and required by the PRDOH. The PRDOH will later notify the Subrecipient in writing the guidelines and requirements applicable to the submittal of the monthly progress reports, and such notification shall be deemed incorporated by reference to this Agreement.

IV. EFFECTIVE DATE AND TERM

The Subrecipient hereby acknowledges that this Agreement is subject to the execution of a grant agreement between the Government of Puerto Rico or the PRDOH, and HUD (the "Grant Agreement"); and the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, or termination of the CDBG-DR allocation(s) will result in

the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

Effective Date:

Accordingly, this Agreement shall become effective and the parties shall become bound by all provisions applicable to them pursuant to this Agreement on the date on which the conditions set forth below have been fully satisfied or waived by the Parties (the "Effective Date"):

- (i) this Agreement has been fully executed and delivered; and
- (ii) the Grant Agreement has been fully executed and delivered and shall have become effective.

The PRDOH authorizes the Subrecipient to incur costs for activities undertaken in accordance with this Agreement prior to the Effective Date of this Agreement, including costs incurred in compliance with 24 CFR section 570.200(h)(1) and HUD CDBG-DR Allocation Rules contained in the February 9, 2018 Federal Register Notice, as further established in Section VI of this Agreement.

Term:

The term of this Agreement (the "Term") commences on the Effective Date and expires on the later of: (i) November 29, 2021; (ii) the date as of which the parties agree in writing that all Close-Out Requirements² have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the parties may agree to in a signed document.

V. BUDGET

The Subrecipient shall complete all activities in the Scope of Work of this Agreement (Exhibit A) in accordance with the Budget herein incorporated as Exhibit D (the "Budget"). The Budget shall include a reserve of one-percent (1%) of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program.

² Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH.

A. Indirect Costs

Any indirect costs charged must be consistent with the conditions set forth herein.

Indirect costs may be charged to PRDOH under a cost allocation plan prepared in accordance with 2 CFR part 200, subpart E, and shall be included in the Budget (**Exhibit D**).

B. Program Income

As defined in section VI(A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD), "Program Income" is gross income generated from the use of CDBG-DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State or a Subrecipient of a State. Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG-DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG-DR funds, less costs incidental to generation of the income (i.e., net income); (d) Net income from the use or rental of real property owned by a State, local government, or Subrecipient thereof, that was constructed or improved with CDBG-DR funds; (e) Payments of principal and interest on loans made using CDBG-DR funds; (f) Proceeds from the sale of loans made with CDBG-DR funds; (g) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds; (h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account; (i) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not low- and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement; (j) Gross income paid to a State, local government, or a Subrecipient thereof, from the ownership interest in a for profit entity in which the income is in return for the provision of CDBG-DR assistance.

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The Subrecipient shall report monthly all Program Income, if any, generated by activities carried out with CDBG-DR funds made available under this Agreement. All Program Income (as defined at 24 C.F.R. 570.500) generated by activities carried out with the CDBG-DR Funds must be reported to PRDOH, and PRDOH will determine on a case by case basis whether such Program Income may be retained by the Subrecipient. If PRDOH approves in writing the Subrecipient's retention of Program Income, the Subrecipient may only use the Program Income for the eligible activities identified under this Agreement. Program Income is subject to all applicable CDBG-DR laws and regulations for so long as it exists. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH.

All Program assets, other than Program Income (property, equipment, etc.), if any, shall revert to PRDOH upon termination of this Agreement in accordance with applicable Federal, laws, regulations, HUD Notices, policies, and guidelines.

PRDOH will later notify the Subrecipient in writing the applicable procedures for the return or reversion of Program Income and Program assets to the PRDOH, and such notification shall be deemed incorporated by reference to this Agreement.

C. Reversion of Assets

Use and Reversion of Assets

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The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

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1. The Subrecipient shall transfer to PRDOH any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
 2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as PRDOH deems appropriate]. If the Subrecipient fails to use CDBG-DR assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay PRDOH an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute Program Income to

the PRDOH. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as PRDOH deems appropriate].

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the PRDOH for the CDBG-DR program or (b) retained after compensating the PRDOH [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment].

VI. PAYMENT

Amount:

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This Agreement will include the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the Budget (**Exhibit D**). Such payment shall be compensation for all services required, performed and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the Budget (**Exhibit D**).

Any additional funds to complete the services requested by the PRDOH to the Subrecipient will be subject to funds availability and will require an amendment to this Agreement.

Requests for Payments:

The Subrecipient shall submit to the PRDOH requests for payments of activities under this Agreement and consistent with the approved Budget (the "Request for Payment") on a monthly basis. Each Request for Payment shall be broken down into requested reimbursements against the Budget line items specified in **Exhibit D**.

The Requests for Payments must be submitted with all supporting invoices, bills, time sheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by the PRDOH. The Request for Payment form must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.

If PRDOH determines that the submitted Request for Payment and supporting documents are acceptable, then the invoice will be approved for payment.

An authorized representative of the PRDOH will review each Request for Payment and, if adequate, will approve and process its payment. Payments to the Subrecipient shall be made by check or electronic funds transfer (EFT). PRDOH reserves the right to conduct any audit it deems necessary.

In order for the Subrecipient to receive payment for any work performed hereunder, the following certification must be included in each Request for Payment submitted to the PRDOH:

"Under penalty of absolute nullity, I certify that no public servant of the government entity is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the parties. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no payment has been received for them."

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved Budget. With the exception of advances, payments will be made for eligible and allowed expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with advance fund and program income balances available in Subrecipient accounts.

Pre-agreement costs are eligible for payment under the terms and conditions of the Action Plan and this Agreement.

Subrecipient may submit for reimbursement those costs incurred for activities undertaken in accordance with this Agreement prior to the Effective Date of this Agreement, and in compliance with 24 CFR section 570.200(h), 2 CFR 200 and HUD CDBG-DR Allocation Rules contained in the February 9, 2018 Federal Register Notice and subsequent notices as applicable. Specifically, pre-agreement costs may include the following: activities supporting program development, action plan development and stakeholder involvement support, and other qualifying eligible costs incurred in response to an eligible disaster covered under Public Law 115-56. These costs include the cost for salary, employer fringe benefits, and direct operating cost for each employee based on their individual percentage of time spent on the planning of the CDBG-DR program during a pay period.

Any cost associated with the disaster recovery efforts will be allocated based on the total time spent on CDBG-DR activities versus other duties for a particular month. PRDOH may allow the reimbursement of pre-agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster(s) for Subrecipients with appropriate documentation.

VII. NOTICES

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All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return receipt requested. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following contract representatives:

PRDOH: Puerto Rico Department of Housing
CDBG-DR
Mailing Address: 606 Barbosa Avenue
Juan C. Cordero Building
Rio Piedras, Puerto Rico 00918
Attention: Hon. Fernando A. Gil-Enseñat, Secretary

Subrecipient: Puerto Rico Housing Finance Authority
Mailing Address: 606 Barbosa Avenue
Juan C. Cordero Building
Rio Piedras, Puerto Rico 00918
Attention: Luis Burdiel Agudo, Executive Director

VIII. AMENDMENT AND TERMINATION

A. Amendments

This Agreement may be amended provided that such amendments make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines, are executed in writing and signed by a duly authorized representative of each party, and approved by PRDOH. Such amendments shall not invalidate this Agreement, nor relieve or release the parties from their obligations under this Agreement.

The PRDOH may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the PRDOH and the Subrecipient.

However, PRDOH reserves the right to notify in writing to Subrecipient any applicable policies, procedures, regulations, requirements or guidelines, whether existing or to be established, as well as changes and/or amendments thereof, and the notified policies, procedures, regulations, requirements or guidelines shall be deemed incorporated by reference to this Agreement without the need of executing a separate written and signed amendment.

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon 30 days' notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:

- a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
- c. Ineffective or improper use of funds provided under this Agreement;
or
- d. Submission by the Subrecipient to the PRDOH reports that are incorrect or incomplete in any material respect.

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement any time by a notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Subrecipient covered by this Agreement, less payments of compensation previously made, provided that if less than sixty percent (60%) of the services covered by this Agreement have been performed upon the effective date of such termination, the Subrecipient shall be reimbursed (in addition to the above payment) for that portion of actual out-of-pocket expenses (not otherwise reimbursed under this Agreement) incurred by the Subrecipient during the effective period of the Agreement which are directly attributable to the incomplete portion of the services covered by this Agreement.

This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon agreement by both the PRDOH and the Subrecipient in accordance with the requirements in 2 CFR part 200, subpart D.

3. Notification and Recoupment of Costs Incurred Prior to Termination

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The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 CFR part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than thirty (30) days after the date of termination. In the case of a Termination for Convenience only, the PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 CFR Part 200, Subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.
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IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD

This Agreement includes terms and conditions of the PRDOH's Federal Award or CDBG-DR Grant that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all of the obligations described in this Agreement.

A. General Compliance

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR part 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the Subrecipient does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 CFR part 58 and (2) the Subrecipient does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis.

Where waivers or alternative requirements are provided for in the applicable Federal Register Notice dated February 9, 2018, at 83 FR 5844 or any future Federal Register Notice published by HUD ("HUD Notices"), such requirements, including any regulations referenced therein, shall apply.

The Subrecipient also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under this Agreement. In the event a conflict arises between the provisions of this Agreement and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this Agreement shall be interpreted in a manner so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

B. Duplication of Benefits

The Subrecipient shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5155) and described in Appropriations Act. The Subrecipient must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notice on the PRDOH, which are published in a separate notice entitled "Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (76

FR 71060, published November 16, 2011). The Subrecipient shall carry out the activities under this Agreement in compliance with the PRDOH's procedures to prevent duplication of benefits.

C. Drug-Free Workplace

The Subrecipient must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the government wide implementation (2 CFR part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).

D. Insurance & Bonding

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The Subrecipient shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in the Commonwealth of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The Commonwealth of Puerto Rico, the Puerto Rico Department of Housing and the Puerto Rico Public Housing Administration shall be named as additional insured on all such insurance. The Subrecipient shall meet all other insurance requirements as the PRDOH may impose from time to time. In addition, all insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same.

Notwithstanding the above, for construction or facility improvement performed by the Developers, the Subrecipient shall ensure that the Developers, at a minimum, comply with the bonding requirements at 2 CFR Part 200, subpart D.

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E. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

F. Hold Harmless

The Subrecipient shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the Subrecipient in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the Subrecipient to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH 's enforcement of this Agreement or any portion thereof against the Subrecipient or otherwise arising in connection with the Subrecipient's breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

G. PRDOH Recognition

Unless otherwise directed by the PRDOH, the Subrecipient shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this Agreement. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

H. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. These provisions include:

1. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this Agreement in accordance with:

a. Accounting Standards

The Subrecipient agrees to comply with 2 CFR Part 200 Subpart D §302 - §303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

b. Cost Principles

The Subrecipient shall administer its program in conformance with Cost Principles as outlined in 2 CFR Part 200 Subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

G. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (1) 2 CFR Part 200; (2) 24 CFR 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under this Agreement, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

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- a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices;
 - c. Records required to determine the eligibility of activities;
 - d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;
 - e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
 - f. Financial records as required by (1) 24 CFR 570.502; and (2) 2 CFR Part 200;
 - g. Other records necessary to document compliance with
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Subpart K of 24 CFR Part 570.

2. Access to Records

The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the PRDOH, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

3. Record Retention and Transmission of Records to the PRDOH

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the PRDOH's Quarterly Performance Report (QPR) in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four (4) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four (4) year period, whichever occurs later.

Prior to close-out of this Agreement, the Subrecipient must transmit to the PRDOH records sufficient for the PRDOH to demonstrate that all costs under this Agreement met the requirements of the Federal award.

The Subrecipient shall retain financial records, supporting documents, statistical records, and all other Subrecipient records pertinent to this Agreement and any subaward for which the Subrecipient is performing the Activities for the longer of 3 years after the expiration or termination of this Agreement, or 3 years after the submission of the PRDOH's annual performance and evaluation report.

4. Client Data and Other Sensitive Information

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

The Subrecipient must comply with 2 CFR §200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 CFR 200.82, and other information HUD or the PRDOH designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

The Subrecipient shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 CFR 570.508 (local governments) and 570.490(c) (States).

J. Close-out

The Subrecipient obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in section VI (A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the Subrecipient certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG-DR funds, including Program Income.

Notwithstanding the terms of 2 CFR 200.343, upon the expiration of this Agreement, the Subrecipient shall transfer to the recipient any CDBG-DR funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds, further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the Subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7).

K. Audits, Inspections, and Monitoring

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit

requirements will constitute a violation of this Agreement and may result in the withholding of future payments and/or termination.

1. Single Audit

The Subrecipient must be audited as required by 2 CFR part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

2. Inspections and Monitoring

The Subrecipient shall permit the PRDOH and auditors to have access to the Subrecipient's records and financial statements as necessary for the PRDOH to meet the requirements of 2 CFR part 200.

This review must include: (1) reviewing financial and performance reports required by the PRDOH; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 CFR §200.521.

3. Corrective Actions

The PRDOH may issue management decisions and may consider taking enforcement actions if noncompliance is detected during audits. The PRDOH may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the Subrecipient utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

L. Procurement and Contractor Oversight

The Subrecipient shall not enter into any contract for goods or services with any entity without the written consent of the PRDOH prior to the execution of such contract. Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property, equipment, or services in accordance with the requirements of the PRDOH's procurement policies and procedures, and 2 CFR 200.318-326, as applicable, including but not limited to the need to appropriately assess the lease versus purchase alternatives. PRDOH's procurement policies, procedures and protocol is incorporated by reference herein.

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Subrecipient shall include all applicable PRDOH's conditions (as revised from time to time by the PRDOH in accordance with applicable law, rule or regulation) in any contract entered into under this Agreement. Subrecipient shall also require all contractors to flow down PRDOH's conditions, as well as termination for convenience of the PRDOH, to all subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors. These conditions include required terms for project contracts, HUD General Provisions, Participation by Minority Group Members and Women Requirements and Procedures for Contracts with Housing Trust Fund Corporation, Standard Clauses for Contracts with the PRDOH and required diversity forms.

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The Subrecipient must comply with CDBG-DR regulations regarding debarred or suspended entities at 24 CFR 570.609 or 24 CFR 570.489(l) as appropriate. CDBG-DR funds may not be provided to excluded or disqualified persons.

The Subrecipient shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this Agreement.

M. Federal Funding Accountability and Transparency Act (FFATA)

The Subrecipient shall comply with the requirements of 2 CFR part 25 Universal Identifier and System for Award Management (SAM). The Subrecipient shall have an active registration in SAM in accordance with 2 CFR part 25, appendix A, and have a Data Universal Numbering System (DUNS) number. The Subrecipient shall also comply with provisions of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

N. Relocation, Real Property Acquisition, and One-for-one Housing Replacement

The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 USC 4601 – 4655, 49 CFR part 24, 24 CFR part 42, and 24 CFR 570.606.

In addition to other URA requirements, these regulations (49 CFR § 24.403(d)) implement Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC § 5181, which provides that "Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [URA] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act".

Section 414 of the Stafford Act (including its implementing regulation at 49 CFR 24.403(d)(1)), is waived to the extent that it would apply to real property acquisition, rehabilitation or demolition of real property for a CDBG-DR funded project commencing more than one year after the Presidentially declared disaster undertaken by the grantees, or subrecipients, provided that the project was not planned, approved, or otherwise underway prior to the disaster.

O. Nondiscrimination

1. 24 CFR part 6

The Subrecipient will comply with 24 CFR part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The Subrecipient will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the Subrecipient shall comply with regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the

regulations of 24 CFR part 146, which implement the Age Discrimination Act for HUD programs.

2. Architectural Barriers Act and the Americans with Disabilities Act

The Subrecipient shall ensure that its Activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

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The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Title VI of the Civil Rights Act of 1964 (24 CFR part 1)

a. General Compliance:

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended and 24 CFR 570.601 and 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 CFR 1.4 apply to the use of these funds. The Subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 CFR part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 CFR part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

b. Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the Subrecipient assures that the program or activities described in this Agreement will be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided will be operated and administered in compliance with all requirements imposed by or pursuant to this part 1.

If the Federal financial assistance under this Agreement is to provide or is in the form of personal property or real property or interest therein or structures thereon, the Subrecipient's assurance herein shall obligate the Subrecipient or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the Subrecipient for the period during which Federal financial assistance is extended pursuant to the contract or application.

This assurance gives the PRDOH and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-DR funds and provided to the Subrecipient Under this Agreement, the instrument effecting any disposition by the Subrecipient of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

If the Subrecipient receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

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5. Affirmative Action

a. Approved Plan

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The Subrecipient agrees that it shall carry out pursuant to the PRDOH's specifications an Affirmative Action Program in compliance with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60. The PRDOH shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the release of funds under this Agreement.

b. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient shall take the affirmative steps listed in 2 CFR 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this Agreement.

As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

c. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

P. Labor and Employment

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.

1. Labor Standards

The Subrecipient shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the

locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. 3141, et seq.), and 29 CFR part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.

The Subrecipient agrees to comply with the (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

Q. Section 3 of the Housing and Urban Development Act of 1968

1. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon Grantee, Subrecipient, and any of Subrecipient's sub-subrecipients, contractors, and subcontractors. Failure to fulfill these requirements shall subject Grantee, Subrecipient, and any of Subrecipient's sub-subrecipients, contractors, and subcontractors, as well as their successors and assigns, to those sanctions specified by the agreement through which Federal assistance is provided. Subrecipient certifies and agrees that no contractual or other impediment exists that would prevent compliance with these requirements.

Subrecipient further agrees to comply with the "Section 3" requirements stated below and to include verbatim this language in all subsequent sub-subrecipient agreements, contracts, and subcontracts executed under this Agreement:

"A. The work to be performed under this Agreement is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR 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 CFR 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 CFR 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 CFR 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 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future 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. 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 sub contracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."

Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area of the neighborhood in which the project is located, and to low- and very low- income participants in other HUD programs.

Subrecipient certifies and agrees that no contractual or other legal impediment exists that would prevent compliance with these requirements.

R. Conduct

1. Hatch Act

The Subrecipient shall comply with the Hatch Act, 5 USC 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

2. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 2 CFR Part 200, as applicable, and 24 CFR 570.611, which include (but are not limited to) the following:

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- a. It is presumed that the Subrecipient is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
 - b. In the event the Subrecipient is not, the Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
 - c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the Subrecipient, or any designated public agency.
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3. Lobbying Certification

The Subrecipient hereby certifies that:

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- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
 - c. It shall require that the language of paragraph (i) through (iv) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
 - d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- File

5. Religious Activities

The Subrecipient agrees that funds provided under this Agreement shall not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

T. Environmental Conditions

PRDOH is the responsible entity for performing all environmental related and required activities, and Subrecipient is not delegated with such activities.

1. Prohibition on Choice Limiting Activities Prior to Environmental Review

The Subrecipient must comply with and be responsible for the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision making, and action (see 24 CFR part 58) and is not delegated the Grantee's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.


2. Air and Water


The Subrecipient shall comply with the following requirements insofar as they apply to the performance of this Agreement:

- Air quality. (1) The Clean Air Act (42 U.S.C. 7401 et. seq.) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)); and (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93).
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, including the requirements specified in Section 114 and Section 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
- Executive Order 11990, Protection of Wetlands;

- The Wild and Scenic Rivers Act of 1968, as amended, (16 U.S.C.S. 1271);
- The Safe Drinking Water Act of 1974, as amended (42 U.S.C.S. 30f et. seq.);
- The Clean Water Act of 1977 (Public Law 95-217);

3. Flood Disaster Protection


 The Subrecipient shall comply with the mandatory flood insurance purchase requirements of Section 102 of the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, 42 USC 4012a. Additionally, the Subrecipient shall comply with Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which includes a prohibition on the provision of flood disaster assistance, including loan assistance, to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. Section 582 also includes a responsibility to notify property owners of their responsibility to notify transferees about mandatory flood purchase requirements.


 In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

4. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of structures containing residential units with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties

may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

5. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800 and 801, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement, as well as any other applicable laws or regulations relating to historic properties.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

6. Implementation of Mitigation Measures

The Subrecipient agrees to comply with and timely implement any and all mitigation measures and other requirements set forth in any environmental reviews, environmental assessments, or environmental impact statements performed or to be performed in connection with, or records of decision or any similar documents, issued or to be issued in connection with, the CDBG-DR Program, as may be applicable to this Agreement. It is the Subrecipient's responsibility to ensure that it has complete copies of all such documents.

X. ASSIGNMENT

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the PRDOH.

XI. SEVERABILITY

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

XII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIII. WAIVER

The PRDOH's failure to act with respect to a breach by S does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XIV. GOVERNING LAW: JURISDICTION

This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The parties further agree to assert any claims or causes of action that may arise out of this Agreement in the Puerto Rico Court of First Instance, San Juan Part, notwithstanding jurisdiction may be averred in any U.S. District Court, including for diversity of citizenship.

XV. COMPLIANCE WITH LAW

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in this Agreement should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in correct form, then this Agreement shall forthwith, upon the application of any Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of any Party.

XVI. SUBROGATION

The Subrecipient acknowledges that funds provided through this Agreement are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Agreement are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and

subject to Federal regulation, however, the Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of this Agreement for any reason.

XVII. COMPTROLLER REGISTRY

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

XVIII. ENTIRE AGREEMENT

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

IN WITNESS THEREOF, the parties hereto execute this Agreement in the place and on the date first above written.

[Signature Page Follows]

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

By: _____
(signature)

Name: Fernando A. Gil-Enseñat

Title: Secretary

Date: November 29, 2018

S.S. 660-55-8579

**PUERTO RICO HOUSING FINANCE AUTHORITY
SUBRECIPIENT**

By: _____
(signature)

Name: Luis Burdiel Agudo

Title: Executive Director

Date: November 29, 2018

S.S. 660-43-3752

DEPARTMENT OF HOUSING
CDBG DR PROGRAM

**MOU EXHIBIT A – SCOPE OF WORK
FOR**

**CDBG-DR LOW INCOME HOUSING TAX
CREDIT GAP PROGRAM**

**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

[November 28] [2018] [VERSION NO.1]

PRHFA

1. PROGRAM OVERVIEW

The activities under this program will be managed by the Subrecipient, which may in its discretion procure Consultant(s) if it deems it necessary to implement any aspect of such program activities. Consistent with the requirements of this Agreement, the Subrecipient shall be reimbursed for any Eligible Costs incurred in carrying out program activities within eligible budget amounts.

The program activities include providing grants and/or loans to qualified project developers which shall be used for construction and/or rehabilitation of low-income housing properties in Puerto Rico. With respect to each activity, Subrecipient and its contractor(s) shall implement the activity in accordance with applicable CDBG Rules and Requirements of Law.

In order to implement the foregoing, Subrecipient will carry out the activities described in the Action Plan:

Work Performed by Subrecipient:

- Program design, including ongoing updates and/or modifications to program design and/or program policy as needed. Updates and/or modifications to program design and/or policy must be approved by PRDOH and HUD, if applicable, prior to implementation.
- RFP development & procurement. RFP and other solicitation documents must be reviewed and approved by PRDOH prior to publication. All procurement must be done in accordance with the approved PRDOH Procurement Guide.
- Program outreach activities, including drafting of any required marketing materials.
- Stakeholder management and stakeholder communications regarding programs included in this MOU.
- Application review, including verification of design criteria compliance with green building standards or comparable industry standard (in accordance with 83 FR 5844)
- Threshold and ranking review of LIHTC projects submitted for consideration
- Underwriting of applications (for all funding sources)
- Preliminary funding determinations
- Award agreement drafting including loan agreements and developer contracts
- Relocation plan development related to Uniform Relocation Act requirements as necessary

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- Review and approval of closing documents
- Insurance review
- System of record
- Closing award agreements
- Pre-Construction meeting
- Monthly certifications for payments review and approval
- Submit request for funds to PRDOH
- Pre-audit of monthly certifications for payment
- Disbursement of monthly certifications for payment
- Enforcement of provisions in developer agreements for instances of non-performance or insufficient performance. Any such instances should be reported to PRDOH along with suggested corrective action.
- Accounting and reporting of uses of CDBG-DR funds, including but not limited to: information on national objectives met, beneficiary demographics, and project completion status
- Reporting and data management, including delivery of ad hoc reports when requested by PRDOH or its designee(s)
- Final cost certification review
- Final underwriting
- Project/grant closeout
- Affordability period monitoring
- Management of agreed upon program budget included herein. Any variances or expected variances which would cause significant impacts on the program must be reported to PRDOH along with recommended corrective action.
- Management of and adherence to agreed upon program and project-specific schedules. Variances which may cause a significant impact on program or project must be reported to PRDOH along with recommended corrective action.
- Ensure adequate staffing levels to support program activities funded in whole or in part by CDBG-DR.
- Human resource management for all staff dedicated in whole or in-part to programs funded by CDBG-DR.

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- Translation of program documents. All program documents publicly available must be available, at minimum, in Spanish and English. If requested, subrecipients must make reasonable efforts to provide program documents in languages other than Spanish or English.
- Provide PRDOH with required documentation and information as specified in 83 FR 5844 for posting on PRDOH disaster recovery website. Provision of non-essential information (when requested) such as bulletins, newsletters, or marketing materials for publication on PRDOH disaster recovery website
- Other duties as requested by PRDOH or its designee(s)

Work Overseen by Subrecipient:

- Award agreement drafting
- Execution of legal documents
- Compliance monitoring of Davis Bacon
- Environmental review and clearance
- Environmental monitoring
- Relocation plan monitoring
- Monthly inspection of construction work
- Approval of monthly site and hard construction payments
- Approval of construction retainage payment
- Certification of completion of construction
- Technical engineer's report (pre-closing)

2. PROGRAM DESCRIPTION

This Program will use CDBG-DR Funds to provide gap funding and loans to augment other public and private financing methods for the construction of affordable rental housing units under the Low-Income Housing Tax Credit program (LIHTC), under section 42 of the Internal Revenue Code, administered by PRHFA. Under a typical LIHTC program, a developer secures a construction and/or permanent loan from a private lender or public agency, gap financing from a public or private source, and equity from private investors in exchange for LIHTCs. This CDBG-DR funding will serve to meet any capital shortfalls (gaps) and speed the new construction/rehabilitation of qualified projects that are otherwise shovel-ready.

The LIHTC program, described by HUD as "the most important resource for creating affordable housing in the United States today," allows individuals and legal entities to

claim federal income tax credits in exchange for delivering affordable rental housing. LIHTC offers two forms of tax credits, namely, 9%/4% for new construction and rehabilitation, and 4% for new construction and rehabilitation projects that are financed with tax-exempt obligations. Over a ten-year period, these respective applicable tax credit percentages are those that yield credits with a present value equal to 70% and 30% of the qualified basis of a project.

Puerto Rico receives millions in LIHTCs each year. PRDOH intends to optimize the use of CDBG-DR funds by providing gap financing and if needed, interim and permanent loans, to leverage available LIHTCs to create/rehabilitate affordable rental housing.

2.1. NATIONAL OBJECTIVE

Activities under this program meet the national objective of benefitting low- and moderate-income persons through housing (LMH). The national objective will be achieved at the point when a completed LIHTC project is occupied by at least 51% low- or moderate-income households.

2.2. PROGRAM CRITERIA

This CDBG-DR program will create rental housing stock to address rental housing needs at affordable rents. Also, this program will participate in eligible activities such as housing construction, acquisition, Green Building Standards and supplement the existing LIHTC program (refer to its 2016 Qualified Allocation Plan or QAP in Exhibit A). The 2016 QAP will be amended to reflect any future assistance.

Currently, 935 units are in the pipeline with 9% low income housing tax credits program and will be completed within 24 months of each project start. CDBG-DR loans with 9% LIHTC will leveraged to stretch both funding sources and to create projects that accomplish several goals. Projects funded through this program must maintain affordable housing in accordance with the 20-year affordability period outlined in 83 FR 5844, or the affordability period required by LIHTC, whichever is longer.

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DEPARTMENT OF HOUSING CDBG-DR PROGRAM

MOU EXHIBIT B – TIMELINE

FOR

**CDBG-DR LOW INCOME HOUSING TAX
CREDIT GAP PROGRAM**

JS
**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

[November 28] [2018] V [VERSION NO.1]

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1. GENERAL PROGRAM TIMELINE

PRHFA and its program partners will mobilize, launch and operate the CDBG-DR Low Income Housing Tax Credit Gap Program based on the following timeline:

| <u>Start</u> | <u>Finish</u> | <u>Notes</u> |
|---------------|---------------|---|
| December 2018 | | <ol style="list-style-type: none"> Execution of Subrecipient Agreement between Puerto Rico Department of Housing (PRDOH) and Puerto Rico Housing Finance Authority (PRHFA) Issuance of preliminary determination of CDBG-DR Funds letters to project developers |
| January 2019 | March 2019 | <ol style="list-style-type: none"> Procurement Process, selection and final contracts for: <ul style="list-style-type: none"> Temporary Staffing Engineer/Inspectors Environmental Specialists Legal/Notary Services Financing Consulting Services Final review, analysis, underwriting and allocation of CDBG-DR Funds |
| 2024 | 2044 | Compliance monitoring for 20-year affordability period after project completion (15 years for rehabilitation projects) |

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PRHFA

2. PROGRAM SPECIFIC TIMELINE

As projects are identified and confirmed by PRHFA as ready to proceed to development, each project shall follow the timeline below. PRHFA and PRDOH assume that some adjustments may occur due to variances in project underwriting, unforeseen environmental review findings, financing changes or shifting market conditions, and potential acts of God with respect to construction disruptions. PRHFA and PRDOH assume that all construction projects will be completed by December 2022.

| <u>Timeline</u> | <u>Notes</u> |
|-----------------|---|
| Month 1 - 3 | <ol style="list-style-type: none"> 1. Environmental Review and Clearance by selected Environmental Specialist 2. Technical and feasibility review by selected Engineer/Inspector (including green building standard among other cross-cutting requirements). 3. Drafting and approval of CDBG-DR Award Agreements and other legal documents by selected attorneys and consultants |
| Month 3 - 5 | <ol style="list-style-type: none"> 1. Closing with project developers 2. Disbursement of CDBG-DR funds start (1st draws at closing) |
| Month 5 - 32 | <ol style="list-style-type: none"> 1. Project construction begins 2. Disbursement of CDBG-DR funds continue during construction (20 to 32 months), and compliance reviews are completed for all Davis-Bacon applicable work 3. Within 18-20 months of construction the tenant selection process for each project begins 4. Lease up process following construction completion 5. Interim financing will convert to Permanent Loan, when applicable, up to a year after construction ends. 6. Final Cost Certifications and Project Closeout |

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DEPARTMENT OF HOUSING
CDBG DR PROGRAM

MOU EXHIBIT C – KEY PERSONNEL

FOR

**CDBG-DR LOW INCOME HOUSING TAX
CREDIT GAP PROGRAM**

**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

[November 28] [2018] [VERSION NO.1]

1. CDBG-DR LOW INCOME HOUSING TAX CREDIT GAP PROGRAM

Below is the Staffing Plan for the CDBG-DR Low Income Housing Tax Credit Gap Program which reflects a combination full-time employees and part-time employees as percentage of their time in the CDBG-DR LIHTC Program.

| Clasificación | Costo total salario y beneficios | Porcentaje de tiempo | Departamento |
|--|----------------------------------|----------------------|---------------------------------|
| Director Ejec Aux Administracion | 142,420.00 | 40% | Oficina del Director Ejecutivo |
| Oficial Cumplim. Contratos II | 46,530.04 | 40% | Depto. Adm. Proyectos Vivienda |
| Recaudador | 29,214.67 | 10% | Depto. de Finanzas y Riesgo |
| Director de Finanzas y Riesgo | 124,395.32 | 30% | Depto. de Finanzas y Riesgo |
| Oficial Riesgo y Manejo Activo | 59,816.40 | 10% | Depto. de Finanzas y Riesgo |
| Secretaría | 39,606.33 | 30% | Depto. de Finanzas y Riesgo |
| Gerente Finanzas y Presupuesto | 80,531.39 | 30% | Depto. de Finanzas y Riesgo |
| Analista Financiero | 46,530.04 | 30% | Depto. de Finanzas y Riesgo |
| Recepcionista | 27,176.58 | 50% | Depto. Servicios Administració |
| Esp Cumplimiento Fondos Federa | 72,412.02 | 60% | Ofic Cumplimiento Fondos Feder |
| Coordinador Vivienda Justa | 56,968.00 | 60% | Ofic Cumplimiento Fondos Feder |
| Ofic Cumplimiento Fondos Feder | 37,282.71 | 100% | Ofic Cumplimiento Fondos Feder |
| Director Contabilidad y Preintervencion | 108,934.21 | 50% | Depto. de Finanzas y Riesgo |
| Supervisor Contabilidad | 64,425.11 | 100% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 41,984.79 | 20% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 49,572.20 | 20% | Oficina de Asesoramiento Legal |
| Asesor Legal | 77,309.96 | 20% | Oficina de Asesoramiento Legal |
| Director de Servicios Legales | 137,526.45 | 40% | Oficina de Asesoramiento Legal |
| Oficial Jurídico | 118,917.74 | 40% | Oficina de Asesoramiento Legal |
| Asesor Legal | 81,175.13 | 40% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 53,526.76 | 40% | Oficina de Asesoramiento Legal |
| Asesor Legal | 77,316.97 | 100% | Oficina de Asesoramiento Legal |
| Administ. de Sistemas Oficina | 48,024.02 | 100% | Oficina de Asesoramiento Legal |
| Director Ejec Aux Proy Unifami | 128,178.00 | 60% | Oficina del Director Ejecutivo |
| Director Cumplimiento Fondos Federales/Ayudante Direct | 170,904.00 | 50% | Ofic Cumplimiento Fondos Feder |
| Oficial Financ y Cred Corp Sen | 58,349.47 | 75% | Depto. Financiam y Credit Contr |
| Administ. de Sistemas Oficina | 69,797.19 | 80% | Depto. Financiam y Credit Contr |
| Dir Financ y Credito Contribut | 166,067.42 | 85% | Depto. Financiam y Credit Contr |
| Dir Rec Humanos y Rel Laborale | 109,503.89 | 50% | Ofic. Recursos Hum y Rel Labor |
| Esp Rec Humanos y Rel Laborale | 76,075.07 | 50% | Ofic. Recursos Hum y Rel Labor |
| Oficinista Recursos Humanos | 43,092.52 | 50% | Ofic. Recursos Hum y Rel Labor |
| Técnico Sistemas Información | 37,274.16 | 100% | Depto. Sistemas de Informacion |
| Tecnico de Servicio al Usuario | 55,714.38 | 50% | Depto. Sistemas de Informacion |
| Analista de Sistemas | 53,698.04 | 50% | Depto. Sistemas de Informacion |
| Ofic Seg Sist Información I | 60,277.84 | 50% | Depto. Sistemas de Informacion |
| Ofic Seg Sist Información II | 48,610.79 | 50% | Depto. Sistemas de Informacion |
| Ger Análisis Sist y Des Aplica | 92,782.41 | 100% | Depto. Sistemas de Informacion |
| Oficial Financ y Cred Corp Sen | 91,655.82 | 75% | Depto. Financiam y Credit Contr |
| Dir. Ejec. Aux Multifamiliar | 142,420.00 | 40% | Oficina del Director Ejecutivo |
| Administ. de Sistemas Oficina | 31,068.92 | 100% | Dept. Administracion |
| Directora de Administracion | 109,503.83 | 50% | Dept. Administracion |
| Gerente de Administracion | 64,425.11 | 50% | Dept. Administracion |
| Oficial de Financ y Cred Contr | 44,742.67 | 75% | Depto. Financiam y Credit Contr |

TOTALES \$ 3,275,738.39

Total LIHTC Life Cycle (2 years)

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PRDOH-PRHFA MOU CDBG-DR Program
[Exhibit D: Budget - LIHTC]
[November 28] [2018] [V1]

DEPARTMENT OF HOUSING
CDBG-DR PROGRAM

MOU EXHIBIT D - BUDGET

FOR

**CDBG-DR GAP TO LOW INCOME
HOUSING TAX CREDITS (LIHTC)**

**PUERTO RICO HOUSING FINANCE
AUTHORITY (PRHFA)**

[November 28] [2018] [VERSION NO. 1]

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[Exhibit D: Budget - LIHTC]

[November 28] [2018] [V1]

The budget for the staffing, services, systems, equipment, supplies, materials and related expenses for the \$100 million LIHTC program is \$9,451,846 over a 24-month period. This budget does not include any additional funds that can be used for Administration and/or Activity Delivery Costs as derived from new Program Income. The below summary captures the full project budget and the following sections provide additional detail on line items in the summary below, as well as additional information on budgetary distinctions.

1. SUMMARY BUDGET

| Description | | | | Other Funding Sources | | | |
|----------------------------------|-------------------------------------|--------------------------|-------------|--------------------------|-------------------------|-----------------------|--|
| Delivery | | CDBG DR | Leverage | LIHTC Cap. Contr. | Other Sources | Total | |
| Delivery Activities | PRHFA Staff(a) | 3,537,450 | | | | \$ 3,537,450 | |
| | Consultant Salaries: | | | | | | |
| | a. Legal | 1,350,000 | | | | \$ 1,350,000 | |
| | b. Inspection | 359,100 | | | | 359,100 | |
| | c. Environmental Study & Monitoring | 1,190,000 | | | | \$ 1,190,000 | |
| | Temporary Staffing(b) | 1,361,296 | | | | \$ 1,361,296 | |
| | DOH Project Activity Delivery | 1,000,000 | | | | | |
| | Other Activities (c) | 654,000 | | | | \$ 654,000 | |
| | Subtotal (A) | 9,451,846 | 0 | | | \$ 8,451,846 | |
| Description | | LIHTC Gap Program | | Other Funding Sources | | | |
| Econ. Dev | | CDBG DR | Leverage | LIHTC Capital | Perm. Loan & Others | Total | |
| Acquisition | | | | 5,279,492 | | \$ 5,279,492 | |
| Infrastructure & Engineering | | | | | | \$ - | |
| Site & Hard construction | | 65,806,487 | | 53,861,389 | 40,694,445 | \$ 160,362,321 | |
| Engineering & Professional Serv. | | | | 10,771,515 | | \$ 10,771,515 | |
| Professional Fees | | | | | | \$ - | |
| Interest rate supplement | | | | | | \$ - | |
| Interim Costs | | | | 29,451,878 | | \$ 29,451,878 | |
| Permanent Financing | | | | 10,700 | | \$ 10,700 | |
| Soft Costs | | | | 4,249,592 | | \$ 4,249,592 | |
| Organization Costs | | | | 675,395 | | \$ 675,395 | |
| Developer's Fee | | | | 29,448,384 | | \$ 29,448,384 | |
| Reserves | | | | 14,137,390 | | \$ 14,137,390 | |
| CDBG-DR Reserve (1) | | 24,741,667 | | | | \$ 24,741,667 | |
| | Subtotal (B) | \$ 90,548,153.76 | \$ - | \$ 147,885,735.00 | \$ 40,694,445.00 | \$ 279,128,334 | |
| Grand Total (A + B) | | \$ 100,000,000.00 | \$ - | | | \$ 287,580,180 | |

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2. PRHFA

PRHFA staff shall submit invoices for payment based on the time and materials method.

Staff will complete daily timesheets and work logs for work related to Activity Delivery, Planning and/or Administration costs.



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

| Clasificación | Costo total salario y beneficios | Porcentaje de tiempo | Departamento |
|--|----------------------------------|----------------------|--------------------------------|
| Director Ejec Aux Administracion | 142,420.00 | 40% | Oficina del Director Ejecutivo |
| Oficial Cumplim. Contratos II | 46,530.04 | 40% | Depto. Adm. Proyectos Vivienda |
| Recaudador | 29,214.67 | 10% | Depto. de Finanzas y Riesgo |
| Director de Finanzas y Riesgo | 124,395.32 | 30% | Depto. de Finanzas y Riesgo |
| Oficial Riesgo y Manejo Activo | 59,816.40 | 10% | Depto. de Finanzas y Riesgo |
| Secretaria | 39,606.33 | 30% | Depto. de Finanzas y Riesgo |
| Gerente Finanzas y Presupuesto | 80,531.39 | 30% | Depto. de Finanzas y Riesgo |
| Analista Financiero | 46,530.04 | 30% | Depto. de Finanzas y Riesgo |
| Recepcionista | 27,176.58 | 50% | Depto. Servicios Administracio |
| Esp Cumplimiento Fondos Federa | 72,412.02 | 60% | Ofic Cumplimiento Fondos Feder |
| Coordinador Vivienda Justa | 56,968.00 | 60% | Ofic Cumplimiento Fondos Feder |
| Ofic Cumplimiento Fondos Feder | 37,282.71 | 100% | Ofic Cumplimiento Fondos Feder |
| Director Contabilidad y Preintervencion | 108,934.21 | 50% | Depto. de Finanzas y Riesgo |
| Supervisor Contabilidad | 64,425.11 | 100% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 41,984.79 | 20% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 49,572.20 | 20% | Oficina de Asesoramiento Legal |
| Asesor Legal | 77,309.96 | 20% | Oficina de Asesoramiento Legal |
| Director de Servicios Legales | 137,526.45 | 40% | Oficina de Asesoramiento Legal |
| Oficial Juridico | 118,917.74 | 40% | Oficina de Asesoramiento Legal |
| Asesor Legal | 81,175.13 | 40% | Oficina de Asesoramiento Legal |
| Secretaria Legal | 53,526.76 | 40% | Oficina de Asesoramiento Legal |
| Asesor Legal | 77,316.97 | 100% | Oficina de Asesoramiento Legal |
| Administ. de Sistemas Oficina | 48,024.02 | 100% | Oficina de Asesoramiento Legal |
| Director Ejec Aux Proy Unifami | 128,178.00 | 60% | Oficina del Director Ejecutivo |
| Director Cumplimiento Fondos Federales/Ayudante Direct | 170,904.00 | 50% | Ofic Cumplimiento Fondos Feder |
| Oficial Financ y Cred Corp Sen | 58,349.47 | 75% | Depto. Financiam y Credt Contr |
| Administ. de Sistemas Oficina | 69,797.19 | 80% | Depto. Financiam y Credt Contr |
| Dir Financ y Credito Contribut | 166,067.42 | 85% | Depto. Financiam y Credt Contr |
| Dir Rec Humanos y Rel Laborale | 109,503.89 | 50% | Ofic. Recursos Hum y Rel Labor |
| Esp Rec Humanos y Rel Laborale | 76,075.07 | 50% | Ofic. Recursos Hum y Rel Labor |
| Oficinista Recursos Humanos | 43,092.52 | 50% | Ofic. Recursos Hum y Rel Labor |
| Técnico Sistemas Información | 37,274.16 | 100% | Depto. Sistemas de Informacion |
| Tecnico de Servicio al Usuario | 55,714.38 | 50% | Depto. Sistemas de Informacion |
| Analista de Sistemas | 53,698.04 | 50% | Depto. Sistemas de Informacion |
| Ofic Seg Sist Información I | 60,277.84 | 50% | Depto. Sistemas de Informacion |
| Ofic Seg Sist Información II | 48,610.79 | 50% | Depto. Sistemas de Informacion |
| Ger Analisis Sist y Des Aplica | 92,782.41 | 100% | Depto. Sistemas de Informacion |
| Oficial Financ y Cred Corp Sen | 91,655.82 | 75% | Depto. Financiam y Credt Contr |
| Dir. Ejec. Aux Multifamiliar | 142,420.00 | 40% | Oficina del Director Ejecutivo |
| Administ. de Sistemas Oficina | 31,068.92 | 100% | Dept. Administracion |
| Directora de Administracion | 109,503.83 | 50% | Dept. Administracion |
| Gerente de Administracion | 64,425.11 | 50% | Dept. Administracion |
| Oficial de Financ y Cred Contr | 44,742.67 | 75% | Depto. Financiam y Credt Contr |

TOTALES \$ 3,275,738.39

Total LIHTC Life Cycle (2 years)

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[Exhibit D: Budget - LIHTC]

[November 28] [2018] [V1]

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3. TEMPORARY STAFFING

PRHFA will use the procurement procedures to select a qualified firm to provide temporary staffing services in the PRHFA's objective of the LIHTC/CDBG-DR Housing Activity program delivery. This staff will assist with technical assistance, grant and loan application. The budget serves as the internal benchmark budget for the procurement based on an estimate of time and volume of staff needed to complete the assignment with the 24-month contract period.

| Nombre | Clasificación | Costo total salario y beneficios | Porcentaje de tiempo | Costo porcentual total anual | Costo porcentual mensual | Categoría | Departamento | Programa CDBG-DR |
|---------------------------|---|----------------------------------|----------------------|------------------------------|--------------------------|-----------|--------------|------------------|
| Temporary Staff | Oficial de Preintervención CDBG-DR | 42,726.00 | 100% | 42,726.00 | 3,560.50 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Especialista Cumplimiento CDBG-DR/LIHTC | 56,968.00 | 100% | 56,968.00 | 4,747.33 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Especialista Cumplimiento CDBG-DR/LIHTC | 56,968.00 | 100% | 56,968.00 | 4,747.33 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial de Fondos CDBG-DR | 50,986.36 | 200% | 50,986.36 | 4,248.86 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial de Comercio CDBG-DR | 42,726.00 | 100% | 42,726.00 | 3,560.50 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial de Sistemas y Redes CDBG-DR | 42,726.00 | 100% | 42,726.00 | 3,560.50 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial Preintervención CDBG-DR | 44,742.67 | 100% | 44,742.67 | 3,728.56 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial Conectividad CDBG-DR | 44,742.67 | 100% | 44,742.67 | 3,728.56 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial de Presupuesto | 56,968.00 | 100% | 56,968.00 | 4,747.33 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | CDBG/LIHTC Program Manager | 124,365.32 | 100% | 124,365.32 | 10,367.61 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial Financ y Cred Corp Sen | 58,349.47 | 100% | 58,349.47 | 4,862.45 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Temporary Staff | Oficial Financ y Cred Corp Sen | 58,349.47 | 100% | 58,349.47 | 4,862.45 | Temporero | CDBG-DR | LIHTC/CDBG-DR |
| Total: | | \$ 680,647.97 | | \$ 680,647.97 | \$ 56,942.00 | | | |
| Complete LIHTC Life Cycle | | | | \$ 1,361,295.93 | | | | |

4. LEGAL SERVICES

PRHFA will use the procurement procedures to select a qualified firm to provide legal counseling services in the PRHFA's objective of the LIHTC/CDBG-DR Housing Activity program delivery. The legal firm will assist with multifamily financing counseling, closings, bonds issuance, refunding's, defeasances, redemptions, award agreement drafting and execution of legal documents.

5. INSPECTION SERVICES

PRHFA will use the procurement procedures to select a qualified engineers professional services in the PRHFA's objective of the LIHTC/CDBG-DR Housing Activity program delivery. The engineers will assist with relocation plan monitoring, monthly inspection of construction work, approval of monthly site and hard construction payments, approval of construction retainage payment, certification of completion of construction and technical engineer's report (pre-closing). The budget serves as the internal benchmark budget for the procurement based on an estimate of time and volume of staff needed to complete the assignment with the 24-month contract period.

6. ENVIRONMENTAL SERVICES

PRHFA will use the procurement procedures to select a qualified firm to provide environmental study and monitoring services in the PRHFA's objective of the LIHTC/CDBG-DR Housing Activity program delivery. The monitors will assist with compliance of Davis Bacon, environmental review and clearance and environmental

monitoring. The budget serves as the internal benchmark budget for the procurement based on an estimate of time and volume of staff needed to complete the assignment with the 24-month contract period.

7. PROGRAM RESERVE FUNDING

Program reserve funding represents the portion of the initial \$100 million sub-award to PRHFA that is not currently allocated for the seven – initially identified –shovel-ready 9% projects, and which then would be transferred into future rounds of LIHTC application cycles for 4% and/or 9% projects. A portion of these funds may also be used to support additional activity delivery costs either provided by PRDOH or PRHFA (or both). Prior to the authorization to expend any program reserve funding, PRDOH and PRHFA will review and mutually agree in writing on the proposed expenditures to support the development of new or already identified LIHTC projects.

8. OTHER ACTIVITIES

PRHFA will undertake multimedia print and digital outreach and marketing to generate qualified applicants for the LIHTC Program, and will require reproduction and printing of programmatic documents such as plans, award agreements, closing documents, etc. Staff will have to travel with their own vehicles for meetings with developers, site visits, stakeholder and related program support will submit with their timesheets mileage logs for reimbursement based on the Commonwealth of Puerto Rico maximum of \$0.40 a mile.

| Budget Table CDBG-DR | Total Annual Amount | Total Monthly Amount |
|--|----------------------|----------------------|
| Communications | \$ 189,000.00 | \$ 15,750.00 |
| Reproduction/Printing | \$ 60,000.00 | \$ 5,000.00 |
| Supplies and Materials | \$ 68,000.00 | \$ 5,666.67 |
| Mileage | \$ 10,000.00 | \$ 833.33 |
| Total | \$ 327,000 | \$ 27,250.00 |
| Complete LIHTC Life Cycle (2 years) | \$ 654,000.00 | \$ 54,500.00 |

9. ADMINISTRATIVE COSTS

At this date, PRDOH assumes that all administrative costs and duties for all programs will be incurred and provided by PRDOH, under the \$75,358,950 Program Administration budget line item as outlined in the approved Action Plan. The \$100,000,000 budget for the LIHTC program is separate from these administrative costs and is to be utilized for project delivery activities.