

## FY 2016 CONSOLIDATED GRANT AGREEMENTS

This Grant Agreement is made by and between the United States Department of Housing and Urban Development (HUD) and Fort Bend County, Texas, Grantee. The Grantee's Tax Identification Number is 74-6001969.

Community Development Block Grant (CDBG) Program

Grant Number: B-16-UC-48-0004

Duns Number: 081497075

The terms of the CDBG award in the amount of \$2,284,992.00 which are the subject of this part of this Agreement are set forth in the attached executed form HUD -7082, Funding Approval/Agreement.

The special condition in your Grant Agreement and Funding Approval concerning the review procedures under Executive Order (EO) 12372, Intergovernmental Review of Federal Programs, and HUD's implementing regulations at 24 CFR Part 52 restricts the obligation or expenditure of funds for the planning or construction of water or sewer facilities until the completion of the review process and receipt of written notification of release of funds for such activities from HUD. The condition requires that in the event you amend or otherwise revise your Consolidated and/or Action Plan to use funds for the planning or construction of water or sewer facilities, you must receive written release of funds from HUD before obligating or expending funds for such activities.

In order to establish a Line of Credit for the FY 2016 grant, it will be necessary for you to execute and return two copies of the Grant Agreement. In addition, if there is a need to delete or add individuals authorized to access eLOCCS, a Security Access Authorization Form (HUD-27054) must be prepared, notarized, and returned to this office with the Grant Agreement. Also, if there is a need to establish or change the depository account to which these grant funds are to be wired, a Direct Deposit Sign-Up Form (SF-1199A) must be completed by you and your financial institution and mailed to this office.

CDBG grants funds have historically been disbursed through the Integrated Disbursement and Information System (IDIS) on a **"first-in, first-out" basis (FIFO)**. Under this methodology, CDBG grantees do not designate a specific fiscal year grant in IDIS when funding an activity or when creating an expenditure voucher. In general, all obligations and disbursements are recorded against the earliest annual grant with an available balance, thereby exhausting the oldest grant available before recording expenditures against the next grant. However, the HUD Inspector General has deemed this approach to be inconsistent with generally accepted government accounting principles and CPD is in the position of having to the adjust the disbursement approach in IDIS from FIFO to a grant-based approach.

CPD believes that this change should not cause significant disruptions to grantee processes as many grantees' accounting systems typically track expenditures according to each annual grant. However, some grantees may have to make some adjustments and certain new steps have been programmed into IDIS to accommodate the change. CPD is in the process of

finalizing a rule to implement these changes for the CDBG program to be published in the Federal Register. CPD will issue alternative guidance to ensure that grantees have appropriate instructions for beginning to draw upon their FY 2016 CDBG funds. Please do not draw funds until such guidance is issued; otherwise grantees may have to correct information in IDIS once the guidance is public.

As a recipient of HUD financial assistance covered by Section 3 of the HUD Act of 1968, it is required that Section 3 Summary Reports (Form HUD-60002) be submitted to HUD in accordance with the guidelines given. Please refer to HUD's website at [www.hud.gov/section3](http://www.hud.gov/section3) for additional information.

HOME Investment Partnerships Act (HOME) Program  
Grant Number: M-16-UC-48-0216  
Duns Number: 081497075

The terms of the HOME award in the amount of \$494,362.00 which are the subject of this part of this Agreement are set forth in the attached executed form HUD 40093, Funding Approval and HOME Investment Partnerships Agreement.

In order to establish a Line of Credit for the FY 2016 grant, it will be necessary for you to execute and return two copies of the Grant Agreement. In addition, if there is a need to delete or add individuals authorized to access eLOCCS, a Security Access Authorization Form (HUD-27054) must be prepared, notarized, and returned to this office with the Grant Agreement. Also, if there is a need to establish or change the depository account to which these grant funds are to be wired, a Direct Deposit Sign-Up Form (SF-1199A) must be completed by you and your financial institution and mailed to this office.

We recommend that the record keeping requirements provided in the HOME program regulations at 24 CFR 92.508 be reviewed. Records sufficient to enable HUD to determine that program requirements are being met must be established and maintained. This section of the regulations will be beneficial as local staff resources are committed to the HOME program.

Grantees are reminded that certain HOME activities are subject to the provisions of 24 CFR Part 58. Environmental Review Procedures – 92.352 of the HOME regulations provide that Participating Jurisdictions (PJs) carry out the environmental review of an activity and obtain a written release from the Houston Office before obligating or expending HOME funds. PJs may obtain appropriate forms from [www.hudclips.org](http://www.hudclips.org). A request for the Release of Funds for a HOME activity must be sent to HUD and must be accompanied by an Environmental Certification.

The HOME program statute provides that funds be made available to PJs for 24 months after the last day of the month in which the PJ is notified of HUD's execution of the HOME Investment Partnerships Agreement. If not placed under a binding commitment to affordable housing within the 24-month period, the funds are to be deobligated. The statute also provides that at least 15 percent of each PJ's allocation must be reserved and under a binding commitment for investment in housing to be developed, sponsored, or owned by community housing development organizations (CHDOs).

The definition of commitment for the HOME program must be followed to the fullest extent in order for such funds to be deemed allowable. It should be noted that the commitment of HOME funds include, but not limited to, the following:

- Participating jurisdictions must not commit HOME funds to a project in IDIS or in a written agreement until all necessary financing has been secured, a budget and production schedule established, and underwriting and subsidy layering completed; and clarifying.
- Dated signatures are required on written agreements.

Emergency Solutions Grants (ESG) Program

Grant Number: E-16-UC-48-0004

Duns Number: 081497075

The terms of the ESG award in the amount of \$200,060.00 which are the subject of this part of this Agreement are set forth in the attached executed Funding Approval/Agreement.

The special condition in your Funding Approval/Agreement refers to the Indirect Cost Rate and the specific requirements pursuant to 2 CFR 200, Subpart E – Cost Principles.

The complete program requirements for the ESG program regulations are located at 24 CFR Part 576, as revised by the Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments Interim Rule which was published on December 5, 2011 (76 Fed. Reg. 75954). Resources are posted on the OneCPD website at <http://hudexchange.info/>, and all of the ESG materials can be accessed at <https://hudexchange.info/esg>.

The following parties execute this Grant Agreement on the dates set forth below as follows:

**UNITED STATES OF AMERICA**

**Secretary of Housing and Urban Development**

By: *Sandra H. Warren* 09/01/2016  
Signature and Date

Sandra H. Warren  
Typed Name of Signatory

Director, Community Planning and Development  
Title

**GRANTEE**

By: *Robert E Hebert* 09/27/2016  
Signature and Date

Robert: E Hebert  
Typed Name of Signatory

County Judge  
Title

8. Special Conditions.

- (a) The period of performance for the funding assistance specified in the Funding Approval (“Funding Assistance”) shall begin on the date specified in item 4 and shall end on September 1, 2023. The Grantee shall not incur any obligations to be paid with such assistance after September 1, 2023.
- (b) If Funding Assistance will be used for payment of indirect costs pursuant to 2 CFR 200, Subpart E - Cost Principles, attach a schedule in the format set forth below to the executed Grant Agreement that is returned to HUD. The schedule shall identify each department/agency that will carry out activities with the Funding Assistance, the indirect cost rate applicable to each department/agency (including if the de minimis rate is charged per 2 CFR §200.414), and the direct cost base to which the rate will be applied. Do not include indirect cost rates for subrecipients.

<u>Administering Department/Agency</u>	<u>Indirect cost rate</u>	<u>Direct Cost Base*</u>
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

\*Specify the type of cost base utilized - e.g., Modified Total Direct Costs (MTDC). Do not include amounts.

- (c) In addition to the conditions contained on form HUD 7082, the grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the System for Award Management (SAM.gov), and the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25, Universal Identifier and System for Award Management, and 2 CFR part 170, Reporting Subaward and Executive Compensation Information.
- (d) The grantee shall ensure that no CDBG funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business

Liability Relief and Brownsfield Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain.

- (e) The Grantee or unit of general local government that that indirectly receives CDBG funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act.
  
- (f) E.O. 12372-Special Contract Condition - Notwithstanding any other provision of this agreement, no funds provided under this agreement may be obligated or expended for the planning or construction of water or sewer facilities until receipt of written notification from HUD of the release of funds on completion of the review procedures required under Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, and HUD's implementing regulations at 24 CFR Part 52. The recipient shall also complete the review procedures required under E.O. 12372 and 24 CFR Part 52 and receive written notification from HUD of the release of funds before obligating or expending any funds provided under this agreement for any new or revised activity for the planning or construction of water or sewer facilities not previously reviewed under E.O. 12372 and implementing regulations.

**Indirect Cost Rate Provision (to be added to Special Conditions attached to each ESG Agreement)**

If the funds provided under this Agreement will be used for payment of the Recipient's indirect costs pursuant to 2 CFR 200, Subpart E—Cost Principles, attach a schedule in the format set forth below to the executed Agreement that is returned to HUD. The schedule shall identify each department/agency of the Recipient that will carry out activities with funds provided under this Agreement, the indirect cost rate applicable to that department/agency (including if the de minimis rate is charged under 2 CFR 200.414), and the direct cost base to which that rate will be applied. Do not include indirect cost rates for subrecipients.

<u>Recipient Department/Agency</u>	<u>Indirect cost rate</u>	<u>Direct Cost Base</u>
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____