

**MUNICIPIO DE LA CIUDAD CAPITAL
SAN JUAN BAUTISTA**

**RESOLUCION NUM. 70
SERIE 2001-2002
(P. de R. Núm. 71, Serie 2001-2002)**

APROBADA:

26 DE NOVIEMBRE DE 2001

RESOLUCIÓN

PARA AUTORIZAR AL MUNICIPIO DE SAN JUAN, REPRESENTADO POR SU ALCALDE, HON. JORGE A. SANTINI PADILLA O EL FUNCIONARIO EN QUIEN ÉSTE DELEGUE, A OTORGAR ESCRITURA DE SUBROGACIÓN DE RANGO DE HIPOTECA CONSTITUIDA A FAVOR DEL MUNICIPIO DE SAN JUAN, SOBRE INMUEBLE UBICADO EN LA CALLE SAN AGUSTÍN NUMERO 358 Y 360, PUERTA DE TIERRA, SAN JUAN, PUERTO RICO, PROPIEDAD DE CASA ROSA, INC.

POR CUANTO: El Artículo 9.005 de la Ley Número 81 de 30 de agosto de 1991, según enmendada, conocida como "Ley de Municipios Autónomos del Estado Libre Asociado de Puerto Rico" dispone que el Municipio podrá permutar, gravar, arrendar, vender o ceder cualquier propiedad municipal previa aprobación por la Asamblea Municipal mediante ordenanza o resolución a tales efectos;

POR CUANTO: Es política pública de esta Administración proveer viviendas decentes, seguras y sanitarias a los ciudadanos del Municipio;

POR CUANTO: Existe una población de deambulantes en el Municipio de San Juan, los cuales por no poseer un techo donde vivir se ven forzados a pernoctar en las calles, plazas y aceras de nuestra Ciudad Capital;

POR CUANTO: El Departamento de Vivienda del Municipio de San Juan opera el Programa HOME, creado mediante el "HOME Investment Partnerships Act", incluido en el Título II del "Cranston-González National Affordable Housing Act", según enmendado, 42 U.S.C. sec. 12701;

POR CUANTO: En consecución con la política pública del Municipio, el Departamento de Vivienda otorgó a Casa Rosa, Inc., la cantidad de \$450,000.00 provenientes de fondos del Programa HOME en calidad de préstamo. De dicha cantidad se otorgaron inicialmente \$285,000.00 para la adquisición del inmueble donde ubicará el Proyecto Casa Rosa II, los cuales fueron garantizados con primera hipoteca. Posteriormente, se

otorgaron \$165,000.00 adicionales para la rehabilitación de la estructura existente en dicho inmueble, los cuales fueron garantizados con hipoteca mediante escritura de Ampliación de Hipoteca y Postergación. El inmueble adquirido se describe a continuación:

"URBANA: Solar situado en el Barrio Puerta de Tierra, Calle San Agustín en San Juan, Puerto Rico, con una superficie de 1,136.00 metros cuadrados, y con lindes por el Norte, o frente, con una línea recta de 28 metros, con la referida calle; por el Este, o izquierda, entrando en 40.00 metros, con José Fernández; por el Oeste, o derecha entrando en 40.00 metros, lindando con Don Emilio y Doña Enriqueta Iglesias; por el Sur, o espalda en una línea de 28.00 metros, con la Compañía de Ferrocarriles de Puerto Rico, hoy terrenos del Estado”;

POR CUANTO: Que la reglamentación federal aplicable al Programa HOME, 24 C.F.R. ("Code of Federal Regulations") Sec. 92.205 (b)(1), le concede al Municipio de San Juan, como Jurisdicción Participante ("PJ"), la discreción para establecer la forma y los términos del subsidio a ser otorgado por el Programa HOME, sujeto a los requisitos de tal reglamentación;

POR CUANTO: Que los donativos ("grants") son una de las formas de asistencia establecidas por las reglas federales. En 24 C.F.R. Sec. 92.205(b)(1) se establece que el subsidio del Programa HOME podrá ser otorgado a través de préstamos, adelantos, donativos, subsidio de intereses, inversiones en proyectos, garantías de préstamos y otros tipos de inversión que sean aprobados por HUD (Departamento de Vivienda federal);

POR CUANTO: Que los préstamos otorgados a Casa Rosa, Inc., fueron posteriormente convertidos a donativos ("grants");

POR CUANTO: Que la reglamentación del Programa no prohíbe la conversión de una forma de asistencia a otra, en especial cuando la conversión no vulnera los propósitos del Programa ni del Municipio de San Juan;

POR CUANTO: Que dichos donativos ("grants") se otorgaron para la adquisición del bien inmueble antes descrito y rehabilitación de la estructura existente, respectivamente;

POR CUANTO: Que dichos donativos ("grants") se han garantizado a su vez por hipoteca a favor del Municipio de San Juan;

POR CUANTO: Que la hipoteca otorgada a favor del Municipio de San Juan garantiza el cumplimiento de Casa Rosa, Inc., con ciertas condiciones establecidas por la reglamentación federal y que están contenidas en contrato de donativo ("Grant Agreement"). Estas condiciones se mantendrán vigentes por un período de 20 años, durante el cual Casa Rosa, Inc., estará obligado a mantener las unidades de vivienda para alquiler costeables y accesibles a personas de muy bajos ingresos;

POR CUANTO: Que para rehabilitar la propiedad en cuestión se necesita la cantidad de \$450,000.00 adicionales. El desarrollador ha obtenido los fondos necesarios de la banca privada para completar la rehabilitación;

POR CUANTO: Que el "Bank and Trust of Puerto Rico" es la entidad bancaria que prestará esta cantidad de dinero al desarrollador para culminar dicha rehabilitación;

POR CUANTO: Que el "Bank and Trust de Puerto Rico" ha condicionado la concesión del préstamo a la postergación de la hipoteca constituida a favor del Municipio de San Juan, para de esta forma ocupar el primer lugar;

POR CUANTO: Casa Rosa, Inc., ha solicitado al Municipio de San Juan la postergación de la mencionada hipoteca según le fue requerido por el “Bank and Trust de Puerto Rico”;

POR CUANTO: Que Casa Rosa, Inc., tiene la capacidad de pago para repagar la deuda en que incurra con el “Bank and Trust of Puerto Rico”;

POR CUANTO: La Asamblea Municipal ha evaluado el negocio propuesto, verificando que el mismo no afecta adversamente las garantías establecidas mediante hipoteca a favor del Municipio de San Juan, no afecta los mejores intereses del Municipio y la actividad redundante en un gran beneficio social para la Ciudad Capital.

POR TANTO: RESUÉLVASE POR LA ASAMBLEA MUNICIPAL DE SAN JUAN, PUERTO RICO:

Sección 1ra.: Autorizar al Municipio de San Juan, representado por su Alcalde o el funcionario en quien éste delegue, a otorgar una Escritura Pública para permitir que una hipoteca otorgada a favor del "Bank & Trust of Puerto Rico", sobre el inmueble ubicado en la Calle San Agustín 358 y 360, Puerta de Tierra, San Juan, Puerto Rico, propiedad de Casa Rosa, Inc., ocupe el primer lugar o rango, sobre la Primera Hipoteca existente a favor del Municipio de San Juan.

Sección 2da.: Hacer formar parte de esta Resolución el borrador de contrato de donativo ("Grant Agreement"), que acompaña a la misma.

Sección 3ra.: Condicionar la autorización dispuesta en la Sección Primera (1^{ra}) de esta Resolución a lo siguiente:

- (a) Que el hogar atenderá y proveerá servicios únicamente a personas deambulantes referidas por el Municipio de San Juan;
- (b) Que el Lcdo. Elvin A. Rosa, Presidente de Casa Rosa, Inc., presente evidencia fehaciente de los términos y condiciones de los seguros aplicables, especialmente del aseguramiento de la construcción (“builder’s insurance”), además de los seguros de “payment” y “performance”;
- (c) Que el Lcdo. Elvin A. Rosa, Presidente de Casa Rosa, Inc., presente los informes que consignen los por cientos de terminación de la obra; y
- (d) Que el Lcdo. Elvin A. Rosa, Presidente de Casa Rosa, Inc., presente un plan de administración, de procedimientos para “tenants outreach” y de mecanismos para el monitoreo de apoyo.

Sección 4ta.: Ordenar al Director de Vivienda del Municipio de San Juan la inspección periódica de los inmuebles objeto de esta Resolución, así como de las operaciones de Casa Rosa, Inc., relacionadas con servicios prestados a personas deambulantes, a tenor con sus facultades y deberes bajo el derecho aplicable.

Mientras subsista la hipoteca a favor del Municipio de San Juan objeto de esta Resolución, el Departamento de la Vivienda municipal informará a la Asamblea Municipal cada seis (6) meses, sobre el cumplimiento de Casa Rosa, Inc., con sus obligaciones respecto a la hipoteca y los servicios prestados por ésta a personas deambulantes.

Sección 5ta.: Las disposiciones de esta Resolución son independientes y separadas unas de otras y si un Tribunal competente declarase nula o inválida cualquier sección,

disposición o cláusula de la misma, la decisión, Sentencia o Resolución de tal tribunal no afectará la legalidad o validez de sus restantes disposiciones.

Sección 6ta: Toda Ordenanza, Resolución, Acuerdo u Orden que en todo o en parte adviniere incompatible con la presente, queda por ésta derogado hasta donde existiere tal incompatibilidad.

Sección 7ma.: Esta Resolución comenzará a regir inmediatamente después de su aprobación.

Angeles A. Mendoza Tió
Presidenta

YO, CARMEN M. QUIÑONES, SECRETARIA DE LA ASAMBLEA MUNICIPAL DE SAN JUAN, PUERTO RICO:

CERTIFICO: Que la precedente es el texto original del Proyecto de Resolución Número 71, Serie 2001-2002, aprobado por la Asamblea Municipal de San Juan, Puerto Rico, de la Continuación de la Sesión Ordinaria, celebrada el día 21 de noviembre de 2001, con los votos afirmativos de los Legisladores Municipales; las señoras Dinary Camacho Sierra, Linda A. Gregory Santiago, Ivette Otero Echandi, Paulita Pagán Crespo, María Antonia Romero y Migdalia Viera Torres y los señores Roberto Acevedo Borrero, Miguel A. Doménech Vilá, José A. Dumas Febres, Ramón Miranda Marzán, José Picó del Rosario, Rafael R. Luzardo Mejías y la Presidenta, señora Angeles A. Mendoza Tió; y constando haber estado ausentes las señoras Nilda Jiménez Colls, Claribel Martínez Marmolejos y Elba A. Vallés Pérez.

CERTIFICO, ADEMÁS, que todos los Legisladores Municipales fueron debidamente citados para la referida Sesión, en la forma que determina la Ley.

Y PARA QUE ASI CONSTE, y a los fines procedentes, expido la presente y hago estampar en las treinta y dos páginas de que consta la misma, el Gran Sello Oficial del Municipio de San Juan, Puerto Rico, el día 26 de noviembre de 2001.

Carmen M. Quiñones
Secretaria
Asamblea Municipal de San Juan

Jorge A. Santini Padilla

Alcalde

Aprobada:

____ de _____ de 2001

MUNICIPALITY OF SAN JUAN
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
HOME PROGRAM AGREEMENT

BY AND BETWEEN

As party for the First Part: The **MUNICIPALITY OF SAN JUAN, PUERTO RICO**, represented herein by its Executive Director CPA Agnes B. Suárez Méndez, of legal age, married, and resident of San Juan, Puerto Rico, hereinafter referred to as **"The PJ"** (**"Participating Jurisdiction"**); and

As party of the Second Part: Casa Rosa, Inc., Employer ID Number 66-0519021, a non-profit corporation duly organized and registered under the laws of the Commonwealth of Puerto Rico, represented herein by its president Mr. Elvin Rosa Natal, Social Security Number 063-58-2876, of legal age, married, and resident of Bayamón, Puerto Rico, duly authorized to sign this agreement by a Corporate Resolution of October 6, 2001. This Party will be hereinafter referred to as **"The Owner"**.

WITNESSETH THAT

Whereas, "The PJ" has applied for and received funds from the United States Government under Title II of The National Affordable Housing Act of 1990.

Whereas, "The PJ" is authorized under Law Number 81 of August 30, 1991, Autonomous Municipalities Act, to enter into this agreement.

Whereas, "The PJ", is eligible for annual appropriations of funds under the HOME Program as set forth in the National Affordable Housing Act (NAHA), and has therefore, entered into contract with the United States Department of Housing and Urban Development (HUD) for the use of such funds as presented in **"The PJ"** Consolidated Strategic Plan of Housing and Community Development.

Whereas, the acquisition, rehabilitation and new construction of federal low income rental housing development is an eligible activity of the HOME Program and the project complies with the requirements of said activity.

Whereas, "The PJ" set aside the amounts of \$285,000.00 and \$165,000.00 as a loan for **"The Owner"** to be used for property acquisition and development subsidy for a rental housing project named **CASA ROSA II**, to be located at San Agustín Street #358 and 360, Puerta de Tierra Ward, in the Municipality of San Juan, Puerto Rico. The Project will provide 78 housing units for very low income or low income households, with units designated as

HOME assisted. All of the units will be rent restricted under the provisions of the Low Income Housing Tax Credit Program.

Whereas, the initial amount of \$285,000.00 was guaranteed by a first mortgage in favor of **"The PJ"**. The second amount of \$165,000.00 was also guaranteed by a mortgage in favor of **"The PJ"**, established by a Mortgage Extension and Rank Subordination Deed.

Whereas, **"The Owner"** applied for a private loan from The Bank and Trust of Puerto Rico in the amount of \$450,000.00 to finish the rehabilitation of the property mentioned above.

Whereas, The Bank and Trust of Puerto Rico conditioned the loan approval to the subordination of rank of the mortgage in favor of the Municipality of San Juan.

Whereas, the Autonomous Municipalities Act, Law Number 81 of August 30, 1991, requires that the Municipal Assembly approve any transaction that involves the transfer of municipal property or rights over any property.

Whereas, the Municipal Assembly of San Juan did not approve the above mentioned subordination of rank for the mortgage in favor of the Municipality of San Juan. Said mortgage guaranteed payment of the loan obtained by **"The Owner"** from **"The PJ"**,

therefore, could not be subordinate to any other obligation incurred by **"The Owner"** against **"The PJ's"** interests.

Whereas, the rehabilitation of the property for the project cannot be finished if **"The Owner"** does not get the approval from The Bank and Trust of Puerto Rico for the loan.

Whereas, due to the urgent need of **"The Owner"** to obtain financing for said rehabilitation, both parties have agreed to change the HOME Program assistance for the project from a loan to a grant. This will allow **"The PJ"** to subordinate the mortgage registered in its favor, because then it will not guarantee repayment of the loan, but will guarantee compliance with the terms and conditions of this agreement, and thus let the Bank and Trust of Puerto Rico to obtain first rank on its mortgage.

Whereas, 24 C.F.R. Sec. 92.205 (b)(1) gives **"The PJ"** discretion to establish the form and terms of assistance under the HOME Program. It does not prohibit changing one form of assistance for another when it does not go against the HOME Program or **"The PJ's"** interests.

Whereas, the grant is one of the forms of assistance permitted under the HOME Program regulations, and this Grant

Agreement will result in a social benefit for the City of San Juan.

NOW, THEREFORE, based on the mutual covenants and representations herein contained, the appearing parties hereby agree as follows:

First: Scope of Service

A. **Project Description** The HOME grant will cover the acquisition of an existing structure and development subsidy for the "Casa Rosa II" rental housing project. The project will be a "SRO" (Single Room Occupancy) Project to provide decent housing for homeless persons living in San Juan.

"The Owner" will own, rehabilitate and operate said federal low income rental housing project, and will be responsible for administering HOME set-aside funds in the amount of \$450,000.00 in a manner satisfactory to **"The PJ"** and consistent with all HOME program regulations applicable and with any standards required as a condition for providing these funds.

"The Owner" will have a complete package of insurance such as but not limited to Payment and Performance Bonds and all others necessary to protect the interest of the project and **"The PJ"**.

B. General Administration. "The Owner" will use the HOME subsidy for property acquisition and project development. It will provide, upon request by "The PJ", all the necessary documents pertaining to the project.

C. Project Requirements. "The Owner" shall perform and carry out the project in a satisfactory manner as deemed reasonable and fair by "The PJ". "The Owner" shall also comply with the requirements of the HOME Program regulations, 24 C.F.R. subparts E and F as applicable, depending on the type of project being assisted.

D. Performance Monitoring. "The PJ" will monitor the performance of "The Owner" against goal and performance standards required herein. Substandard performance as determined by "The PJ", will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by "The Owner" within thirty (30) days after being notified by "The PJ", contract suspension or termination procedures will be initiated.

SECOND: Time of Performance. Service of "The Owner" shall begin immediately after signing this agreement and will extend for three hundred and sixty five consecutive days (365), The term of this agreement and the provisions herein contained

shall be extended to cover any additional time period during which **"The PJ"** remains in control of HOME funds or other assets including program income.

THIRD: Payment. It is expressly agreed and understood that the total amount to be paid as subsidy by **"The PJ"** under this contract shall not exceed **\$450,000.00** unless both parties agree to amend this Agreement accordingly.

FOURTH: Notices. Communications and details concerning this agreement shall be directed to the following Contract representatives:

Mr. Felipe Candelaria Acosta
Executive Director
Department of Housing and Urban Development
P.O. Box 36-2138 San Juan
Puerto Rico 00936
Telephone 724-0000, extensions 2323-2325

Mr. Elvin Rosa
President
Casa Rosa, Inc.
C.M.M.S. 415 P.O. Box 70344
San Juan, P.R. 00936
Telephone (787) 722-7270

FIFTH: Special Conditions **"The Owner"** agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 92: The Housing and Urban Development Regulations Concerning Home Investment Partnerships Program

(HOME) and all Federal regulations and policies issued pursuant to these regulations. **"The Owner"** further agrees to utilize funds available under this agreement to supplement, not substitute funds otherwise available.

SIXTH: General Conditions

A. General Compliance. **"The Owner"** agrees to comply with all applicable federal, state and local laws and regulations governing the funds provided under this Agreement.

1. **"The Owner"** agrees to comply with the affordability period of this agreement which will remain in effect for a period of twenty (20) years beginning after project completion and will maintain the housing in compliance with Sec. 92.251 for the duration of that period.

2. **"The Owner"** agrees to register a mortgage in favor of the Municipality of San Juan in the amount of the grant allocated under this agreement. This mortgage will remain in full force and effect as a compliance guarantee for the duration of the affordability period mentioned above.

3. The units produced under this agreement will remain affordable to very low income families for a period of twenty (20) years, as per the HOME regulations.

4. **"The Owner"** agrees under this agreement to rent the units produced at or below the maximum rent limits as set forth by HUD regulations governing the HOME Program.

5. **"The Owner"** will acquire all insurance applicable to the project and its business.

6. **"The Owner"** will produce units that meet the Housing Quality Standards (HQS) as set forth by Department of Housing and Urban Development (HUD) and all other applicable building standards or codes established by the Commonwealth of Puerto Rico.

7. In the case of a dissolution of **"The Owner's"** business before the rehabilitation is complete, the project with all its assets will be held in title and administered by the Municipal government of San Juan or any other organization that the Municipality of San Juan may deem appropriate.

8. **"The Owner"** agrees to screen, qualify and select potential project tenants as required by the federal regulations and recommend the amount of direct subsidies required for each unit. **"The Owner"** agrees to comply with the eligibility criteria set forth by HUD in the screening of potential tenants.

9. **"The Owner"** agrees to comply with the conditions set forth by the Puerto Rico Planning Board in its Resolution for

the proposed development. It is understood by **"The Owner"**, that **"The PJ"** will monitor the compliance with said conditions as part of its Performance Monitoring, and any substandard performance or non-compliance with said conditions will be governed by the Performance Monitoring Clause of this agreement.

10. The project will be deemed completed when all rehabilitation work has been finished.

11. **"The Owner"** will provide copies of the leases to **"The PJ"**. The non-compliance with the above conditions will be cause of contract suspension or termination.

13. **"The Owner"** certifies that there may be layering of federal funds in this project.

B. Independent Contractor. Nothing contained in this agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. **"The Owner"** shall at all times remain an independent contractor with respect to the services to be performed under this agreement. **"The PJ"** shall be exempt from payment of all unemployment compensation; FICA; retirement; life

medical insurance and Workers' Compensation Insurance and/or employee benefits.

C. Hold Harmless. "The Owner" shall save and hold harmless, defend and indemnify "The PJ" from any and all claims, actions, suits, charges and judgment whatsoever that may arise out of "The Owner's" performance of the services or subject matter called for in this agreement.

D. Workers' Compensation. "The Owner" certifies that it shall obtain Worker's Compensation Insurance coverage for all employees involved in the execution of this contract.

E. Insurance & Bonding. "The Owner" certifies that it shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from "The PJ". "The Owner" certifies that it shall comply with bonding and insurance requirements of Attachment B of Circular A-110: Bonding and Insurance Office of Management and Budget.

"The Owner" certifies that it shall comply with bonding and insurance requirements of Attachment B of Circular A-110:

Bonding and Insurance Office of Management and Budget, as they may be applicable to a developer.

F. Grantor Recognition. "The Owner" shall insure recognition of the role grantor agency in providing services through this contract. All activities, facilities, and items utilized pursuant to this contract shall be prominently labeled as to funding source. In addition, "The Owner" will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

G. Amendments to Agreement. "The PJ" or "The Owner" may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of the organization, and approved by "The PJ". Such amendments shall not invalidate this Agreement, nor relieve or release "The PJ" from its obligations under this Agreement. "The PJ" may amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of, the activities to be undertaken as part of this agreement, such

modifications will be incorporated only by written amendment signed by both **"The PJ"** and **"The Owner"**.

H. **Termination of Agreement**. Either party may terminate this contract at any time by giving written notice to the other party thirty (30) days before such termination. Partial terminations of the Scope of Service mentioned in Paragraph First: A, "Project Description", may only be undertaken with the prior approval of **"The PJ"**. In the event of any termination for convenience, all finished or unfinished documents, data studies, surveys, maps, models, photographs, reports or other materials prepared by **"The Owner"** under this agreement shall become the property of **"The PJ"** and **"The Owner"** shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination. **"The PJ"** may terminate this Agreement, in whole or in part, if **"The Owner"** fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and **"The PJ"** may declare **"The Owner"** ineligible for any further participation in the **"The PJ's"** contracts, in addition to other remedies as provided by laws as sanctions. In the event of noncompliance with any applicable rules or regulations **"The PJ"** may withhold future payments until

such time as **"The Owner"** is found to be in compliance by **"The PJ"** or is otherwise adjudicated to be in compliance.

SEVENTH: Administrative Requirements

1. **Records to be Maintained.** **"The Owner"** shall maintain all records required by the federal regulations as specified in 24 C.F.R. Part 92 and those that are pertinent to the activities to be funded under this agreement. Such records shall include, but are not limited to:

- The per-unit amount of HOME dollars invested.
- The incomes and size of the families benefiting from the expenditure of HOME funds.
- Documents evidencing that the project meets applicable construction and/or rehabilitation standards.
- The value of the property.
- Equal opportunity, fair housing records, including racial and ethnic group, single headed household data, Section 3 data, minority, and female owned business data and affirmative fair housing actions.
- Rehabilitation standards.
- Compliance with the affordability period requirements.

2. **Retention.** **"The Owner"** shall retain all records pertinent to expenditures incurred under this agreement for a

period of six (6) years after the termination of all activities funded under this agreement, or after the resolution of the federal or state audit findings, whichever occurs later. Records for any displaced person must be kept for six (6) years, after final payment has been received by **"The Owner"**, except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five (5) year period, until five (5) years after the affordability period terminates (24 C.F.R. Sec. 92.508).

3. **Client Data**. **"The Owner"** shall maintain client data demonstrating client eligibility for services provided. Such data includes, but not limited to: client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to **"The PJ's"** monitors or their designees for review upon request.

4. **Disclosure**. **"The Owner"** understands that client information collected under this contract is confidential and the use or disclosure of such information, when not directly connected with the administration of **"The PJ"** or **"The Owner"** responsibilities with respect to services provided under this contract, is prohibited by the local and federal governments.

Unless written consent is obtained from the person receiving services and, in the case of a minor, that of a parent or legal guardian.

5. Close-Outs. "The Owner's" obligation to "The PJ" shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to "The PJ" and determining the custodianship of records.

6. Audits & Inspections. All "The Owner's" records with respect to any matters covered by this agreement shall be made available to "The PJ", grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as "The PJ" or agency deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully corrected by "The Owner" within thirty (30) days after receipt. Failure of "The Owner" to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. "The Owner"

hereby agrees to have an annual agency audit conducted in accordance with city policy.

C. **Reporting and Payment Procedures**

1. **Budget**. "The Owner" will submit a detailed contract budget, the form and content as prescribed by "The PJ" for its approval. "The PJ" and "The Owner" may agree to revise that budget from time to time in accordance with existing "PJ" policies.

2. **Payment Procedures**. "The PJ" will pay to "The Owner" funds available under this contract based upon information submitted by "The Owner" and consistent with any approved budget and Municipality policy concerning payments. The disbursements of funds shall be made according to the federal regulations applicable to the project.

3. **Progress Reports**. "The Owner" shall submit Monthly Progress Reports to "The PJ".

EIGHTH: Personnel & Participation Conditions

A. **Civil Rights**

1. **Compliance**. "The Owner" agrees to comply with the City and State Civil Rights ordinances and with Title VI of the Civil Rights Act of 1964, as amended, Section 109 of Title I the Housing and Community Development Act of 1974, Section 504

of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, President's Executive Orders 11375 and 12086.

2. Nondiscrimination. "The Owner" will not discriminate against any employee or applicant because of race, color, creed, religion, ancestry, national origin, sex, disability or any other handicap, age, marital status, or status with regard to public assistance. "The Owner" will take affirmative action to insure 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. "The Owner" agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants. This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570, Part I. In regards to the sale, lease, or

other transfer of real property acquired, cleared or improved with assistance provided under this contract, **"The Owner"** shall cause or require a covenant running with the land or property, to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the use or occupancy of such land or property, or in any improvements erected or to be erected thereon, providing that **"The PJ"** and the United States are beneficiaries of and entitled to enforce such covenants.

4. Section 504. **"The Owner"** agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the handicapped in any federally assisted program. **"The PJ"** shall provide **"The Owner"** with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

B. Affirmative Action

1. Approved Plan. **"The Owner"** agrees that it shall be committed to carry out pursuant to **"The PJ"** specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24,

1965. **"The PJ"** shall provide Affirmative Action guidelines to **"The Owner"**.

2. **Women-Business Enterprises**. **"The Owner"** will use its best efforts to afford women-owned business enterprises, the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the term "female business enterprise" means a business at least fifty-one (51) percent owned and controlled by women. **"The Owner"** may rely on written representations by subcontractors regarding their status as female business enterprises in lieu of an independent investigation.

3. **Access to Records**. **"The Owner"** shall furnish and cause of its sub-contractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by **"The PJ"**, Department of Housing and Urban Development or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. **Notifications**. **"The Owner"** will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided to the agency

contracting officer, advising the labor union or worker's representative of the sub-contractor commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. **Equal Opportunity and Affirmative Action.** "The Owner" will in all solicitations or advertisements for employees placed by or on behalf of the "The Owner", state that it is an Equal Opportunity or Affirmative Action employer, according to 24 CFR 92.630.

6. **Subcontractor Provisions.** "The Owner" will include the provisions of Paragraphs VIII A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically by reference, so that such provisions will be binding upon each sub-contractor or vendor.

C. **Employment Restrictions**

1. **Prohibited Activity.** "The Owner" 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, and nepotism activities.

2. **Occupational Safety and Health Act (OSHA).** Where employees are engaged in activities not covered under the

Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participant's health or safety.

3. Labor Standards. Whenever applicable **"The Owner"** agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, the provisions of Contract Work Hours, the Safety Standards Act, The Copeland "Anti-Kickback" Act (40 U.S.C. §§ 276,327-333) and all other applicable federal, state and local laws and regulations pertaining to labor standards, insofar, as these acts apply to the performance of this contract. **"The Owner"** shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to **"The PJ"** for review upon request. **"The Owner"** agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use of less than 12 households, all contractors engaged under contracts in excess of two thousand dollars (\$2,000.00) for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this

contract shall comply with federal requirements adopted by **"The PJ"** pertaining to such contracts and with applicable requirements of the regulations of the Department of Labor, under 29 CFR, Parts 3,1,5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve, **"The Owner"** of its obligations, if any to require payment of the higher wage. **"The Owner"** shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph, for such contracts in excess of ten thousand dollars (\$10,000.00).

4. **"Section 3 Clause"**

a) **Compliance**. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the federal financial assistance provided under this contract and binding upon **"The PJ"**, **"The Owner"** and any subcontractor. Failure to fulfill these requirements shall subject **"The PJ"**, **"The Owner"** and any subcontractor, their successors and assignees, to those

sanctions specified by the agreement that no contractual or other disability exists which would prevent compliance with these requirements. **"The Owner"** further agrees to comply with these "Section 3" requirements and to include the following language in all subcontract executed under this agreement: "The work to be performed under this contract is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connections with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the areas of the project". **"The Owner"** certifies and agrees that no contractual or other disability exists which would prevent compliance with the requirements.

b) **Notifications**. **"The Owner"** agrees to send to each labor organization or representative of the workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under

this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c) Subcontract. "The Owner" will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subrecipient is in violation of regulations issued by the Grantor Agency. "The Owner" will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not allow any subcontract unless the subrecipient has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

d) Conduct.

1. Assignability. "The Owner" shall not assign or transfer any interest in this contract without the prior written consent of "The PJ", provided, however, that claims for money due or to become due to "The Owner" from "The PJ" under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to "The PJ".

2. Hatch Act. "The Owner" agrees that no funds provided, nor personnel employed under this contract, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

3. Conflict of Interest. "The Owner" agrees to abide by the provisions 24 CFR 92.637, to 92.356 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or disagree with the performance of services required under this contract. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of "The PJ", or of any designated public agencies or subcontractor which are receiving funds under the HOME Program.

4. Subcontracts

a) Approvals. "The Owner" shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of "The PJ" prior to the execution of such agreement.

b) **Monitoring**. "The Owner" will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documental evidence of follow-up actions taken to correct areas of noncompliance, a copy will be forwarded to "The PJ".

c) **Content**. "The Owner" shall cause and execute all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this agreement.

d) **Selection process**. "The Owner" shall undertake to insure that all subcontracts issued for the performance of this agreement shall be awarded on a fair and open competitive market. Executed copies of all subcontracts shall be forwarded to "The PJ" along with documentation concerning the selection process.

5. **Copyright**. If this contract results in any copyrightable material, "The PJ" and/or grantor agency reserves the right to royalty/free, non exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work for government purposes.

6. Religious Organization. "The Owner"

agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the federal regulations specified in 24 CFR 92.623.

7. Environmental Conditions

Air and Water. "The Owner" agrees to

comply with the following regulations insofar as they apply to the performance of this contract: Clean Air Act, 42 U.S.C., 1857: Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251: regulations relating to inspection, monitoring, entry reports, and information, as well as other requirements specified all regulations and guidelines issued thereunder. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended, National Environmental Policy Act of 1969, HUD Environmental Review Procedures (24 CFR, part 58).

B. Flood Disaster Protection. "The Owner" agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (P.L. 2234) in regards to the sale, lease or other transfer of land or property acquired, cleared or improved under

the terms of this contract, as it may apply to the provisions of this contract.

C. Lead-Based Paint. "The Owner" agrees that any construction or rehabilitation of residential structures with assistance provided under this contract, if applicable to "The Owner" shall be subject to HUD's Lead-Based Paint Regulations at 24 CFR 92.636, and 24 CFR Part 35, and in particular Sub-Part B. Thereof, such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning.

D. Historic Preservation. "The Owner" agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), and the procedures set forth in 36 CFR Part 800, "Advisory Council on Historic Preservation Procedures for Protection of Historic Properties", insofar as they apply to the performance of this contract. In general, this requires concurrence from the State Historic Preservation Officer for all

rehabilitation and demolition of historic properties that are fifty years older or that are included on a federal, state, or local historic property list.

NINTH: Taxes. "The Owner" shall comply with all the laws of Social Security, income, property and Municipal taxes applicable to their organization.

TENTH: "The Owner" certifies that he has filed his income tax returns with the government of the Commonwealth of Puerto Rico during the five years prior this agreement and does not have any debts with said government for reasons of income and/or property taxes and for any other rights imposed by the government.

ELEVENTH: "The Owner" certifies that he has no debt with the Municipality of San Juan and/or any municipality of the Commonwealth of Puerto Rico for reason of Municipal Patents.

TWELFTH: The money that will be used to pay this contract will be from "The PJ's" HOME account numbers:

THIRTEENTH: "The Owner" certifies that he will comply with dispositions of the Drug Free Act of 1988 of the United States Government.

FOURTEENTH: "The Owner" certifies that he nor any of this employees are employed by the "The PJ" nor have been for one

year prior to the execution of this document; nor is he a member of the Municipal Assembly of **"The PJ"** or an employee of the Commonwealth of Puerto Rico.

FIFTEENTH: This contract will not give or generate any fringe benefits on behalf of **"The Owner"** or any of his employees.

SIXTEENTH: In the event **"The Owner"** does not comply with the terms and conditions hereof or if an event occurs that causes default, the project all its assets shall become property of **"The PJ"**.

IN WITNESS WHEREOF, the parties have executed this contract in San Juan, Puerto Rico on

**"The Participating
Jurisdiction"
Municipality of San Juan**

"The Owner"

Agnes B. Suárez Méndez
Executive Director

Casa Rosa II, Inc.
Elvin Rosa Natal

RecoMmended by:

Felipe Candelaria Acosta
Director
Department of Housing
and Community Development

Jesús A. Ledesma Amador, Esq.
Legal Counselor
Department of Housing
and Community Development