

**HOME INVESTMENT PARTNERSHIPS PROGRAM  
TENANT BASED RENTAL ASSISTANCE SUBRECIPIENT AGREEMENT  
BETWEEN THE CITY OF KILLEEN, TEXAS AND  
CENTRAL TEXAS COUNCIL OF GOVERNMENTS**

**PROVIDING FOR THE PAYMENT AND USE OF HOME INVESTMENT PARTNERSHIP GRANT FUNDS**

This Agreement is hereby entered into by and between the City of Killeen, a Texas municipal corporation, acting by and through its City Manager, hereinafter referred to as "**CITY**," and Central Texas Council of Governments, 2180 N. Main St., Belton Texas 76513, hereinafter referred to as "**SUBRECIPIENT**."

**WHEREAS** the **CITY** receives HOME Investment Partnerships Act Program (HOME) Entitlement funds from the U.S. Department of Housing and Urban Development, herein referred to as "HUD," established by the National Affordable Housing Act of 1990 under Title II and allocates funds to eligible local governments to strengthen public-private partnerships to expand the supply of decent, safe, sanitary, and affordable housing to very low-income and low-income families; and

**WHEREAS** the **CITY** is undertaking certain activities to develop a viable community by providing decent housing, a suitable living environment, and expanding economic opportunities principally for low-income and very low-income families. HUD defines low-income families as those with incomes at or below 80% of the area median income (AMI), and very low-income families as those with incomes at or below 50% of the AMI; and

**WHEREAS** the **CITY** provides certain qualified non-profits funds to accomplish the purpose of providing programs and services is in the public interest and in accordance with the HOME Program funding objectives, and

**WHEREAS** the **CITY** desires to award qualified non-profits with subawards of HOME Tenant Based rental Assistance (herein after "TBRA") funds where all compliance requirements for use of HOME Program funds and any and all reporting requirements for expenditures of HOME Program funds apply; in accordance with 24 Code of Federal Regulations (CFR) Part 92 and the HOME Program Notice, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards to provide the **SUBRECIPIENT** a sub-award from HOME Program funds to carry out project activities in compliance with the HOME Program; and

**NOW, THEREFORE**, the parties hereto agree to the mutual obligations and the performance and accomplishment of the conditions hereinafter described.

**I. TERM**

This Agreement shall be effective September 1, 2025, and shall terminate on August 31, 2027, unless sooner terminated because funding is no longer available or in accordance with Section

25 "Termination" herein. The **City** shall have the right, but not the obligation, to extend the term of this agreement by two (2) additional one-year periods.

## **II. RESPONSIBILITIES**

**SUBRECIPIENT** hereby accepts responsibility for the performance of all services and activities described in the Scope of Services attached hereto as **Exhibit A** and incorporated herein by reference, in a satisfactory and efficient manner as determined by **CITY**, in accordance with the terms herein. **CITY** will consider **SUBRECIPIENT's** executive officer to be **SUBRECIPIENT's** representative responsible for the management of all contractual matters pertaining hereto unless written notification to the contrary is received from **SUBRECIPIENT** and approved by **CITY**.

The **CITY's** Executive Director of Community Development will be **CITY's** representative responsible for the administration of this Agreement. Beneficiaries of the activities to be provided hereunder must reside in the City of Killeen and **SUBRECIPIENT** certifies that the activities carried out with these funds shall meet HOME Program funding objectives in response to the needs of low-income families for safe, affordable, and sustainable housing. **SUBRECIPIENT** shall provide services and/or programming for City of Killeen residents as detailed in **Exhibit A** Scope of Services.

## **III. REPRESENTATIONS**

- A. **SUBRECIPIENT** assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate, and official motion, resolution, or action passed or taken, to enter into this Agreement.
- B. The person or persons signing and executing this Agreement on behalf of **SUBRECIPIENT**, do hereby warrant and guarantee that they have been fully authorized by **SUBRECIPIENT** to execute this Agreement on behalf of **SUBRECIPIENT** and to bind **SUBRECIPIENT** validly and legally to all terms, performances, and provisions herein set forth.
- C. **CITY** shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement if there is a dispute as to the legal authority of either **SUBRECIPIENT** or the person signing the Agreement to enter into this Agreement. **SUBRECIPIENT** is liable to **CITY** for any money it has received from **CITY** for performance of the provisions of this Agreement if **CITY** has suspended or terminated this Agreement for the reasons enumerated in this Section.
- D. **SUBRECIPIENT** agrees that the funds and resources provided **SUBRECIPIENT** under the terms of this Agreement will in no way be substituted for, or duplicative of, funds and resources from other sources, nor in any way serve to reduce the resources, services, or other benefits which would have been available to, or provided through, **SUBRECIPIENT** had this Agreement not been executed.

## **IV. SUBRECIPIENT OBLIGATIONS**

In consideration of the receipt of funds from the **CITY**, the **SUBRECIPIENT** agrees to the following terms and conditions:

- A. Five Hundred Thousand Dollars (\$500,000.00) in HOME Program funds may be paid to **SUBRECIPIENT** by **CITY** on a reimbursement basis in accordance with the Budget attached as **Exhibit B**, and the only expenditures reimbursed from these funds shall be those in accordance with the Budget, set forth in **Exhibit B**, for those services described in the Scope of Services, **Exhibit A**, as provided herein. **SUBRECIPIENT** shall not utilize these funds for any other purpose.
- B. **SUBRECIPIENT** shall submit monthly performance and expenditure reports to **CITY** pursuant to Section 10 of this Agreement. **CITY** may withhold payment to **SUBRECIPIENT** for any period for which **SUBRECIPIENT** has failed to submit the reports required by this Agreement.
- C. **SUBRECIPIENT** will establish, operate, and maintain an account system for this program that will allow for a tracing of funds and a review of the financial status of the program. The system will be based on generally accepted accounting principles as recognized by the American Institute of Certified Public Accountants.
- D. **SUBRECIPIENT** will permit authorized officials of **CITY** to review its books at any time.
- E. **SUBRECIPIENT** will reduce to writing all of its rules, regulations, and policies and file a copy with **CITY's** Community Development Division office along with any amendments, additions, or revisions upon request.
- F. **SUBRECIPIENT** will not enter into any contracts that would encumber **CITY** funds for a period that would extend beyond the term of this Agreement.
- G. **SUBRECIPIENT** will promptly pay all bills when submitted unless there is a discrepancy in a bill; any errors or discrepancies in bills shall be promptly reported to **CITY's** Community Development Division for further direction.
- H. **SUBRECIPIENT** will appoint a representative who will be available to meet with **CITY** officials when requested.
- I. **SUBRECIPIENT** will indemnify and hold harmless **CITY**, its officers, elected and appointed officials, agents, employees, and contractors from any and all claims and suits arising out of the services or activities of **SUBRECIPIENT**, its employees, and/or contractors.
- J. **SUBRECIPIENT** will submit to **CITY** copies of year-end audited financial statements.

#### **V. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS**

- A. **SUBRECIPIENT** shall comply with all applicable federal laws, laws of the State of Texas, and ordinances of the City of Killeen.
- B. **SUBRECIPIENT** agrees to abide by the conditions of and comply with the requirements of the Office of Management 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. **SUBRECIPIENT** shall give the **CITY**, the U.S. Department of Housing and Urban Development, the U.S. Department of Treasury, the Comptroller General of the United States, and any of the **CITY's** authorized representatives, access to and the right to reproduce all records belonging to or in use by **SUBRECIPIENT** pertaining to this Agreement. Such access shall continue as long as **SUBRECIPIENT** retains the records. **SUBRECIPIENT** shall maintain such records in an accessible location for not less than five (5) years.

- D. **SUBRECIPIENT** shall refrain from entering into any subcontract for services without prior approval in writing by **CITY** of the qualifications of the subcontractor to perform and meet the standards of this Agreement. All subcontracts entered into by the **SUBRECIPIENT** will be subject to the requirements of this Agreement. The **SUBRECIPIENT** agrees to be responsible to **CITY** for the performance of any subcontractor.
- E. **SUBRECIPIENT** further agrees and certifies that if the regulations and issuances promulgated pursuant to the Act are amended or revised, it shall comply with them, or notify **CITY**, as provided in Section 23 of this Agreement.
- F. **SUBRECIPIENT** shall adopt and implement affirmative marketing procedures for this program in accordance with the requirements in 24 CFR 92.351, including the requirements to (i) identify those portions of the population of the **CITY** that are least likely to apply, (ii) establish specific marketing actions (e.g., advertising in specialty publications, native languages, etc.) intended to reach such populations, and (iii) maintain records of the results of such activities.
- G. **SUBRECIPIENT** shall comply with all applicable Federal laws and regulations at 24 CFR 92 Subpart H. Sub- part H prescribes procedures for compliance in the following areas: nondiscrimination and equal opportunity, affirmative marketing, displacement and relocation, labor relations and conflict of interest.
- H. **SUBRECIPIENT** agrees that it shall be committed to carry out the purposes of Executive Order 14173 of January 21, 2025 entitled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity" one of its purposes being to enforce federal civil rights laws "for the benefit of all Americans."
- I. **SUBRECIPIENT** agrees that it shall not use grant funds to promote "gender ideology," as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.
- J. **SUBRECIPIENT** agrees that it shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment.
- K. **SUBRECIPIENT** agrees to follow Executive Order 14154 that aims to remove regulations and restrictions imposed by the previous administration on domestic energy production and natural resource development. The order directs agencies to streamline permitting processes, prioritize energy independence, and ensure reliable and affordable energy supplies for the nation.
- L. **SUBRECIPIENT** agrees to administer its grant funds in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.
- M. **SUBRECIPIENT** agrees that it may not use program funds in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation.

- N. **SUBRECIPIENT** agrees that unless excepted by PRWORA, it will use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

#### **VI. PERFORMANCE BY SUBRECIPIENT**

**SUBRECIPIENT** will provide, oversee, administer, and carry out the activities and services set out in the Scope of Services described in **Exhibit A**, utilizing the funds described in **Exhibit B**, deemed by both parties to be necessary and sufficient payment for full and satisfactory performance of the program, as determined solely by **CITY** and in accordance with all other terms, provisions, and requirements of this Agreement. No modifications or alterations may be made in the Scope of Services or Budget without the prior written approval of the **CITY's** Executive Director of Community Development.

#### **VII. PAYMENTS**

- A. Payments to **SUBRECIPIENT**. **CITY** will pay **SUBRECIPIENT** for expenses pursuant to and in accordance with the Project Budget attached hereto as **Exhibit B**, and incorporated herein by reference, and the Scope of Services herein attached as **Exhibit A** and incorporated herein by reference. Notwithstanding any other provision of the Agreement, the total of all payments and other obligations made or incurred by **CITY** hereunder shall not exceed the sum of **Five Hundred Thousand Dollars (\$500,000.00)**.
- B. Funds are to be used for the sole purpose of providing the services described in the Scope of Services in **Exhibit A** and based on the Budget in **Exhibit B**.
- C. Excess Payment. **SUBRECIPIENT** shall refund to **CITY** within ten business days of **CITY's** request, any sum of money which has been paid by **CITY** and which **CITY** at any time thereafter determines:
- (1) has resulted in overpayment to **SUBRECIPIENT**; or
  - (2) has not been spent strictly in accordance with the terms of this Agreement; or
  - (3) is not supported by adequate documentation to fully justify the expenditure.
- D. Disallowed Costs. Upon termination of this Agreement, should any expense or charge for which payment has been made be subsequently disallowed or disapproved as a result of any auditing or monitoring by **CITY** or any other Federal agency, **SUBRECIPIENT** will refund such amount to **CITY** within ten business days of a written notice to **SUBRECIPIENT**, which specifies the amount disallowed. Refunds of disallowed costs may not be made from these or any funds received from or through **CITY**.
- E. Reversion of Assets.
- (1) **SUBRECIPIENT**, upon expiration of this Agreement, shall transfer to the **CITY** any funds on hand at the time of expiration and any accounts receivable attributable to the use of funds.
  - (2) The reversion of these financial assets shall be in addition to any other remedy available to **CITY** either at law or in equity for breach of this Agreement.

- F. **Obligation of Funds.**
- (1) In the event that actual expenditure rates deviate from SUBRECIPIENT's provision of a corresponding level of performance, as specified in **Exhibits A and B**, CITY hereby reserves the right to re-appropriate or recapture any such under expended funds.
  - (2) If CITY finds that **SUBRECIPIENT** is unwilling and/or unable to comply with any of the terms of this Agreement, CITY may require a refund of any and all money expended pursuant to this Agreement by **SUBRECIPIENT**, as well as any remaining unexpended funds which shall be refunded to CITY within ten business days of a written notice to **SUBRECIPIENT** to revert these financial assets.
- G. **Contract Close Out.** **SUBRECIPIENT** shall submit a final expenditure report, for the time period covered by the last invoice requesting reimbursement of funds under this Agreement, within 15 business days following the close of the Agreement period.
- H. The CITY may withhold payment(s) until the appropriate and required reports are received and approved, which approval shall not be unreasonably withheld.
- I. **Measure of Liability.**
- (1) The parties expressly understand and agree that CITY's obligations under this Section are contingent upon the actual receipt of adequate HOME funds to meet CITY's liabilities under this Agreement. If adequate funds are not available to make payments under this Agreement, CITY shall notify **SUBRECIPIENT** in writing within a reasonable time after such fact has been determined. CITY may, at its option, either reduce the amount of its liability or terminate the Agreement. If funds eligible for use for purposes of this Agreement are reduced, CITY shall not be liable for further payments due to **SUBRECIPIENT** under this Agreement.
  - (2) It is expressly understood that this Agreement in no way obligates the General Fund or any other monies or credits of the City of Killeen.
  - (3) CITY shall not be liable for any cost or portion thereof which:
    - (a) Has been paid, reimbursed, or is subject to payment or reimbursement, from any other source;
    - (b) Was incurred prior to the beginning date or after the ending date specified in Section 1;
    - (c) Is not in strict accordance with the terms of this Agreement, including all **Exhibits** attached hereto;
    - (d) Is not an allowable cost as defined by Section 10 of this Agreement or in the Budget set forth in **Exhibit B**.
  - (4) CITY shall not be liable for any cost or portion thereof which is incurred with respect to any activity of **SUBRECIPIENT** requiring prior written authorization from CITY, or after CITY has requested that **SUBRECIPIENT** furnish data concerning such action prior to proceeding further, unless and until CITY advises **SUBRECIPIENT** to proceed.
  - (5) CITY shall not be obligated or liable under this Agreement to any party other than **SUBRECIPIENT** for payment of any monies or provision of any goods or services.

- (6) Funding not expended within the term of this Agreement will revert to the City of Killeen within 15 business days from the expiration of the Agreement for use on alternative services or projects.
- (7) Payments may be contingent upon certification of the **SUBRECIPIENT's** financial management system in accordance with the standards specified in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### **VIII. ALLOWABLE COSTS**

- A. Costs must comply with HOME TBRA allowable uses and expenditure categories as published in the Compliance and Reporting Guidance by the U.S. Department of Treasury.
- B. Costs shall be considered allowable only if incurred directly and specifically in the performance of and in compliance with this Agreement and in conformance with the standards and provisions of **Exhibits A and B**.
- C. **SUBRECIPIENT** may not expend more than 10% of the funds for any administrative or project delivery costs.
- D. To the extent that **SUBRECIPIENT** has received funds from another municipal, state, or federal source for any purpose contemplated herein, **SUBRECIPIENT** shall not expend funds paid under this Agreement in a manner that would be duplicative of the use of such prior funds.
- E. Approval of **SUBRECIPIENT's** Budget, **Exhibit B**, does not constitute prior written approval, even though certain items may appear herein. **CITY's** prior written authorization is required in order for the following to be considered allowable costs:
  - a. **CITY** shall not be obligated to any third parties, including any subcontractors of **SUBRECIPIENT**, and **CITY** funds shall not be used to pay for any contract service extending beyond the expiration of this Agreement.
  - b. Any alterations, deletions, or additions to the Budget detail incorporated in **Exhibit B**;
  - c. Costs or fees for temporary employees or services;
  - d. Any fees or payments for consultant services.
- F. Written requests for prior approval are **SUBRECIPIENT's** responsibility and shall be made within sufficient time to permit a thorough review by **CITY**. **SUBRECIPIENT** must obtain written approval by **CITY** prior to the commencement of procedures to solicit or purchase services or personal property. Any procurement or purchase which may be approved under the terms of this Agreement must be conducted in its entirety in accordance with the provisions of this Agreement.
- G. The purchase of real property is not an allowable cost under this agreement.

#### **IX. PROGRAM INCOME**

- A. Generally, program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards and principal and interest on loans made with Federal award funds. Program income does not include interest earned on advances of Federal funds, rebates, credits,

discounts, or interest on rebates, credits, or discounts. Recipients of HOME Program funds should calculate, document, and record the organization's program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records.

- B. **SUBRECIPIENT** shall maintain records of the receipt and disposition of Program Income in the same manner as required for other contract funds and reported to **CITY** in the format prescribed by **CITY**. **CITY** and **SUBRECIPIENT** agree that any fees collected for services performed by **SUBRECIPIENT** shall be used for payment of costs associated with service provision. Revenue remaining after payment of all program expenses for service provision shall be considered Program Income and shall be subject to all the requirements of this Agreement and the regulations found at 2 CFR 200.307 and any additional guidance regarding program income and the application of 2 CFR 200.307(e)(1), including with respect to lending programs, released by the US Department of Treasury.
- C. **SUBRECIPIENT** shall include this Section in its entirety in all of its sub-contracts which involve other income-producing services or activities.
- D. It is **SUBRECIPIENT's** responsibility to obtain from **CITY** a prior determination as to whether or not income arising directly or indirectly from this Agreement, or the performance thereof, constitutes Program Income. **SUBRECIPIENT** is responsible to **CITY** for the repayment of any and all amounts determined by **CITY** to be Program Income, unless otherwise approved in writing by **CITY**.

#### **X. REPORTS AND INFORMATION**

At such times and in such form as **CITY** may require, **SUBRECIPIENT** shall furnish such statements, records, data, and information as **CITY** may request and deem pertinent to matters covered by this Agreement. **SUBRECIPIENT** shall submit performance and expenditure reports to **CITY** no less than once every month. The performance report shall detail client information, including race, ethnicity, income, female head of household, and other statistics required by **CITY**. The financial report shall include information and data relative to all programmatic and financial reporting as of the commencement date specified in Section 1 of this Agreement. Unless the **CITY** has granted a written exemption, **SUBRECIPIENT** shall submit an audit conducted by independent examiners in accordance with Generally Accepted Accounting Principles. If the **SUBRECIPIENT** expends more than \$750,000 in federal funding, the audit must be conducted in accordance with OMB 2 CFR Part 200, as applicable within thirty days after receipt of such audit.

#### **XI. MONITORING AND EVALUATION**

**SUBRECIPIENT** agrees to participate in a monitoring and evaluation system whereby the services can be continuously monitored. **CITY** shall perform monitoring of the **SUBRECIPIENT's** performance under this Agreement.

- A. **SUBRECIPIENT** agrees that **CITY** may carry out monitoring and evaluation activities to ensure adherence by **SUBRECIPIENT** to the Scope of Services, Program Goals, and



Objectives, which are attached hereto as **Exhibit A**, as well as other provisions of this Agreement.

- B. **SUBRECIPIENT** agrees to cooperate fully with **CITY** and provide data determined by **CITY** to be necessary for **CITY** to effectively fulfill its monitoring and evaluation responsibilities.
- C. **SUBRECIPIENT** agrees to cooperate in such a way so as not to obstruct or delay **CITY** in such monitoring and to designate one of its staff to coordinate the monitoring process as requested by **CITY** staff.
- D. **SUBRECIPIENT** agrees to make available its financial records for review by **CITY** at **CITY's** discretion. In addition, **SUBRECIPIENT** agrees to provide **CITY** the following data and reports, or copies thereof:
  - (1) All external or internal evaluation reports;
  - (2) Performance and expenditure reports to be submitted in the schedule published by the **CITY's** Community Development Division. Reports shall include such information as requested by the **CITY's** Community Development Division including but not limited to number of persons or households assisted, race, gender, disability status, and household income. Performance and expenditure reports shall be due to **CITY** within 15 business days after the completion of required reporting period. **SUBRECIPIENT** agrees to submit a performance report and expenditure report no less than once a month. The expenditure report shall include a profit and loss statement with current and year- to-date period accounting of all revenues, expenditures, outstanding obligations, and beginning and ending balances.
  - (3) An explanation of any major changes in program services.
- E. After each official monitoring on-site visit, **CITY** shall provide **SUBRECIPIENT** with a written report of monitoring findings, documenting findings, and concerns that will require a written response to the **CITY**. An acceptable response must be received by the **CITY** within 60 days from the **SUBRECIPIENT's** receipt of the monitoring report or audit review letter. Future contract payments can be withheld for the **SUBRECIPIENT's** failure to submit a written response within 60 days.
- F. To comply with this section, **SUBRECIPIENT** agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of funds received and the services performed under this Agreement. **SUBRECIPIENT's** record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure. **SUBRECIPIENT** agrees to retain all books, records, documents, reports, and written accounting procedures pertaining to the services provided and expenditure of funds under this Agreement for the period of time and under the conditions specified by the **CITY**, but no less than 5 years. Nothing in the above subsections shall be construed to relieve **SUBRECIPIENT** of responsibility for retaining accurate and current records, which clearly reflect the level and benefit of services, provided under this Agreement.
- G. **SUBRECIPIENT** shall submit copies of any fiscal, management, or audit reports by any of the **SUBRECIPIENT's** funding or regulatory bodies to **CITY** within ten working days of receipt by the **SUBRECIPIENT**.

- H. **CITY** shall be responsible for performing an environmental review to ensure necessary compliances are met. HOME Program funds will not be paid, and costs cannot be incurred until **CITY** has conducted and completed an environmental review and completed an Environmental Review Record as required by 24 CFR Part 58. The environmental review may result in a decision to proceed with, modify, or cancel this project. Further, **SUBRECIPIENT** will not undertake or commit any funds for the project prior to the environmental clearance.

## **XII. MAINTENANCE OF RECORDS**

- A. **SUBRECIPIENT** agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of the funds received under this Agreement, in compliance with the provisions of **Exhibit A** and **Exhibit B**, attached hereto, and with any other applicable Federal and State regulations establishing standards for financial management. **SUBRECIPIENT's** expenditures of funds made under this Agreement will conform to 2 CFR §200 Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards as they pertain to costs incurred, audits, program income, administration, and other activities and functions. **SUBRECIPIENT's** record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure. Nothing in this Section shall be construed to relieve **SUBRECIPIENT** of fiscal accountability and liability under any other provision of this Agreement or any applicable law. **SUBRECIPIENT** shall include the substance of this provision in all subcontracts.
- B. **SUBRECIPIENT** agrees to retain all books, records, documents, reports, and written accounting procedures pertaining to the operation of programs and expenditures of funds under this Agreement for five years after the termination of all activities funded under this agreement.
- C. Nothing in the above subsections shall be construed to relieve **SUBRECIPIENT** of responsibility for retaining accurate and current records which clearly reflect the level and benefit of services provided under this Agreement.
- D. At any reasonable time and as often as **CITY** may deem necessary, the **SUBRECIPIENT** shall make available to **CITY** or any of their authorized representatives, all of its records and shall permit **CITY** or any of their authorized representatives to audit, examine, make excerpts and copies of such records, and to conduct audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and all other data requested by said representatives.

## **XII. DIRECTORS MEETINGS**

During the term of this Agreement, **SUBRECIPIENT** shall cause to be delivered to **CITY** copies of all notices of meetings of its Board of Directors, setting forth the time and place thereof wherein the obligations of this agreement shall be discussed and /or voted upon. Such notices shall be delivered to **CITY** in a timely manner to give adequate notice and shall include an agenda and a brief description of the matters to be discussed. **SUBRECIPIENT** understands and agrees that **CITY** representatives shall be afforded access to all of the Board of Directors'

meetings. Minutes of all meetings of **SUBRECIPIENT's** governing body shall be available to **CITY** within ten days after Board approval.

#### **XIV. WARRANTIES**

**SUBRECIPIENT** represents and warrants that:

- A. All information, reports, and data heretofore or hereafter requested by **CITY** and furnished to **CITY**, are complete and accurate as of the date shown on the information, data, or report, and, since that date, have not undergone any significant change without written notice to **CITY**.
- B. Any supporting financial statements heretofore requested by **CITY** and furnished to **CITY**, are complete, accurate, and fairly reflect the financial condition of **SUBRECIPIENT** on the date shown on said report, and the results of the operation for the period covered by the report, and that since said date, there has been no material change, adverse or otherwise, in the financial condition of **SUBRECIPIENT**.
- C. No litigation or legal proceedings are presently pending or threatened against the **SUBRECIPIENT**.
- D. None of the provisions herein contravene or are in conflict with the authority under which **SUBRECIPIENT** is doing business or with the provisions of any existing indenture or agreement of **SUBRECIPIENT**.
- E. **SUBRECIPIENT** has the power to enter into this Agreement and accept payments hereunder and has taken all necessary action to authorize such acceptance under the terms and conditions of this Agreement.
- F. None of the assets of **SUBRECIPIENT** is subject to any lien or encumbrance of any character, except for current taxes not delinquent, except as shown in the financial statements furnished by **SUBRECIPIENT** to **CITY**.
- G. Each of these representations and warranties shall be continuing and shall be deemed to have been repeated by the submission of each request for payment.

#### **XV. COVENANTS**

- A. During the period of time that payment may be made hereunder and so long as any payments remain unliquidated, **SUBRECIPIENT** shall not, without the prior written consent of the Executive Director of Community Development or their authorized representative:
  - (1) Mortgage, pledge, or otherwise encumber or suffer to be encumbered, any of the assets of **SUBRECIPIENT** now owned or hereafter acquired by it, or permit any pre-existing mortgages, liens, or other encumbrances to remain on, or attached to, any assets of **SUBRECIPIENT** which are allocated to the performance of this Agreement and with respect to which **CITY** has ownership hereunder.
  - (2) Sell, assign, pledge, transfer, or otherwise dispose of accounts receivables, notes, or claims for money due or to become due.
  - (3) Sell, convey, or lease all or a substantial part of its assets.
  - (4) Make any advance or loan to, or incur any liability for any other firm, person, entity, or corporation as guarantor, surety, or accommodation endorser.

- (5) Sell, donate, loan, or transfer any equipment or item of personal property purchased with funds paid to **SUBRECIPIENT** by **CITY**, unless **CITY** authorizes such transfer in writing.
- B. **SUBRECIPIENT** agrees, upon a written request by **CITY**, to require its employees to attend training sessions sponsored by the Community Development Division.

#### **XVI. INSURANCE**

- A. **SUBRECIPIENT** shall observe sound business practices with respect to providing such bonding and insurance as would provide adequate coverage for the services provided pursuant to this Agreement.
- B. The premises on and in which the services and activities described in **Exhibit A** are conducted, and the employees conducting these services and activities, shall be covered by premise liability insurance, commonly referred to as "Owner/Tenant" coverage, with **CITY** named as an additional insured. Upon request of **SUBRECIPIENT**, **CITY** may, at its sole discretion, approve alternate insurance coverage arrangements.
- C. **SUBRECIPIENT** will comply with applicable workers' compensation statutes and will obtain employers' liability coverage where available and other appropriate liability coverage for program participants, if applicable.
- D. **SUBRECIPIENT** will maintain adequate and continuous liability insurance on all vehicles owned, leased, or operated by **SUBRECIPIENT**. All employees of **SUBRECIPIENT** who are required to drive a vehicle in the normal scope and course of their employment must possess a valid Texas driver's license and automobile liability insurance. Evidence of the employee's current possession of a valid license and insurance must be maintained on a current basis in **SUBRECIPIENT's** files.
- E. Actual losses not covered by insurance as required by this Section are not allowable or eligible costs under this Agreement and remain the sole responsibility of **SUBRECIPIENT**.
- F. The policy or policies of insurance shall contain a clause which requires that **CITY** and **SUBRECIPIENT** be notified in writing of any cancellation or change in the policy at least 30 days prior to such change or cancellation.

#### **XVII. CIVIL RIGHTS/EQUAL OPPORTUNITY**

- A. **SUBRECIPIENT** shall comply with all applicable equal employment opportunity and affirmative action laws or regulations. The **SUBRECIPIENT** shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, gender, age, or disability. The **SUBRECIPIENT** will take affirmative action to ensure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- B. **SUBRECIPIENT** shall not discriminate against any person in the selection of beneficiaries or provision of services under this Agreement because of race, color, religion, sex, national origin, age, familial status, or disability in connection with this Contract

Determinations of eligibility for this program must be made with- out regard to actual or perceived sexual orientation, gender identity, or marital status.

- C. **SUBRECIPIENT** agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063.
- D. **SUBRECIPIENT** shall comply with the Violence Against Women Act, as amended, and HUD's implementing regulation at 24 CFR Part 5, Subpart L regulations.
- E. **SUBRECIPIENT** will furnish all information and reports requested by the **CITY**, and will permit access to its books, records, and accounts for purposes of investigation to ascertain compliance with local, state, and Federal rules and regulations.
- F. In the event of **SUBRECIPIENT's** non-compliance with the non-discrimination requirements, **CITY** may cancel or terminate the Agreement in whole or in part, and **SUBRECIPIENT** may be barred from further contracts with **CITY**.

#### **XVIII. PERSONNEL POLICIES**

Personnel policies shall be established by **SUBRECIPIENT** and shall be available for examination. Such personnel policies shall:

- A. Include policies with respect to employment, salary and wage rates, working hours and holidays, fringe benefits, vacation, and sick leave privileges, and travel;
- B. Be in writing; and
- C. Be approved by the governing body of **SUBRECIPIENT**.

#### **XIX. CONFLICT OF INTEREST**

- A. **SUBRECIPIENT** covenants that neither it nor any member of its governing body presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. **SUBRECIPIENT** further covenants that in the performance of this Agreement, no person having such interest shall be employed or appointed as a member of its governing body.
- B. **SUBRECIPIENT** further covenants that no member of its governing body or its staff, subcontractors, or employees shall possess any interest in or use his/her position for a purpose that is or gives the appearance of being motivated by desire for private gain for himself/herself, or others, particularly those with which he/she has family, business, or other ties.
- C. No officer, member, or employee of **CITY** and no member of its governing body who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to the Agreement which affects his or her personal interest or the interest in any corporation, partnership, or association in which he or she has a direct or indirect interest.

## **XX. NEPOTISM**

**SUBRECIPIENT** shall not employ in any paid capacity any person who is a member of the immediate family of any person who is currently employed by **SUBRECIPIENT** or is a member of **SUBRECIPIENT's** governing board. The term "member of immediate family" includes wife, husband, son, daughter, mother, father, brother, sister, in-laws, aunt, uncle, nephew, niece, stepparent, stepchild, half-brother, and half-sister.

## **XXI. POLITICAL OR SECTARIAN ACTIVITY**

- A. Neither the funds advanced pursuant to this Agreement, nor any personnel who may be employed by the **SUBRECIPIENT** with funds advanced pursuant to this Agreement shall be in any way or to any extent engaged in any conduct or political activity in contravention of Chapter 15 of Title 5 of the United States Code.
- B. The **SUBRECIPIENT** is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; sectarian or religious activities, lobbying, political patronage, or nepotism activities.
- C. The **SUBRECIPIENT** agrees that none of the funds or services provided directly or indirectly under this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office, or for publicity, lobbying, and/or propaganda purposes designed to support or defeat pending legislation. Employees of the **SUBRECIPIENT** connected with any activity that is funded in whole or in part by funds provided to **SUBRECIPIENT** under this Agreement may not during the term of this Agreement:
  - (1) Use their official position or influence to affect the outcome of an election or nomination;
  - (2) Solicit contributions for political purposes; or
  - (3) Take an active part in political management or in political campaigns.
- D. **SUBRECIPIENT** hereby agrees to sign a Certification Regarding Lobbying included herein as **Exhibit C** and if necessary, the Disclosure of Lobbying Activities provided by the **CITY**.

## **XXII. PUBLICITY**

- A. Where such action is appropriate, **SUBRECIPIENT** shall publicize the activities conducted by **SUBRECIPIENT** under this Agreement that the U.S. Department of HUD HOME Program funding through the City of Killeen has contributed to make the project possible.
- B. All published material and written reports submitted under this project must be originally developed material unless otherwise specifically provided in this Agreement. When material not originally developed is included in a report, the report shall identify the source in the body of the report or by footnote. This provision is applicable when the material is in a verbatim or extensive paraphrase format.
- C. All published material submitted under this project shall include the following reference on the front cover or title page:

*"This document is prepared in accordance with the City of Killeen's Home Investment Partnerships Grant Program, with funding received from the United States Department of Housing and Urban Development."*

- D. All reports, documents, studies, charts, schedules, or other appended documentation to any proposal, content of basic proposal, or contracts and any responses, inquiries, correspondence, and related material submitted by **SUBRECIPIENT** shall become the property of **CITY** upon receipt.

### **XXIII. CHANGES AND AMENDMENTS**

- A. Any alterations, additions, or deletions to the terms of this Agreement shall be by written amendment executed by both parties, except when the terms of this Agreement expressly provide that another method shall be used.
- B. **SUBRECIPIENT** may not make transfers between or among approved line items within budget categories set forth in **Exhibit B** without prior written approval of **CITY**. **SUBRECIPIENT** shall request, in writing, the budget revision in a form prescribed by **CITY**, and such request for revision shall not increase the total monetary obligation of **CITY** under this Agreement. In addition, budget revisions cannot significantly change the nature, intent, or scope of the program funded under this Agreement.
- C. The City Manager, or designate, may authorize minor amendments to the approved Scope of Work in **Exhibit A** or Budget in **Exhibit B** as necessary to carry out the intent of this Agreement, in a manner consistent with the efficient use of public funds, and in accordance with Federal Law. Such minor amendments may not increase the overall funding set forth in **Exhibit B**, extend the term, or otherwise alter the performance obligations of **SUBRECIPIENT**, without approval of the City Manager or designate.
- D. It is understood and agreed by the parties hereto that changes in the State, Federal, or local laws or regulations pursuant hereto may occur during the term of this Agreement. Any such modifications are to be automatically incorporated into this Agreement without written amendment hereto and shall become a part of the Agreement on the effective date specified by the law or regulation.
- E. **CITY** may, from time to time during the term of the Agreement, request changes to the Agreement, which may include an increase or decrease in the amount of **SUBRECIPIENT's** compensation. Such changes shall be incorporated in a written amendment hereto, as provided in Subsection A of this Section.
- F. **SUBRECIPIENT** agrees to notify **CITY** of any proposed change in physical location for work performed under this Agreement at least 30 calendar days in advance of the change.
- G. **SUBRECIPIENT** shall notify **CITY** of any changes in personnel or governing board composition.
- H. It is expressly understood that neither the performance of **Exhibit A** for any program contracted hereunder nor the transfer of funds between or among said programs will be permitted.

### **XXIV. SUSPENSION OF FUNDING**

Upon determination by **CITY** of **SUBRECIPIENT's** failure to timely and properly perform each of the requirements, time conditions, and duties provided herein, **CITY**, without limiting any rights it may otherwise have, may, at its discretion, and upon ten working days written notice to **SUBRECIPIENT**, withhold further payments to **SUBRECIPIENT**. Such notice may be given by mail

to the Executive Officer and the Board of Directors of **SUBRECIPIENT**. The notice shall set forth the default or failure alleged, and the action required for cure. The period of such suspension shall be of such duration as is appropriate to accomplish corrective action, but in no event shall it exceed 30 calendar days. At the end of the suspension period, if **CITY** determines the default or deficiency has been satisfied, **SUBRECIPIENT** may be restored to full compliance status and paid all eligible funds withheld or impounded during the suspension period. If, however, **CITY** determines that **SUBRECIPIENT** has not come into compliance, the provisions of Section 25 may be effectuated.

#### **XXV. TERMINATION**

- A. **CITY** may terminate this Agreement for cause under any of the following reasons or for other reasons not specifically enumerated in this Section:
- (1) **SUBRECIPIENT's** failure to attain compliance during any prescribed period of suspension as provided in Section 24.
  - (2) **SUBRECIPIENT's** failure to materially comply with any of the terms of this Agreement.
  - (3) **SUBRECIPIENT's** violation of covenants, agreements, or guarantees of this Agreement.
  - (4) Termination or reduction of funding by the **CITY** or U.S. Department of Treasury.
  - (5) Finding by **CITY** that the **SUBRECIPIENT**:
    - a. is in such unsatisfactory financial condition as to endanger performance under this Agreement; or
    - b. has allocated inventory to this Agreement substantially exceeding reasonable requirements; or
    - c. is delinquent in payment of taxes or of costs of performance of this Agreement in the ordinary course of business.
  - (6) Appointment of a trustee, receiver, or liquidator for all or substantial part of **SUBRECIPIENT's** property, or institution of bankruptcy, reorganization, rearrangement of, or liquidation proceedings by or against **SUBRECIPIENT**.
  - (7) **SUBRECIPIENT's** inability to conform to changes required by Federal, State, and local laws or regulations as provided in Section 5 of this Agreement.
  - (8) The commission of an act of bankruptcy.
  - (9) **SUBRECIPIENT's** violation of any law or regulation to which **SUBRECIPIENT** is bound or shall be bound under the terms of the Agreement.
- B. **CITY** shall promptly notify **SUBRECIPIENT** in writing of the decision to terminate and the effective date of termination.
- C. **CITY** may terminate this Agreement for convenience at any time. If **CITY** terminates this Agreement for convenience, **SUBRECIPIENT** will be paid an amount not to exceed the total of accrued expenditures as of the effective date of termination, subject to the requirements of Section 7 and **Exhibit B**. In no event will this compensation exceed an amount which bears the same ratio to the total compensation as the services actually performed bears to the total services of **SUBRECIPIENT** covered by the Agreement, less payments previously made.



- D. **SUBRECIPIENT** may terminate this Agreement in whole or in part by thirty (30) days written notice to **CITY**, if a termination of outside funding occurs upon which **SUBRECIPIENT** depends for performance hereunder. **SUBRECIPIENT** may opt, within the limitations of this Agreement, to seek an alternative funding source, with the approval of **CITY**, provided the termination by the outside funding source was not occasioned by a breach of contract as defined herein or as defined in a contract between **SUBRECIPIENT** and the funding source in question. **SUBRECIPIENT** may terminate this Agreement upon the dissolution of **SUBRECIPIENT's** organization not occasioned by a breach of this Agreement.
- E. Upon receipt of notice to terminate, **SUBRECIPIENT** shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts, which relate to the performance of this Agreement. **CITY** shall not be liable to **SUBRECIPIENT** or **SUBRECIPIENT's** contractors, subcontractors or creditors for any expenses, encumbrances, or obligations whatsoever incurred after the termination date listed on the notice to terminate referred to in this Section.
- F. **SUBRECIPIENT** shall, within 30 days of notice of termination by any party, provide **CITY** a full accounting of all expenditures not previously audited by the **CITY** and that have occurred since the last required reporting period. **SUBRECIPIENT** shall return any unused funds, or funds determined to be ineligible or used improperly within five days of termination date.
- G. Notwithstanding any exercise by **CITY** of its right of suspension or termination, **SUBRECIPIENT** shall not be relieved of liability to **CITY** for damages sustained by **CITY** by virtue of any breach of the Agreement by **SUBRECIPIENT**, and **CITY** may withhold any reimbursement to **SUBRECIPIENT** until such time as the exact amount of damages due to **CITY** from **SUBRECIPIENT** is agreed upon or otherwise determined.

#### **XXVI. NOTIFICATION OF ACTION BROUGHT**

In the event that any claim, demand, suit, or other action or proceeding is made or brought by any person(s), firm, corporation, or other entity against **SUBRECIPIENT** in connection to **SUBRECIPIENT** responsibilities, obligations and/or duties hereunder this Agreement, **SUBRECIPIENT** shall give written notice to **CITY** as soon as possible but no later than five (5) business days after being notified of such claim, demand, suit, or other action or proceeding. Such notice shall state the date and hour of notification of any such claim, demand, suit, or other action or proceeding; the names and addresses of the person(s), firm, corporation, or other entity making such claim, or demand, or that instituted or threatened to institute any type of suit, or other action or proceeding; the basis of such claim, demand, suit, or other action, or proceeding; and the name of any person(s) against whom such claim, demand, suit, or other action or proceeding is being made or threatened. Such written notice shall be delivered either personally or by mail postage paid in accordance with the provisions of Section 29.N.

#### **XXVII. INDEMNIFICATION**

- A. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY BOTH PARTIES HERETO THAT **CITY** IS CONTRACTING WITH **SUBRECIPIENT** AS AN INDEPENDENT CONTRACTOR AND THAT AS

SUCH, **SUBRECIPIENT** SHALL SAVE AND HOLD **CITY**, ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, AGENTS, EMPLOYEES, AND CONTRACTORS HARMLESS FROM ALL LIABILITY OF ANY NATURE OR KIND, INCLUDING COSTS AND EXPENSES FOR, OR ON ACCOUNT OF, ANY CLAIMS, AUDIT EXCEPTIONS, DEMANDS, SUITS, OR DAMAGES OF ANY KIND OR CHARACTER WHATSOEVER RESULTING IN WHOLE OR IN PART FROM THE PERFORMANCE, ACT OR OMISSION OF ANY EMPLOYEE, AGENT, CONTRACTOR, SUBCONTRACTOR, OR REPRESENTATIVE OF **SUBRECIPIENT**.

- B. **SUBRECIPIENT** AGREES TO PROVIDE THE DEFENSE FOR, AND TO INDEMNIFY AND HOLD HARMLESS **CITY**, ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, AGENTS, EMPLOYEES, AND CONTRACTORS FROM ANY AND ALL CLAIMS, SUITS, CAUSES OF ACTION, DEMANDS, DAMAGES, LOSSES, ATTORNEY FEES, EXPENSES, AND LIABILITY ARISING OUT OF THE USE OF THESE CONTRACTED FUNDS AND PROGRAM ADMINISTRATION AND IMPLEMENTATION EXCEPT TO THE EXTENT CAUSED BY THE WILLFUL ACT OR OMISSION OF **CITY**, ITS AGENTS, EMPLOYEES, OR CONTRACTORS.

#### **XXVIII. NON-RELIGIOUS ACTIVITIES**

- A. As stated in 24 CFR Part 5.109, no organization will be prohibited from participating in activities supported by **CITY** funding including programs that make funds available through contracts, grants, or cooperative agreements. **SUBRECIPIENT** is prohibited from discriminating against beneficiaries in providing services or carrying out activities with such assistance based on religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice, while also noting that organizations that participate in programs only funded by indirect **CITY** or Federal financial assistance need not modify their program or activities to accommodate beneficiaries who choose to expend the indirect aid on those **SUBRECIPIENT** organizations' programs.
- B. Faith based organizations that carry out programs or activities with direct Federal financial assistance from HUD are required to provide written notice of certain protections to beneficiaries and prospective beneficiaries. Specifically, such organizations are required to give notice to beneficiaries that:
1. The organization may not discriminate against a beneficiary or prospective beneficiary based on religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice; and
  2. The organization may not require a beneficiary to attend or participate in any explicitly religious activities that are offered by the organization, and any participation by the beneficiary in such activities must be purely voluntary; and
  3. The organization must separate, in time or location, any privately funded explicitly religious activities from activities supported by direct Federal financial assistance; and
  4. If a beneficiary objects to the religious character of the organization, the organization must undertake reasonable efforts to identify and refer the beneficiary to an alternative provider to which the beneficiary has no such objection;

5. A beneficiary or prospective beneficiary may report an organization's violation of these protections, including any denials of services or benefits by an organization, by contacting or filing a written complaint to HUD or the intermediary administering the program, if applicable.
6. Faith-based organizations must provide this notice to prospective beneficiaries prior to enrollment. In the event of an emergency or exigent circumstance that make it impracticable to provide the written notice in advance, prospective beneficiaries may receive the notice at the earliest available opportunity. Current beneficiaries must receive the notice at the earliest available opportunity.
7. Faith-based organizations that carry out a program or activity with direct Federal financial assistance from HUD are to promptly undertake reasonable efforts to identify an alternative provider if a beneficiary or prospective beneficiary object to the religious character of the organization, and to refer the beneficiary or prospective beneficiary to an alternative provider to which the beneficiary or prospective beneficiary has no such objection.

#### **XXIX. MISCELLANEOUS**

- A. **SUBRECIPIENT** shall not transfer, pledge, or otherwise assign this Agreement or any interest therein, or any claim arising thereunder, to any party or parties, bank, trust company, or other financial institution without the prior written approval of **CITY**.
- B. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force and effect and continue to conform to the original intent of both parties hereto.
- C. All reports, documents, studies, charts, schedules, or other appended documentation to any proposal, content of basic proposal, or contracts and any responses, inquiries, correspondence, and related material submitted by **SUBRECIPIENT** shall become the property of **CITY** upon receipt.
- D. Debarment: **SUBRECIPIENT** certifies that it is not listed on the System for Award Management (SAM), which lists the debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24.
- E. In no event shall any payment to **SUBRECIPIENT** hereunder, or any other act or failure of **CITY** to insist in any one or more instances upon the terms and conditions of this Agreement constitute or be construed in any way to be a waiver by **CITY** of any breach of covenant or default which may then or subsequently be committed by **SUBRECIPIENT**. Neither shall such payment, act, or omission in any manner impair or prejudice any right, power, privilege, or remedy available to **CITY** to enforce its rights hereunder, which rights, powers, privileges, or remedies are always specifically preserved. No representative or agent of **CITY** may waive the effect of this provision.
- F. This Agreement, together with the attached **EXHIBITS**, constitutes the entire agreement between the parties hereto, and any prior agreement, assertion, statement, understanding, or other commitment antecedent to this Agreement, whether written or oral, shall have no force or effect whatsoever; nor shall an agreement, assertion,

statement, understanding, or other commitment occurring during the term of this Agreement, or subsequent thereto, have any legal force or effect whatsoever, unless properly executed in writing, and if appropriate, recorded as an amendment of this Agreement.

- G. In the event any disagreement or dispute should arise between the parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, codes, laws, ordinances, or regulations, **CITY** as the party ultimately responsible to U.S. Department of Housing and Urban Development and the U.S. Department of the of Treasury for matters of compliance, will have the final authority to render or to secure an interpretation.
- H. **SUBRECIPIENT** acknowledges that in accordance with Chapter 2271 of the Texas Government Code, **CITY** is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. By signing this agreement, **SUBRECIPIENT** certifies that **SUBRECIPIENT's** signature provides written verification to the **CITY** that **SUBRECIPIENT**: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.
- I. Sections 2252 and 2270 of the Texas Government Code restricts **CITY** from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. By signing this agreement, **SUBRECIPIENT** certifies that **SUBRECIPIENT's** signature provides written verification to the **CITY** that **SUBRECIPIENT**, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization. Failure to meet or maintain the requirements under this provision will be considered a material breach.
- J. **SUBRECIPIENT** acknowledges that in accordance with Chapter 2276 of the Texas Government Code, **CITY** is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. By signing this agreement, **SUBRECIPIENT** certifies that **SUBRECIPIENT's** signature provides written verification to the **CITY** that **SUBRECIPIENT**: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.
- K. **SUBRECIPIENT** acknowledges that in accordance with Chapter 2274 of the Texas Government Code, **CITY** is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (I) does not have a practice, policy, guidance, or directive that discriminates

against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. By signing this agreement, **SUBRECIPIENT** certifies that **SUBRECIPIENT's** signature provides written verification to the **CITY** that **SUBRECIPIENT: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. Failure to meet or maintain the requirements under this provision will be considered a material breach.**

- L. The City of Killeen may terminate this Contract immediately without any further liability if the City of Killeen determines, in its sole judgment, that this Contract meets the requirements under Chapter 2275, and **SUBRECIPIENT** is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.
- M. If **SUBRECIPIENT** provides services to the homeless it is required to report homeless data to the Homeless Management Information System (HMIS) unless **SUBRECIPIENT** is a Victim Service Provider (VSP) and prohibited from entering Personal Identifying Information into HMIS. A **SUBRECIPIENT** that is a VSP must use a comparable database approved by the **CITY**.
- N. For purposes of this Agreement, all official communications and notices among the parties shall be deemed made if delivered by courier or overnight mail service or if sent U.S. Mail postage paid, in each case to the parties and addresses set forth below:

**TO CITY:**

City Manager  
City of Killeen  
101 N. College St.  
Killeen, Texas 76541

**TO SUBRECIPIENT:**

Central Texas Council of Governments  
Attn: Executive Director  
2180 N. Main St.  
Belton, Texas 76513

w/a copy to  
City Attorney Office  
P.O. Box 1329  
Killeen, TX 76540

- O. This Agreement shall be interpreted in accordance with the laws of the State of Texas and venue of any of any litigation concerning this Agreement shall be in a court competent jurisdiction sitting in Bell County, Texas.

**[Signature page follows]**

**EXECUTION OF AGREEMENT**

SIGNED, ACCEPTED AND AGREED TO this \_\_\_\_ day of \_\_\_\_\_ 2025, by the undersigned Parties who acknowledge that they have read and understand this Agreement and that the Agreement is issued in accordance with local, State, and Federal laws, and the undersigned Parties hereby execute this legal document voluntarily and of their own free will.

CITY OF KILLEEN

CENTRAL TEXAS COUNCIL OF  
GOVERNMENTS

\_\_\_\_\_  
BY: KENT CAGLE, CITY MANAGER

  
\_\_\_\_\_  
JIM REED, AICP, EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

\_\_\_\_\_  
HOLLI CLEMENTS, CITY ATTORNEY

**Exhibit A**  
**Scope of Services**

**SECTION I - PROJECT PURPOSE**

**SUBRECIPIENT** assists the City of Killeen to meet the housing needs of low-mod income families as outlined in the HOME Investment Partnership Program Grant (HOME Program) grant entitlement funds from the U.S. Department of Housing and Urban Development, herein referred to as "HUD," established by the National Affordable Housing Act of 1990 under Title II.

**SECTION II - PROJECT DESCRIPTION AND DELIVERY**

HOME Program funds shall be used to provide tenant-based rental assistance (HOME TBRA) to individuals and families who are defined as low-income under Title 24, Subtitle A Part 92-HOME Investment Partnerships Program: families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under.

In addition to all other terms, provisions, and requirements of this Agreement, **SUBRECIPIENT** shall provide the activities and services in accordance with this Scope of Work and the City of Killeen HOME Program Guidelines: Tenant Based Rental Assistance attached hereto in Exhibit D.

**SUBRECIPIENT** shall provide eligible HOME TBRA on behalf of qualified households including:

- Rental Assistance
- Security Deposit Assistance
- Utility Security Deposit

For each qualifying household, **SUBRECIPIENT** shall make payments of HOME TBRA directly to the property owner on behalf of the qualifying household. Each HOME Program assisted household has the right to continued HOME TBRA assistance if the household moves to a different unit and continues to qualify for assistance. **SUBRECIPIENT** shall verify ownership of each potential HOME TBRA-assisted unit by obtaining a recorded deed or other title instrument or certificate from the property owner that evidences the property owner's fee simple ownership of the unit.

**SUBRECIPIENT** shall select qualifying households for the program from a waiting list established solely for this program pursuant to the City of Killeen HOME TBRA Policy and Procedures in **Exhibit D** or from referrals for the program from the City's Homeless Outreach Team.

**SECTION III - LEASE REQUIREMENTS**

**SUBRECIPIENT** shall verify that each household that will receive HOME TBRA will have an executed lease with the property owner with a term of at least one year and which complies with the requirements of this Agreement. **SUBRECIPIENT** shall not be eligible for



reimbursement for HOME TBRA relating to a particular lease unless it has reviewed and approved the lease.

The lease may not contain any of the prohibited lease terms specified in 24 CFR 92.253(b). The lease may not permit the property owner to terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP unit except for serious or repeated violation of the terms of the lease; for violation of applicable Federal State, or local laws; or for other good cause.

#### **SECTION IV - RENT STANDARDS**

Rent amounts for each HOME TBRA assisted rental unit must comply with the rent limits set forth in the City of Killeen HOME TBRA Policy and Procedures in **Exhibit D**.

#### **SECTION V - HOUSING QUALITY STANDARDS**

HOME TBRA-assisted rental units must be maintained in compliance with the housing quality standards required by 24 CFR 982.401, as well as any City property standards and all applicable accessibility standards. **SUBRECIPIENT** shall inspect housing to be occupied by a household receiving HOME TBRA to verify that it complies with the requirements of this section.

#### **SECTION VI - TERMINATION OF TENANT BASED RENTAL ASSISTANCE TO A QUALIFYING HOUSEHOLD**

If a qualifying household is absent from a HOME TBRA-assisted rental unit for more than 60 consecutive days, **SUBRECIPIENT** may, after providing written notice of the assisted household's absence to the City's Executive Director of Community Development, terminate its provision of HOME TBRA to that household.

#### **SECTION VII - PROJECT MILESTONES**

Milestone	Anticipated Start Date	Anticipated Deadline
HOME TBRA START DATE	September 1, 2025	August 31, 2027
50% OF FUNDS EXPENDED		September 1, 2026
100% OF FUNDS EXPENDED		August 31, 2027

#### **SECTION VIII - OUTCOMES**

Tracking Outcome measures will be a tool by which the **CITY** and the **SUBRECIPIENT** can measure services delivered and performances under this agreement.

**SUBRECIPIENT** provides benefits to the citizens of the City of Killeen through these outcomes:

- Up to 20 households will be assisted with Tenant Based Rental Assistance during the term of this agreement.

**Exhibit B**  
**Budget**

**SUBRECIPIENT** shall provide the services listed in this Agreement within the monetary limits attached hereto and incorporated by reference herein. Rental Assistance, Security Deposit, and Utility Deposit Assistance expenditures may be adjusted as allowable, but in no event shall compensation to the **SUBRECIPIENT** exceed the costs attributable to the work performed as stated herein or the sum of Five Hundred Thousand Dollars (\$500,000.00). In no event shall Project Delivery Costs exceed 10% or Fifty Thousand Dollars (\$50,000.00) of the total allocation.

Allowable Expenditure	Amount
<b>Tenant Based Rental Assistance (TBRA)</b>	<b>\$500,000.00</b>
Rental Assistance (Up to 24 months)	\$395,000.00
Security Deposit (Maximum two (2) times monthly contract rent)	\$ 37,000.00
Utility Deposit Assistance (Gas, Electric, Water, & Sewer)	\$ 18,000.00
Project Delivery Costs	\$ 50,000.00
<b>Total</b>	<b>\$500,000.00</b>

**SUBRECIPIENT** will receive payments on the following schedule:

Funds are disbursed on a reimbursement basis through claims submitted to the **CITY**. Sub-recipients must submit requests for reimbursement to the **CITY** on a monthly basis.

Required Request for Reimbursement documentation to be submitted:

- o Verification of Qualifying Household
- o Request for Unit Approval
- o Rent Reasonableness and Minimum Habitability Standards Checklist documentation
- o Rental Agreement between Agency, Tenant, and Landlord
- o For rental assistance - Copy of the Signed Executed Lease at first request (monthly rent, deposit, arrears)
- o Proof of Payment
- o Beneficiary Report Data

**Exhibit C**  
**Certification Regarding Lobbying**

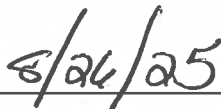
The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, 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.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this Certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants, loans, and cooperative agreements) and that all **SUBRECIPIENTS** shall certify and disclose accordingly.

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

Central Texas Council of Governments  
**SUBRECIPIENT**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

Title: Executive Director

**Exhibit D**  
**City of Killeen HOME Tenant Based Rental Assistance**  
**Policy and Procedures**

**FOLLOWS**



# **HOME Investment Partnerships**

## **Tenant-Based Rental Assistance Program**

### **Policies and Procedures**

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August 2025

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City of Killeen  
Department of Community Development  
802 N. 2<sup>nd</sup> Street, Building E  
Killeen, TX 76541  
[www.killeentexas.gov](http://www.killeentexas.gov)

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**I. Background**

The Home Investment Partnerships Program (HOME) was introduced in the Cranston- Gonzalez National Affordable Housing Act of 1990. The program, administered by the U.S. Department of Housing and Urban Development (HUD), is a federal block grant program that provides funding to states and localities (Participating Jurisdictions (P.J.)) to create affordable housing through acquisition, construction, or rehabilitation of affordable housing, whether for rental or homeownership, and can also provide direct rental assistance. Additionally, 15% of the HOME allocation must be set aside for Community Housing Development Organizations (CHDOs).

**II. Purpose**

The purpose of the HOME Program is to increase the supply of safe, decent, and affordable housing for families, especially for low-income households, and strengthen public-private partnerships in housing development. The HOME program also provides tenant-based rental assistance to low-income households, allowing them to pay no more than 30% of their income for rent and utilities.

**III. HOME Investment Partnerships Activities**

- Homeowner Rehabilitation
- Homebuyer Activities
- Rental Housing
- Tenant-Based Rental Assistance

**IV. Tenant-Based Rental Assistance Program**

The Tenant Based Rental Assistance (TBRA) Program must be operated consistent the requirements of eligible costs and requirements outlined in CFR Part 92.209. The City of Killeen administers its TBRA program via a Subrecipient through an agreement. The Subrecipient may be a PHA or other not-for profit entity with the capacity to operate a rental assistance program.

The tenant-based rental assistance may be provided through a rental assistance contract in accordance with 24 CFR Part 92.209(e). The Subrecipient partner must approve the lease.

**V. TBRA Eligible Costs**

TBRA program funds may be used to provide:

- A. Rental assistance to help pay the cost of monthly rent for up to 24 months.
  - 1. The amount of the monthly assistance may not exceed the difference between the established payment standard for the unit size and 30 percent of the household's monthly adjusted income.
  - 2. Payments must be paid directly to a third-party on behalf of the household.
  - 3. Costs of inspecting the housing and determining income eligibility and assistance level are eligible for reimbursement as either administrative or project delivery costs.
- B. Security deposits in conjunction with rental assistance in an amount not to exceed two month's rent for the unit.
  - 1. Only the prospective tenant may apply for security deposit assistance.
  - 2. The Subrecipient must pay the security deposit directly to the landlord.
  - 3. The security deposit may not exceed two months contract rent for the unit.
  - 4. The security deposit shall be used to provide compensation to the owner if the tenant, upon vacating, owes money for damages and unpaid rent in the unit.

## City of Killeen HOME-TBRA Policy and Procedures

5. The assisted household may receive any security deposit refunded by the owner upon vacating the unit. However, if the subrecipient receives any security deposit funds returned from the owner upon the tenant vacating the unit, it must use the funds for future security deposits under the guidelines of the program. In the event the funding agreement has expired with the Subrecipient, any returned deposits must be transmitted to the City of Killeen Community Development Division (CDD).
- C. Utility deposit assistance in conjunction with rental assistance and security deposit assistance.
  1. The family, housing unit, and all other eligibility criteria for assistance must be followed.
  2. Only the prospective tenant may apply for utility deposit assistance.
  3. The Subrecipient must pay the utility deposit directly to the service provider.
  4. TBRA utility deposit assistance is limited to the paying of deposits.
  5. Deposits should be returned to the tenant. If the Subrecipient receives the return of any deposit, it must use the funds for the next eligible HOME cost under the guidelines of the program, or return the funds to the CDD. In the event the funding agreement has expired with the subrecipient, any returned deposits must be transmitted to the CDD.

HOME TBRA may pay up to 100% of these costs for an eligible household.

HOME rule permits administrative funds and certain project delivery costs to be paid in association with TBRA administration.

### **VI. TBRA Ineligible Costs**

- A. Program funds may not be used to assist a resident owner of a cooperative or mutual housing unit when that resident is recognized by state law as a homeowner.
- B. Program funds may not be used to prevent the displacement of tenants from projects assisted with HOME Rental Rehabilitation Program funds.
- C. TBRA cannot be used to duplicate another form of assistance. For instance, if a tenant receives a rental subsidy that lowers their rent to 30% of their adjusted income, such as a Housing Choice Voucher, they cannot receive additional HOME TBRA.
- D. Program funds may not be used to pay rental arrears.
- E. Program funds cannot be used to pay for the down payment in a lease-purchase program, although it may be used as a rental subsidy.
- F. Program funds cannot be provided to homeless persons for overnight or temporary shelters, as a valid lease is required for program enrollment.

### **VII. Marketing & Outreach**

HOME rules require affirmative marketing for any program or project with 5 or more HOME assisted units. Consequently, the TBRA program must be affirmatively marketed, with procedures to be approved by CDD.

HOME TBRA should be affirmatively marketed to all persons within the target population and/or special needs group. The marketing plan must address:

1. How the program will be announced (i.e., which media and other sources);
2. Where applications will be taken (i.e., at one site or more);
3. When applications will be accepted (i.e., daily, during normal working hours or extended



- hours for a specified period); and
4. The method for taking applications (i.e., in person, by mail).

The willingness of owners to participate in the HOME TBRA program significantly affects the options and opportunities available to participating households. The Subrecipient should conduct outreach to owners of rental property to stimulate their interest in the program. Mailing program notices to owners using tax or PHA records as sources and participating in meetings of owner and realtor associations are often effective outreach methods.

#### **VIII. Application for Rental Assistance**

All applications must be in written form and must contain, at a minimum, information that enables the Subrecipient to determine household composition, income, and eligibility.

Each application received must be reviewed for completeness and to determine if the applicant is obviously ineligible. Grantees may elect to fully determine eligibility at the time the household makes application. However, it is rare that households bring or provide at the time of application sufficient documentation to confirm eligibility. The Subrecipient will place all applicants who are apparently eligible on the waiting list pending verification of information provided.

A tenant file must be created for each application. This file will ultimately contain the application, documentation of the household's eligibility, copies of program forms, correspondence, etc.

#### **IX. Tenant Selection**

The Subrecipient must have a written tenant selection policy that clearly specifies how households will be selected for participation in its TBRA program in accordance with criteria that are based on local housing needs and priorities established in the City's consolidated plan.

TBRA may only be provided to very low- and low-income families. The Subrecipient must determine that the person or family qualifies as very low-income or low-income before the assistance is provided. A person or family assisted is not required be on a wait list for permanent housing assistance or on a local Housing Choice Voucher wait list.

There are two major components of tenant selection:

1. Income eligibility, and
2. Preferences established by the subrecipient.

NOTE: Program access cannot be limited to a particular organization or program's clients.

Households cannot receive HOME TBRA if they are receiving rental assistance under another Federal, state, or local rental assistance program **IF** the HOME subsidy would result in duplicative subsidies. However, if another rental subsidy program does not provide assistance sufficient to lower a tenant's rental payment to 30 percent of their monthly adjusted income, HOME TBRA could be provided as supplemental assistance to further reduce the tenant's rent payment to 30 percent of monthly adjusted income.

TBRA rental assistance may be provided only to families whose annual income does not exceed 60 percent of the median family income for the area, as determined and made

available by HUD with adjustments for smaller and larger families at the time of occupancy.

The Subrecipient must determine whether an applicant:

- Qualifies as a family;
- Is income-eligible; and,
- Is a member of a target population under approved preferences, if any.

**X. Eligible Families and Other Related Terms**

The following definitions shall be applicable to all housing assisted under the TBRA Program:

1. **Dependent.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a person with disabilities, or is a full-time student.
2. **Disabled person.** A person who is under a disability as defined in Section 223 of the Social Security Act (42 USC 423), or who has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 USC 6001(7)).
3. **Displaced person.** A person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.
4. **Elderly family.** A family whose head or spouse (or sole member) is an Elderly, Disabled, or Handicapped person. It may include two or more elderly, disabled, or handicapped persons living together, or one or more of those persons living with one or more live-in aides.
5. **Elderly person.** A person who is at least 62 years of age.
6. **Family.** "Family" includes but is not limited to an elderly family or single person, the remaining member of a tenant family, and a displaced person.
7. **Handicapped person.** A person having a physical or mental impairment that:
  - a. Is expected to be of long-continued and indefinite duration.
  - b. Substantially impedes the person's ability to live independently, and,
  - c. Is of such a nature that the tenant's disability could be improved by more suitable housing conditions.
8. **Live-in Aide.** A person who resides with an elderly, disabled, or handicapped person, or persons who:
  - a. Is determined to be essential to the care and well-being of the person(s);
  - b. Is not obligated for the support of the person(s);
  - c. Would not be living in the unit except to provide the necessary supportive services; and
  - d. Is not related to the household receiving the rental assistance.
9. **Single person.** A person who lives alone or intends to live alone, and who does not qualify as an elderly family or a displaced person, or as the remaining member of a tenant family.

**Live-in Aides.** A Live-in Aide may only reside in the unit with the approval of the administrator, subject to the following requirements:

1. The income of the Live-in Aide shall not be counted as household income. The Live-in Aide may be counted in terms of household/unit size as long as the Live-in Aide resides with the tenant on a full-time basis.
2. Part time Live-in Aides may not be counted in terms of family or unit size.
3. The tenant's physician must sign the Physician's Verification of Live-in Aide form. The form must be placed in the tenant file.

## City of Killeen HOME-TBRA Policy and Procedures

4. The tenant, Live-in Aide and the Landlord must sign the Live-in Aide Housing Agreement. A copy of the agreement must be placed in the tenant file.
5. The Live-in Aide qualifies for occupancy only as long as the tenant needs supportive services. In the event the tenant no longer requires a Live-in Aide, the TBRA subsidy shall revert to HUD guidelines as to the applicable rents for the number of bedrooms allowed for the household.
6. If the household member requiring assistance dies, the Live-in Aide shall vacate the unit within ten days of said household member's death. If the household member requiring assistance moves out, the Live-in Aide shall vacate the unit no later than the tenant's vacate date. Upon the termination of the Live-in Aide's services for any other reason, the Live-in Aide shall vacate the unit within 24 hours.
7. The Live-in Aide shall not violate any of the landlord's house rules. The Landlord may evict the Live-in Aide if s/he violates any of the House Rules.

Applicants must disclose all real, potential, or perceived conflicts of interest as outlined in 24 CFR 92.356. All conflicts of interest must be disclosed and resolved prior to providing HOME TBRA assistance to the household.

### **XI. Waiting List**

After a family has been determined eligible for the TBRA program, the Subrecipient shall place the family on a waiting list in chronological order of completed application received.

The waiting list shall comply with 24 CFR Part 92.253(d). The waiting list should show the family's name, date and time of application, local preferences if applicable, and appropriate size of units in bedroom.

Families currently on a Section 8 or other rental assistance waiting list who received TBRA shall not be harmed or removed from the subrecipient waiting list. In any case where assistance under Section 8 becomes available, recipients of TBRA will qualify for tenant selection preferences to the same extent as when they received TBRA.

### **XII. Written Notice of Rejection**

If an applicant is rejected for the program, the Subrecipient must provide in writing the reason(s) for rejection and provide an administrative process for the applicant to appeal the determination.

### **XIII. Annual Income**

Income must be verified before assistance is provided and re-examined annually thereafter. Income limits are established by household size and revised annually by the HUD.

Household income under HOME-funded TBRA program must be calculated using the definition of annual income at 24 CFR Part 5 (Section 8).

Annual income is the anticipated total income from all sources received by the family head and spouse (even if temporarily absent), and each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of certification of income.

Annual income includes, but not limited to:

## City of Killeen HOME-TBRA Policy and Procedures

- a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
- b. The net income from operation of a business or profession, including independent contractor work not limited to: Uber, Lyft, Door Dash, etc.
- c. Interest, dividends, and other net income of any kind from real or personal property.
- d. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including lump-sum payment from a delayed start of a periodic payment.
- e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay.
- f. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- g. All regular pay, special pay, and nonhousing allowances of a member of the Armed Forces.

Annual income does not include the following:

- a. Income from employment of children (including foster children) under the age of 18 years.
- b. Payments received for the care of foster children.
- c. Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains, and settlement for personal or property losses.
- d. Amounts received by the family that is specifically for, or in reimbursement of the cost of medical expenses for any family member.
- e. Income of a Live-in Aide.
- f. Amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the Government for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student.
- g. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- h. Amounts received under training programs funded by HUD.
- i. Temporarily, nonrecurring, or sporadic income (including gifts).
- j. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period must be annualized.

### **XIV. Verification of Income**

The Subrecipient must determine annual income by reviewing source documents for at least two months, evidencing annual income (for example, wage statement, interest statement, unemployment compensation) for the TBRA-assisted household.

Income and asset source documentation for new TBRA recipients is good for a six-month period. If a TBRA contract is not executed before the six months has expired, the household's income eligibility must be reviewed again before assistance may be provided.

It is the obligation of the Subrecipient to obtain complete information from applicants and thoroughly document the methods by which it has verified all pertinent information in the applicant's file.

**XV. Rent Limits**

The HOME TBRA uses the rent limits provided and updated annually by HUD with adjustments for number of bedrooms in the unit. The rent limits will apply to the rent plus the utilities or utility allowance.

- A. **Rent Limit for Low-Income Households:** For any HOME TBRA units occupied by "low-income households," the rent must comply with the rent limitations in CFR Part 92.252(a). The maximum rents are the lesser of:
  - i. The fair market rent (FMR) for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
  - ii. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions. This is also known as the high HOME rent limit.
  - iii. Notwithstanding the foregoing, when a household receives a form of federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).
- B. **Rent Security Deposit Assistance:** In accordance with 24 CFR 92.209 (i), the amount of HOME funds provided for a security deposit may not exceed the equivalent of two month's rent for the unit.
  - i. Security deposits must be paid directly to a third-party on behalf of the household.
  - ii. Any portion of the security deposit which is returned at the end of the lease must be returned to the tenant.
- C. **Utility Deposit Assistance:** Utility deposit assistance may be provided as an eligible program activity only in conjunction with security deposits and/or rental assistance.
  - i. Utility deposit assistance may only be applied to the utilities described in the Utility Allowance Schedule of the municipal housing authority or Central Texas Council of Governments.

**XVI. Rental Assistance Calculation**

The rental assistance payment is maximum amount that the HOME TBRA program may pay to assist any given household is the difference between 30 percent of the household's adjusted monthly income using the requirements in 24 CFR Part 5.611 and the rent limit established by the subrecipient, known as the payment (rent) standard.

Adjusted income is derived by subtracting any of five deductions (or allowances) that apply to the household from the household's annual (gross) income. The household's eligibility for deductions depends, in part, on the type of household that it is. For disabled households, deductions are permitted for:

- A. Elderly or disabled household deduction - \$400 per household;
- B. Dependent - \$480 for each household dependent (non-head of household under 18, disabled, or a full-time student);
- C. Childcare expenses;

- D. Medical expenses in excess of 3% of annual income; and
- E. Disability assistance expenses in excess of 3% of annual income.

These must be calculated and documented as specified in HOME Program guidance, including Chapter 4 of the Technical Guide for Determining Income and Allowances for the HOME Program, available at:

<https://www.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf>.

This gap is then the constant amount of the monthly TBRA assistance. The household is free to select an actual unit that costs more or less than the subrecipient's payment (rent) standard.

- A. **Unit costing more:** If the household selects a unit costing more than the payment (rent) standard, the household's monthly payment will exceed 30 percent of its monthly adjusted income. Should a household elect a unit that exceeds the subrecipient's payment (rent) standard, the subrecipient should obtain documentation signed by the household that it understands the unit is considered unaffordable to their income level.
- B. **Unit costing less:** If the household selects a unit costing less than the payment (rent) standard, the household's monthly payment will be less than 30 percent of its monthly adjusted income.

Rental assistance is subject to the following:

- A. **Minimum Family Contribution:** Participating households must pay at least \$10.00 per month (the greater of \$10.00 or 30% of their adjusted monthly income) towards rent.
- B. **Maximum TBRA Subsidy:** The TBRA subsidy may not exceed the difference between the Payment Standard and 30 percent of the household's monthly adjusted income.

Upon approval of a rental unit, a final subsidy calculation is required to determine the tenant's share and assistance amount.

## **XVII. Issuance of Rental Coupon**

The Tenant Based Rental Assistance Coupon is the sole document, which authorizes the family to look for an eligible rental unit for the TBRA program. The Rental Coupon specifies the appropriate unit size necessary to meet the family's needs.

The Rental Coupon also sets forth a number of requirements regarding both Family and Subrecipient responsibilities that apply only while the Rental Coupon is in effect but also after the Rental Assistance Contract is executed on behalf of the family.

- A. The Rental Coupon term is for a 60-day period, within which the family must submit a Request for Unit Approval if it is to utilize the Rental Coupon. The City or its subrecipient may extend the term to a maximum 60-day additional period.
- B. The Rental Coupon is only valid within the City of Killeen. Rental Coupons are not portable outside the jurisdiction of the City of Killeen.

When a family receives a Rental Coupon, the Subrecipient must conduct a briefing session to provide the family with an explanation of program requirements, information to assist it in finding a suitable unit, and an explanation of family and owner responsibilities.

The information and specific items which must be given to families in the briefing session are, but not limited to:

## City of Killeen HOME-TBRA Policy and Procedures

1. Families and owners' responsibilities under the lease and contract;
2. How to find a suitable unit;
3. Fair housing information, including any search assistance that may be available, and the process for filing a complaint in the case of discrimination;
4. The location and characteristics of the full range of neighborhoods in which the subrecipient is able to execute Rental Assistance Contracts;
5. Applicable Fair Market Rents (FMRs), how the Gross Family Contribution (GFC) is determined, and how housing assistance payments are determined;
6. Limitations on the rent the owner may charge, including how utility allowances are used in this determination;
7. Security deposit policy, including how much may be charged, who pays, and who receives any refund;
8. Information to the families concerning NSPIRE inspections, Rental Assistance Contract, schedule of allowances for tenant-furnished utilities and other services, and the process for lease approval; and
9. Coupon expirations and extension policies.

### **XVIII. Unit Approval**

#### **A. Eligible Units**

The HOME TBRA program offers households great flexibility in selecting a housing unit. Households must be free to select the unit of their choice.

- i. Public or private: Units under the TBRA program may be publicly- or privately-owned. Publicly- owned units include public housing, Section 811, Section 202, HOPE 6, Continuum of Care, and HOPWA.
- ii. Combining rental assistance with another rental assistance program: HOME TBRA rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance (e.g., Section 8 or Continuum of Care rental assistance) or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources.
- iii. Combining security and utility deposit assistance with another security or utility deposit program: HOME TBRA security and utility deposit assistance cannot be provided to a program participant who is receiving security deposit or utility deposit assistance through other public sources.
- iv. Rents must be reasonable: Subrecipients must disapprove a lease if the Subrecipient determines the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.
- v. HOME-funded units are permissible: Households may select units developed or rehabilitated with HOME assistance. However, the subrecipient may not require the household to select a HOME unit as a condition of receiving TBRA. Households must be permitted to move out at the end of the HOME lease term, taking their TBRA assistance with them.
- vi. Portability is not permitted. The City of Killeen does not allow TBRA assistance to be used outside of the city boundaries without written approval from the Executive Director of Community Development.

#### **B. Environmental Review**

Based on 24 CFR 58.35(b), TBRA projects are Categorical Exclusions Not Subject to 58.5. While the program as a whole was cleared, the subrecipient must still complete the Compliance

Documentation Checklist for 24 CFR Part 58.6 prior to the execution of a rental assistance contract, submit the checklist to HCDD, and maintain a copy in the tenant file.

**C. Determination of Unit Size**

The unit size designated shall be assigned in accordance with the following criteria:

1. No more than two persons are required to occupy a bedroom;
2. Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples) and unrelated adults are not required to share a bedroom;
3. Children of the same sex (regardless of age) and spouses must share the same bedroom for purpose of assigning the bedroom size in housing coupon;
4. Unborn child may be considered for purpose of assigning the bedroom size in housing coupon.
5. In some cases, however, the relationship, age, sex, health, or handicap of the family members may warrant the assignment of a larger unit size. Such flexibility is permissible to the extent the determinations are made on the basis of these factors. Such allowable determination should be fully documented in the applicant's file. For example, a two-bedroom unit may be used by a two-member family which consists of a single parent and child or by a couple who, due to medical reasons, must have separate bedrooms, as approved by the Subrecipient.
6. Fair housing rules permit a household to select smaller units that do not create seriously overcrowded conditions. Participants may also select larger units at their own expense (i.e., TBRA subsidy will not cover the increased cost of a larger unit). In addition to the number of bedrooms, both the size of the unit and the size of the bedrooms should be considered when evaluating the individual circumstances of the family.

**D. Rent Reasonableness**

The Subrecipient must certify all units assisted with TBRA are reasonable in relation to rents currently being charged for comparable units in the private unassisted market, and not in excess of rents currently being charged by the owner for comparable unassisted units.

The Subrecipient must document the basis for its rent reasonableness determination. Key components of a comparability analysis include:

- i. Location: In many market locations is the key determinant of housing price.
- ii. Size: Only units of comparable size (both in terms of number of bedrooms and square footage) should be used.
- iii. Utilities Included: Consider the type and fuel source of utilities.
- iv. Condition: Only units in similar condition should be compared.
- v. Amenities: Consider such amenities as garage, appliances, and lot size.

It is not sufficient to approve a unit merely because its gross rent is within the applicable FMR limits.

**E. Property and Occupancy Standards**

Any TBRA assisted property must meet all applicable City housing codes and ordinances as well as the NSPIRE or Section 8 Housing Quality Standards (HQS). Inspection to verify compliance with HQS and occupancy standards are made both at initial move-in and annually during the term of the TBRA assistance.



Inspections must be conducted and documented at least 48 hours prior to signing a lease for move in and annually during the term of the TBRA assistance. For households receiving one-time security deposit assistance, a unit inspection is required only at the time that assistance is provided. A written inspection form must be signed, dated, and retained in the tenant file.

If a unit fails inspection, the inspection form will contain comments detailing the areas that failed to meet NSPIRE or HQS standards and will prescribe the necessary repairs needed to pass inspection. If the landlord is willing to repair the items listed, they will need to submit a written statement detailing the repairs that were completed. The owner is responsible for completing all repairs and the Subrecipient must re-inspect the unit and verify completion. A participant cannot receive TBRA until the landlord corrects all issues noted in the inspection report and the Subrecipient has re-inspected and approved the unit.

The Subrecipient must apply the occupancy standards that specify the number of bedrooms needed by households of various sizes and composition, as defined in Section XVIII(C).

The Subrecipient must also ensure that the landlord makes reasonable accommodations for the accessibility needs of the tenant.

**F. Lead Based Paint**

The TBRA program must adhere to Federal Regulation 24 CFR Part 35.

- i. Tenants must receive the fact sheet “Ten Tips to Protect Children from Pesticide and Lead Poisonings around the Home” (EPA) and the pamphlet “Protect Your Family from Lead” (EPA) at the time of application.
- ii. Tenants must receive the Elevated Blood Level form (tenant signature optional) and the Tenant Notice of Defect/Notice of Elevated Blood Level Above 15 ug form prior to move in.
- iii. A sign off form indicating that the tenant has received the four documents must be in place in tenant files.
- iv. Visual assessment of units built prior to 1978 must take place during the HQS inspection. Exemptions include 0-bedroom units, SROs, and units exclusively for the elderly and disabled where children aged 6 and under will not/do not occupy the unit.
- v. If deteriorated paint is identified in the visual assessment,
  - a. Lead based paint stabilization/abatement procedures must take place at the expense of the owner within 30 days of notification to the owner (24 CFR Part 35.1330(a) and (b).)
  - b. The owner of the unit must meet the requirements of paint stabilization as defined in 24 CFR Part 35.110. Paint stabilization must be conducted in accordance with procedures outlined at 24 CFR 1330(a) & (b). Owners must pay for stabilization and/or abatement procedures prior to move-in (or during occupancy). If the owner declines to provide stabilization, another unit must be selected.
  - c. Owner must provide a copy of the clearance report performed in accordance with 24 CFR 35.1340 whenever paint stabilization is undertaken. Owner must provide tenant.
- vi. If lead-based paint or deteriorated paint in non-exempt units is identified following

move in and/or during an annual or periodic re-inspection, depending on the scope of the work to stabilize the paint, and if necessary, the owner is responsible for relocating the tenants to a comparable dwelling free of lead-based paint hazards while the work is taking place.

- vii. Owner must adopt procedures to ensure that on-going maintenance activities are conducted in accordance with 24 CFR 35.1355 during the term of assisted tenancy.
- viii. Identification of the number of units built prior to 1978 and the number of children and pregnant women residing in each unit must be provided on TBRA tenant project set-up forms.

#### **XIX. Lease Approval**

After a family finds a unit, which is suitable for its needs, it must submit a completed Request for Unit Approval, signed by both parties, to the Subrecipient along with a copy of the proposed lease, if supplied by the owner/landlord.

The Subrecipient shall review the request to determine if the owner is eligible, if the unit is eligible, if the lease complies with the program requirements in 24 CFR 92.253 governing prohibited and required lease provisions, and if the lease complies with state and local laws.

After a Request for Unit Approval has been approved, the Subrecipient must prepare the Rental Assistance Contract for execution by the owner and the Subrecipient, and execution of the lease between the family and the owner. No rental assistance will be paid until the contract has been executed. The Subrecipient must retain a copy of the contract and lease in the family's file.

The lease must contain certain required provisions which include the tenant and the Subrecipient shares of the rent, the landlord's responsibility for maintenance and services, any utilities and appliances which the owner will provide, the condition necessary for eviction, the prohibition against discrimination, and the amount of security deposit.

The lease may not contain any of the following provisions:

1. **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
2. **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law.
3. **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.
4. **Waiver of notice.** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.
5. **Waiver of legal proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
6. **Waiver of a jury trial.** Agreement by the tenant to waive any right to a trial by jury.

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7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
8. **Tenant chargeable with cost of legal actions regardless of outcome.** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

The Subrecipient will also provide the required VAWA lease addendum.

The lease between a tenant and an owner of rental housing assisted with TBRA funds must be for not less than one year. The Subrecipient may renew a lease for an additional year. The total time allocated for a family to receive TBRA must be not more than two years.

The owner may not terminate the tenancy or refuse to renew the lease of the tenant except for serious or repeated violation of the terms and conditions of the lease; for violations of applicable federal, state, or local law; or for other good cause.

Any termination or refusal to renew must be preceded by not less than 30-day notice by the owner specifying the grounds for the action.

### **XX. Project Set-up**

Upon completion of all family and unit eligibility requirements, the Subrecipient shall submit a completed Project Set-up Report to Community Development Grants Program Manager (Manager). Upon receipt of the Project Set-up Report, Manager will submit the family for participation in the TBRA program through HUD's IDIS system. IDIS will assign an activity number to the project that CDD will issue to the Subrecipient.

### **XXI. Payment Request**

Upon receiving an activity number for a family, the Subrecipient must submit a Request for Funds form to obtain funds for the family's rental assistance. Monthly requests will be submitted, but up to 2 months of rent (plus any approved security and/or utility deposits) may be requested with CDD approval.

Upon receiving the funds, the Subrecipient must disburse the funds within 15 days to the destination of the funds, such as landlords and utility providers. The Subrecipient must return any funds not distributed within the time limit to CDD.

The Subrecipient may request administration or project delivery costs funds with each Payment Request.

The Subrecipient must maintain their financial records in such a manner that is easily possible to summarize subsidy amounts provided by household and owner. The Subrecipient must report to the Internal Revenue Service annually the amount of rental income paid to owners.

### **XXII. Annual Recertification**

Families receiving TBRA assistance may be approved for renewal of the lease and assistance contract for another year, up to the 24-month limit.

The Subrecipient must re-examine the incomes of all program participants annually using source documentation. The Subrecipient must re-evaluate household income, size, and composition and adjust the amount of rental assistance according to the circumstances in effect at the time of recertification. If there are changes in household size, the Subrecipient must determine income compliance of the family and the proper unit size. Annual recertifications shall also include an NSPIRE or HQS inspection and request for rent increase

The re-examination process should begin 90-120 days in advance of the household's one year anniversary date to assure that the process is completed on time and that 30-day notice is given to both the owner and tenant of changes in the household's eligibility or share of the rent.

If at re-examination, a household's income exceeds the HOME low-income limit (80% AMI), the household is no longer eligible for the HOME TBRA program. The TBRA assistance must be terminated after the Subrecipient gives notice of at least 30 days to the tenant and the landlord. While the rental assistance payments will end at that time, the household's lease cannot be terminated for an increase in income.

#### **XXIII. Annual Unit Inspections**

All units assisted with TBRA funds must meet NSPIRE or HQS standards. Each unit under contract must be inspected at lease annually to assure all NSPIRE or HQS requirements are met. Unit may also be inspected as a result of housing quality complaints initiated by the owner or tenant.

If a unit fails to pass an inspection, the owner may be given a reasonable period of time (i.e., 24 hours for emergency conditions or 30 days for less serious conditions) to correct the deficiencies. If the owner fails to make the needed corrections, the Subrecipient may:

1. With adequate notice to the owner and household, terminate the HOME Rental Assistance Contract and require the household to move to another location in order to continue to receive assistance; or
2. Temporarily suspend its payments until the owner remedies the NSPIRE or HQS deficiencies. (Note: If this second approach is taken, the tenant should be encouraged to continue to pay its share of the rent in order to prevent eviction.)

#### **XXIV. Requests for Rent Increase**

Unless the initial rent negotiations were for the two-year period, owners may request a rent increase at the end of the first year of the contract. The Subrecipient must again determine that the proposed rent is reasonable in comparison to rents charged for other comparable, unassisted units.

Rent increases are also subject to 30-day notice.

#### **XXV. Rental Assistance Payment Contract Termination**

The contract automatically terminates when:

1. The family vacates the unit in violation of the lease;
2. The family has moved from their unit according to the lease terms, or secured the owner's permission for an early termination date, and the lease term has therefore ended;
3. The owner has required the family to move according to the lease term, and the lease term has therefore ended;
4. The owner has evicted the family with authorization from the Subrecipient;

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5. The owner does not wish to enter into a new contract, or refuses to renew or extend the current one;
6. The length of assistance provided the family with the existing TBRA grant has reached two years.

Under the following circumstances, the Subrecipient may terminate the contract prior to its regular termination date:

1. The unit is not in compliance with NSPIRE or HQS, other contract requirements, and the owner refuses to correct the deficiencies;
2. The unit is overcrowded or under occupied due to family composition change which requires the family to move;
3. The family, at recertification, has been determined ineligible due to their income.
4. The Subrecipient is unable to approve a new Request for Unit Approval where a contract is expiring due to gross rent exceeding Fair Market Rent;
5. The Subrecipient has determined that the owner is not in compliance with the terms of the contract;
6. The Subrecipient has determined that the family is not in compliance with the terms of its rental coupon;
7. A family has been determined to have abused the program, or to have engaged in fraudulent activities.

A Project Close-out Form must be completed when a family is terminated for any reason from the TBRA program.

### **XXVI. Lease Terminations/Evictions**

During the term of the lease, the owner may only terminate the tenancy because of:

- Serious or repeated violation of the lease;
- Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
- Criminal activity; or
- Other good cause.

Owners must comply with all state and local laws. Other requirements should only be imposed if the City or its Subrecipient has a specific reason for intervening in the tenant-landlord relationship. For example, if the City or its subrecipient is using TBRA assistance in conjunction with some other program (i.e., self-sufficiency, life-skills, etc.) in which the City is providing additional funding for counseling or support, may want to consider requiring the owner to notify the City before taking any termination action.

If the household is evicted for cause, the TBRA assistance will also be terminated.

### **XXVII. Tenant Move**

Tenant may elect to move to another unit as permitted by the lease. The TBRA Rental Assistance Contract contains provisions that terminate the Subrecipient's agreement with the owner when the household moves out. To assure that TBRA subsidies are not paid on units no longer occupied by an eligible tenant, the lease agreement must require that the household provide a minimum of 30 days written notice of their plans to relocate to both the owner and Subrecipient.

If the tenant is in compliance with program requirements, the TBRA assistance may be transferred to another eligible unit, following the same procedures for determining unit eligibility and rent assistance.

**XXVIII. Other Requirements**

- A. Fair Housing: Protected Classes and Prohibited Activities under Fair Housing and HUD's Equal Access Rule
  - i. Subrecipients and the owner or agents of the owner shall not discriminate in the provision of housing on the basis of race, color, sex, national origin, religion, familial status, or disability [the seven protected classes under the Fair Housing Act]. Nondiscrimination means that owners cannot refuse to rent a unit, provide different selection criteria, fail to allow reasonable accommodations or modifications, evict, or otherwise treat a tenant or applicant in a discriminatory way based solely on that person's inclusion in a protected class. Owners may not engage in steering, segregation, false denial of availability, denial of access to services or amenities, discriminatory advertising, or retaliation against individuals that make fair housing complaints.
  - ii. Effective March 5, 2012, all HUD funded properties (including HOME/CDBG/CDBG-O/NSP funding) are subject to the rule entitled "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity." According to this rule, HUD-assisted properties must make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status. Additionally, HUD-assisted housing providers are prohibited from inquiring about the sexual orientation or gender identity of applicants and occupants for the purpose of determining eligibility for housing. For purposes of this rule, the term "gender identity" means actual or perceived gender- related characteristics and the term "sexual orientation" means homosexuality, heterosexuality, or bisexuality.
  - iii. Property owners & managers must allow persons with disabilities to make reasonable modifications (structural changes) so that they can fully enjoy their homes. Also, property owners and managers must allow reasonable accommodations (flexibility in rules and policies) so that persons with disabilities may fully enjoy their homes.
- B. Required Actions
  - i. The Subrecipient should be familiar with both state and federal civil rights and fair housing laws. The City strongly encourages Subrecipient to provide Fair Housing and Equal Opportunity training for all staff, including maintenance staff, associated with any property. Staff is encouraged to attend a Fair Housing and Equal Opportunity training at least once every calendar year.
  - ii. All participant selection plans must acknowledge that the program follows the Fair Housing Act's nondiscrimination requirements. In addition, tenant signed forms must include the Fair Housing and Equal Opportunity logos below.
  - iii. Violence against Women Reauthorization Act of 2013 (VAWA)
    - a. Notification of Occupancy Rights under VAWA and Certification Form: The sub-recipient must ensure that notice of occupancy rights which is set forth in Form HUD 5380 is provided to each of its applicants and to each of its tenants. The sub-recipient must provide the certification form set forth in Form HUD 5382 to the applicant for a HOME-assisted unit at the time the applicant is admitted to a HOME-assisted unit or denied admission to a HOME-assisted unit based on the sub recipient's participant selection policies and criteria. The Subrecipient must

also provide the notice of occupancy rights and the certification form with any notification of eviction.

- b. Lease Addendum: The lease addendum incorporates all of the requirements that apply to the owner under 24 CFR part 5, subpart L, and 24 CFR 92.359(e), including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). The lease addendum also states that the tenant may terminate the lease without penalty if the Subrecipient determines that the tenant has met the conditions for an emergency transfer under 24 CFR 5.2005(e).
- c. Emergency Transfers: The Subrecipient must use and implement the emergency transfer plan set forth in Form HUD-5381 and must make the determination of whether a tenant qualifies for an emergency transfer under the plan. The sub-recipient may provide Form HUD -5383 to a tenant that is requesting an emergency transfer. With respect to tenants who qualify for an emergency transfer and who wish to make an external emergency transfer when a safe unit is not immediately available, the Subrecipient must provide a list of properties in the jurisdiction that include HOME-assisted units. The list must include the following information for each property: The property's address, contact information, the unit sizes (number of bedrooms) for the HOME- assisted units, and, to the extent known, any tenant preferences or eligibility restrictions for the HOME-assisted units. In addition, the Subrecipient may:
  - 1. Establish a preference under the Subrecipient's HOME program for tenants who qualify for emergency transfers under 24 CFR 5.2005(e); and
  - 2. Coordinate with victim service providers and advocates to develop the emergency transfer plan, make referrals, and facilitate emergency transfers to safe and available units.
- d. No person may deny assistance, tenancy, or occupancy rights to HOME TBRA assisted housing to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. Notwithstanding the foregoing, the Subrecipient and/or manager of HOME- assisted housing may bifurcate a lease for the housing in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing. The Subrecipient and or manager or HOME-assisted housing must provide any remaining tenants with an opportunity to establish eligibility and a reasonable time to find new housing or to establish eligibility.
- e. Confidentiality (Tenant Information Related to Domestic Violence, Dating Violence, Sexual Assault, or Stalking): The Subrecipient shall ensure that any information submitted to the sub-recipient and or staff of HOME-assisted housing including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking shall be maintained in confidence and may not

be entered into any shared database or disclosed to any other entity or individual, except to the extent that the disclosure is:

1. Requested or consented to by the individual in writing.
2. Required for use in an eviction proceeding against any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking; or
3. Otherwise required by applicable law.
4. Remedies Available to Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking:  
The Subrecipient may bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual:
  - a. Without regard to whether the household member is a signatory to the lease; and
  - b. Without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant.

A lease bifurcation shall be carried out in accordance with any requirements or procedures as may be prescribed by Federal, State, or local law for termination of assistance or leases. If a household who lives in a HOME-assisted rental unit separates under 24 CFR S.2009(a), the remaining tenant(s) may remain in the HOME-assisted unit.

5. Limitations of VAWA Protections: VAWA, as applied in this Agreement, does not limit the authority of the Subrecipient, when notified of a court order, to comply with a court order with respect to:
  - a. The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
  - b. The distribution or possession of property among members of a household.

VAWA as applied in this Agreement does not limit any available authority of the Landlord to evict a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the Landlord must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.

VAWA, as applied in this Agreement, does not limit any available authority of the Subrecipient to terminate assistance to or evict a tenant under a covered housing program if the Subrecipient can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the Project would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an "actual and imminent threat" if they meet the standards provided in the definition of "actual and imminent threat"



in 24 CFR 5.2003.

Any eviction or termination of assistance should be utilized by the Subrecipient only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes but must be tailored to particularized concerns.

- a. HUD 5381: Model Emergency Transfer Plan. The owner must create a model plan specific to each project. The plan must be made available for review by tenants and by CNCS.
- b. HUD 5382: Certification of Domestic Violence Dating Violence, Sexual Assault, or Stalking. This form is to be used by tenants as a self-certification form. A copy must be attached any time the HUD 5380 is distributed.
- c. HUD 5383: Emergency Transfer Request. This form is used by tenants to request a transfer under VAWA.

**XXIX. Recordkeeping and Reporting**

The Subrecipient is responsible for ensuring that TBRA funds are used in accordance with all program requirements of 24 CFR Part 92.508, and for documenting compliance. The Subrecipient must establish and maintain sufficient records to enable CDD to determine whether the Subrecipient has met the requirements of the TBRA program. HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the participating jurisdiction, state recipients, and Subrecipients, in order to make audits, examinations, excerpts, and transcripts.

The Subrecipient must report monthly to CDD on the status of the program, in the format specified by the City.

**XXX. Tenant Records**

Recordkeeping and Record Retention requirements must be in compliance with 24 CFR 92.508. For TBRA projects, records must be retained for five years after the period of rental assistance ends or from the time the project is closed, whichever is longer.

The tenant files shall contain, but are not limited to, the following:

- Original application with copies of social security cards for each household member;
- Income verifications, along with source documentation;
- Annual release of information forms;
- Rental coupon, Request for Unit Approval, and other materials related to coupon issuance;
- Completed NSPIRE/HQS inspection form for the unit;
- Lead based paint disclosure forms to indicate receipt of required pamphlets and required tenant notification forms prior to move-in;
- Descriptions of any required paint stabilization activities, clearance reports and required tenant notifications;
- Annual adjusted income worksheet and other related documents;
- Utility allowance schedule;
- Total Tenant Payment / Total Rent form;

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- Rental Assistance Payments Contract and Lease Agreement; and
- Project Set-up and Project Closeout (IDIS).

Any tenant must give permission for the City of Killeen to review records to determine program compliance prior to receiving assistance.

### **XXXI. Program Monitoring**

CDD staff will review all monthly progress reports and will monitor the Subrecipient TBRA program according to the requirements of 24 CFR 92.504(a) by reviewing monthly reports, claims, and other information.

The monitoring review may be done remotely or in person. At least two weeks of notice will be given to the Subrecipient before monitoring begins so that the Subrecipient can prepare using a monitoring checklist. The checklist will contain a list of areas that will be reviewed and documents that will need to be made available at the time of monitoring.

Upon completion of a monitoring review, the City will send a letter to the Subrecipient detailing all concerns and findings discovered during the review. The letter will be sent within 30 calendar days of the monitoring unless an investigation of findings requires more time. If there are findings or concerns discovered, the letter will request the Subrecipient to submit a specific resolution or correction within a certain period of time.

Significant deficiencies in program files or other record keeping that are found during a monitoring will result in required Plans of Corrective Action with possible loss of funds or repayment to the City.

During the annual compliance visit:

- HQS inspections of randomly selected units will occur
- Administrative and financial procedures and files will be reviewed;
- TBRA tenant files will be randomly reviewed.

A compliance follow-up report will be mailed to the Subrecipient.

Should the follow-up report include findings/concerns, the Subrecipient must respond in writing within thirty days regarding remediation of the findings and compliance with federal regulations and CDD policies and procedures.

CDD reserves the right to terminate the agreement and recapture funds:

- If funds are not committed and/or expended by the dates referenced in the funding agreement, or if the project substantially changes after the funding commitment.
- If the program is no longer feasible or is not progressing timely so that the imposed deadlines will be met, funds may be recaptured.
- If the subrecipient becomes suspended or debarred.

Other bases for termination and recapture are included in the funding agreement.

### **XXXII. Closeout**

The Subrecipient shall provide a final close out report which must be submitted to The City within 30 days after the award expires. The City will provide a form on which Subrecipient will record

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information regarding their award performance. All reports must be submitted as requested by the City for the Subrecipient to remain eligible for future HUD funds.