

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, AUTHORIZING THE CITY MANAGER TO EXECUTE A FUNDING AGREEMENT BETWEEN THE CITY OF DENTON AND THE DENTON AFFORDABLE HOUSING CORPORATION; TO EXPEND HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS FOR OPERATING EXPENSES; AUTHORIZING THE EXPENDITURE OF FUNDS NOT TO EXCEED \$46,711.59; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Denton recognizes the need to assist low and moderate-income families in securing safe, sanitary and decent housing; and

WHEREAS, the City has received funds from the U.S. Department of Housing and Urban Development under the National Affordable Housing Act of 1990 as amended; and

WHEREAS, the City Council approved the 2025 Action Plan for Housing and Community Development which includes an authorized budget expenditure of funds for operating costs of Denton Affordable Housing Corp.; and

WHEREAS, the City has adopted a budget for such funds included therein an authorized program budget for expenditure of funds, for operating costs for the Denton Affordable Housing Corporation (“DAHC”); and

WHEREAS, Community Development has determined that the DAHC is the only locally-certified Community Housing Development Organization (“CHDO”) that includes the required number of low-income citizens from the City or representatives of the low-income community on its board of directors necessary to satisfy federal requirements to serve the City’s geographical area and that DAHC has provided management services to the City to provide affordable housing within the City which as significantly benefited the community; and

WHEREAS, DAHC has a demonstrated history of service to the community in the area of affordable housing; and

WHEREAS, this Agreement, therefore, qualifies as a sole source procurement in accordance with §252.022(7)(f) of the TEX. LOC. GOV’T CODE and does not need to be competitively bid; and

WHEREAS, the City Council deems it in the public interest to enter into an agreement for an affordable housing program with the DAHC; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations in the preamble of this ordinance are incorporated herein by reference as true and as if fully set forth in the body of this ordinance.

SECTION 2. The City Manager is hereby authorized to execute the attached Agreement between the City of Denton and Denton Affordable Housing Corporation for CHDO operating expenses pursuant to the terms contained therein.

SECTION 3. The City Council hereby authorizes the City Manager or their designee to expend funds in the manner and amount specified in the Agreement, not to exceed \$46,711.59, and to take any other actions necessary to complete the City's obligations under the Agreement.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray Scott Bray
Deputy City Attorney

**HOME FUNDS: OPERATING EXPENSES AGREEMENT
BETWEEN THE CITY OF DENTON AND
DENTON AFFORDABLE HOUSING CORPORATION**

This Agreement is hereby entered into by and between the City of Denton, a Texas home rule municipal corporation, hereinafter referred to as "City", and Denton Affordable Housing Corporation, a Texas non-profit corporation, hereinafter referred to as "DAHC".

WHEREAS, CITY is the administrator of HOME Investment Partnership Program funds (HOME Funds) received from the U. S. Department of Housing and Urban Development (HUD) under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (the Act); and

WHEREAS, the purpose of the HOME Investment Partnership Program (the HOME Program) is to increase the supply of decent, safe, sanitary, and affordable housing for very low income, low income and moderate-income households; and

WHEREAS, CITY has designated the Community Development Division as the City division responsible for the administration of this Agreement and all matters pertaining thereto; and

WHEREAS, CITY has designated DAHC as a Community Housing Development Organization (CHDO), as defined in 24 CFR 92.2 and 24 CFR 92.300(a); and

WHEREAS, CITY has recommended a grant of CHDO Operating Expenses to DAHC pursuant to 24 CFR 92.208 and 24 CFR 92.300 (the "Project"), subject to the terms specified herein below; and

WHEREAS, the City Council of the City of Denton found that this Agreement between the City and DAHC serves a municipal and public purpose, is in the public interest, and of a benefit to the citizens of the City of Denton;

NOW, THEREFORE, the parties hereto agree, and by the execution hereof are bound, to the mutual obligations and to the performance and accomplishment of the conditions hereinafter described.

1. CHDO PROVISIONS

- A. CHDO Designation. Denton Affordable Housing Corporation has been designated by CITY as a Community Housing Development Organization (CHDO) as defined under 24 CFR 92.2 and 24 CFR 92.300(a).
- B. Certification of Current and Continuing CHDO Status. Denton Affordable Housing Corporation hereby acknowledges that this Project is being funded with HOME funds reserved specifically for CHDOs and certifies that as of the date of this Agreement it meets the definition of a CHDO under 24 CFR 92.2. DAHC further certifies and agrees that it will continue to operate its affairs such that it continuously meets the CHDO definition for the life of this Agreement and will notify CITY immediately if any change in circumstance results in it no longer meeting these criteria at any time during the term of this Agreement. It further will provide documentation to CITY as may be requested from time to time to document that it continues to comply with the CHDO definition.

2. TERM

This Agreement shall commence on or as of October 1, 2025, and shall terminate on September 30, 2026, unless sooner terminated because funding is no longer available or in accordance with Section 18 "Termination." The City shall have the right, but not the obligation, to extend the term of this agreement for one (1) additional one-year term.

3. CITY OBLIGATIONS

- A. Limit of Liability. CITY will reimburse DAHC for expenses incurred pursuant to and in accordance with Section 4 of this agreement and the provisions of Exhibit A, Statement of Work and Exhibit B, Project Budget attached to this agreement. 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 Forty-Six Thousand Seven Hundred Eleven and 59/100 Dollars (\$46,711.59).
- B. Measure of Liability. In consideration of full and satisfactory performance of the services and activities hereunder by DAHC and receipt of a request for payment with appropriate documentation of expenditures, CITY shall make payments to DAHC subject to the following:
 - (1) The parties expressly understand and agree that the CITY's obligations under this Section are contingent upon the actual receipt of adequate funds to meet CITY's liabilities under this Agreement. If adequate funds are not available or appropriated to make payments under this Agreement, CITY shall notify DAHC in writing within a reasonable time after such fact has been determined. CITY may, at its option, either reduce the amount of its liability, as specified in Subsection A of this Section, or terminate the Agreement.
 - (2) It is expressly understood that this Agreement in no way obligates the CITY to provide more funds than the amount shown in subsection A. above.
 - (3) CITY shall not be liable for any cost or portion thereof that:
 - (a) does not result directly from DAHC's operation as a Community Housing Development Organization (CHDO) and in fulfillment of its mission to develop affordable housing;
 - (b) has been paid, reimbursed or is subject to payment or reimbursement, from any other source;
 - (c) was incurred prior to September 30, 2025 or after the ending date specified in Section 2;
 - (d) is not in strict accordance with the terms of this Agreement, including all Attachments hereto;
 - (e) has not been billed to CITY on or before the earlier of sixty (60) calendar days following billing to DAHC or termination of this agreement; or
 - (f) is not an allowable cost identified in 24 CFR 92.208.
 - (4) CITY shall not be liable for any cost or portion thereof which is incurred with respect

to any activity of DAHC requiring prior written authorization from CITY, or after CITY has requested that DAHC furnish data concerning such action prior to proceeding further, unless and until CITY advises DAHC to proceed.

- (5) CITY shall not be obligated or liable under this Agreement to any party other than DAHC for payment of any monies or provision of any goods or services.
 - (6) Funding not expended within the period of the Agreement will revert to the City of Denton budget for use on alternative projects.
 - (7) CITY has the sole authority to designate changes to the Project Budget or to approve specific projects and programs authorized pursuant to the non-administration portion of the Project Budget.
 - (8) CITY shall not be obligated or liable under this Agreement for payment of any funds not allocated to CITY or withdrawn from CITY by HUD.
- C. Payment Requests. Funds are to be used for the sole purpose described in the Statement of Work, Exhibit A, and funding based on the Project Budget, Exhibit B. DAHC shall include in each request for payment the following:
- (1) A uniquely numbered and dated Invoice on DAHC's letterhead and addressed to CITY. DAHC's invoice will include the total amount being requested and line items and attachments that support all expenditures for which payment is requested, including timesheets for any employee of the DAHC whose salary is being paid by these grant funds will be attached. More specific information is contained in the Statement of Work, Exhibit A and based on the Project Budget, Exhibit B, both attached to this agreement.
- D. Timeliness. The CITY will pay these funds on a reimbursement basis to DAHC within twenty-one days after CITY has received supporting documentation of eligible expenditures.
- E. Excess payment. DAHC shall refund to CITY, within ten working 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 DAHC, 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.
- F. Disallowed Costs. DAHC will refund to CITY any expense or charge for which payment has been made that is subsequently disallowed or disapproved by CITY or by HUD, or any other federal agency ("Disallowed Cost"), within ten working days of written notice to DAHC specifying the amount disallowed.
- (1) In the event a refund is not made by DAHC within such period, CITY may reduce any amounts subsequently requested by DAHC in connection with any request for payment by the amount not refunded to CITY or take any action otherwise provided for by this Agreement.
 - (2) CITY shall not make payment to DAHC for any cost that has previously been

determined to be a Disallowed Cost.

G. Deobligation of Funds.

- (1) In the event that actual expenditure rates deviate from the rates specified in Exhibit A and B attached to this agreement, CITY hereby reserves the right to reappropriate any such under-expended funds.
- (2) If CITY finds that DAHC is unwilling and/or unable to comply with any of the terms of this Agreement, or there is a partial or whole termination of the project, the CITY may issue a written demand for a refund of any and all money provided to DAHC pursuant to this Agreement, which money shall be refunded to CITY within ten working days of DAHC's receipt of said demand.

H. Contract close-out. The final expenditure report, for the time period covered by the last invoice requesting a drawdown of funds under this agreement, shall be submitted by DAHC to CITY within thirty (30) days following the close of the term of this Agreement, using the format as provided to DAHC by CITY.

4. DAHC OBLIGATIONS

DAHC hereby accepts the responsibility for the performance of all services and activities described in the Statement of Work attached hereto as Exhibit A and incorporated herein as if set forth at length, in accordance with the Project Budget attached hereto as Exhibit B, and incorporated herein by reference, in a satisfactory and efficient manner as determined by CITY, in accordance with the terms herein.

A. Amount of Funds. Up to Forty-Six Thousand Seven Hundred Eleven and 59/100 Dollars (\$46,711.59) may be paid to DAHC by CITY, and the only expenditures reimbursed from these funds shall be those in accordance with Exhibit B for those eligible expenses listed in Exhibit A, attached to this agreement. DAHC shall not utilize these funds for any other purpose.

B. DAHC'S Obligations. In consideration of the receipt of funds from the CITY, the DAHC agrees to the following terms and conditions:

- (1) DAHC shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Final Guidance, and the regulations found at 24 CFR Part 92.
- (2) DAHC will ensure that it does not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of DAHC's total operating expenses in that fiscal year, pursuant to 24 CFR 92.300(f).
- (3) DAHC understands that, in accordance with 2 CFR Part 200, suspension or termination may occur if it materially fails to comply with any term of this agreement. The agreement may also be terminated for convenience.
- (4) DAHC shall not request disbursement of funds until they are needed for payment of eligible costs. The amount of each request will be limited to the amount needed as per 24 CFR 92.504 (c)(3)(viii).

- (5) DAHC will establish, operate, and maintain an account system for these funds that will allow for tracking of funds and a review of the financial status of the project. The system will be based on Generally Accepted Accounting Principles.
- (6) DAHC will permit authorized CITY officials to review its books at any time.
- (7) DAHC will reduce to writing all of its rules, regulations, and policies and file a copy with CITY's Community Development Office along with any amendments, additions, or revisions upon reasonable request.
- (8) DAHC will not enter into any contracts that would encumber CITY funds for a period that would extend beyond the term of this Agreement.
- (9) DAHC 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.
- (10) DAHC will appoint a representative who will be available to meet with CITY officials when reasonably requested.
- (11) DAHC will indemnify and hold harmless CITY, its officers, and employees, from any and all claims and suits arising out of the project or activities of DAHC, its employees, or contractors.
- (12) DAHC will submit to CITY copies of year-end audited financial statements.

5. REPRESENTATIONS

- A. The CITY's Director of Community Development will be CITY's representative responsible for the administration of this Agreement.
- B. CITY will consider DAHC's Executive Director to be DAHC's representative responsible for the management of all contractual matters pertaining hereto, unless written notification to the contrary is received from DAHC and approved by CITY.
- C. The CITY is providing funding to DAHC in order to promote the development of affordable housing for low-income households.
- D. DAHC 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.
- E. The person or persons signing and executing this Agreement on behalf of DAHC do hereby warrant and guarantee that he, she, or they have been fully authorized by DAHC to execute this Agreement on behalf of DAHC and to validly and legally bind DAHC to all terms, performances and provisions herein set forth.
- F. Debarment. DAHC certifies that it is not currently listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-Procurement Programs in accordance with Executive Orders 12549 and 12689 and will not enter into agreements to expend Federal funds with DAHCs that are currently listed.
- G. 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 DAHC or the

person signing the Agreement to enter into this Agreement. DAHC 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.

- H. DAHC agrees that the funds and resources provided under the terms of this Agreement will in no way be substituted for 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, DAHC had this Agreement not been executed.

6. WARRANTIES

DAHC 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 that since said date, there has been no material change, adverse or otherwise, in the financial condition of DAHC.
- C. No litigation or legal proceedings are presently pending or threatened against DAHC.
- D. None of the provisions herein contravenes or conflicts with the authority under which DAHC is doing business or with the provisions of any existing indenture or agreement of DAHC.
- E. DAHC 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 DAHC 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 DAHC to CITY.
- G. Each of these warranties shall be continuing and shall be deemed to have been repeated by the submission of each request for payment.

7. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS

- A. The CITY and DAHC agree to perform their duties arising pursuant to the Agreement in compliance with the U.S. Department of Housing and Urban Development HOME Investment Partnerships Program regulations at 24 CFR Part 92 and 2 CFR Part 200.
- B. Other Federal Requirements. DAHC agrees to develop and operate the Project in full compliance with other related federal requirements.
- C. Compliance with All Applicable Laws and Regulations. DAHC agrees to comply fully with all applicable laws, laws of the State of Texas, and ordinances of the City of Denton that are currently in effect or that are hereafter amended during the performance of this

AGREEMENT. These laws include, but are not limited to:

- (1) HOME Investment Partnerships Act
 - (2) Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sections 2000d et seq.) including provisions requiring recipients of federal assistance to ensure meaningful access by person of limited English proficiency
 - (3) The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Sections 3601 et seq.)
 - (4) Executive Orders 11063, 11246 as amended by 11375 and 12086 and as supplemented by Department of Labor regulations 41 CFR, Part 60 the Age Discrimination in Employment Act of 1967
 - (5) The Age Discrimination Act of 1975 (42 U.S.C. Sections 6101 et seq.)
 - (6) Immigration Reform and Control Act of 1986 (8 U.S.C. Sections 1101 et seq.) specifically including the provisions requiring employer verifications of legal status of its employees
 - (7) The Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12101 et seq.), the Architectural Barriers Act of 1968 as amended (42 U.S.C. sections 4151 et seq.) and the Uniform Federal Accessibility Standards, 24 CFR Part 40, Appendix A
 - (8) Regulations at 24 CFR Part 87 related to lobbying, including the requirement that certifications and disclosures be obtained from all covered persons
 - (9) Drug Free Workplace Act of 1988 (41 U.S.C. Sections 701 et seq.) and 24 CFR Part 23, Subpart F
 - (10) Executive Order 12549 and 24 CFR Part 5.105(c) pertaining to restrictions on participation by ineligible, debarred or suspended persons or entities
 - (11) Regulations at 24 CFR Part 92, Home Investment Partnerships Program Final Rule
 - (12) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 et seq.
 - (13) Federal Funding Accountability and Transparency Act of 2006, (Pub.L. 109-282, as amended by Section 6205(a) of Pub.L. 110-252 and Section 3 of Pub.L. 113-101)
 - (14) Federal Whistleblower Regulations, 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.
- D. Environmental Review. The Parties agree and acknowledge that this AGREEMENT does not constitute a commitment of HOME Funds, and that such commitment or approval may occur only upon satisfactory completion of environmental review and receipt by CITY of an authorization to use grant funds from HUD under 24 CFR Part 58.
- E. Certification Regarding Lobbying. DAHC certifies that it will not and, to the best of its knowledge, has not used Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award. DAHC further agrees that it shall disclose any lobbying with non-Federal funds that takes place in

connection with obtaining any Federal award.

- F. DAHC Procurement Standards. DAHC shall ensure that procurement of materials and services is done per 2 CFR Part 200. DAHC shall comply with all applicable federal, state and local laws, regulations, and ordinances for making procurements under this AGREEMENT. DAHC shall establish written procurement procedures to ensure that materials and services are obtained in a cost-effective manner.
- G. Cost Principles/Cost Reasonableness. The eligibility of costs incurred for performance rendered shall be determined in accordance 2 CFR Part 200.402 through 2 CFR Part 200.405, as applicable, regarding cost reasonableness and allocability.
- H. Financial Management Standards. DAHC agrees to adhere to the accounting principles and procedures required in 2 CFR Part 200, as applicable, utilize adequate internal controls, and maintain necessary supporting and back-up documentation for all costs incurred in accordance with 2 CFR Part 200.302 and Part 200.303.
- I. Uniform Administrative Requirements. DAHC will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200, as applicable, or any reasonably equivalent procedures and requirements that CITY may require.
- J. Compliance with FFATA and Whistleblower Protections. DAHC shall provide CITY with all necessary information for CITY to comply with the requirements of 2 CFR Part 300(b), including provisions of the Federal Funding Accountability and Transparency Act (“FFATA”) governing requirements on executive compensation and provisions governing whistleblower protections contained in 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.
- K. Internal Controls. In compliance with the requirements of 2 CFR Part 200.303, DAHC shall:
 - (1) Establish and maintain effective internal control over the HOME Funds that provides reasonable assurance that DAHC is managing the HOME Funds in compliance with federal statutes, regulations, and the terms and conditions of this AGREEMENT. These internal controls shall comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”;
 - (2) Comply with federal statutes, regulations, and the terms and conditions of this AGREEMENT;
 - (3) Evaluate and monitor DAHC’s compliance with statutes, regulations and the terms and conditions of this AGREEMENT;
 - (4) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
 - (5) Take reasonable measures to safeguard protected personally identifiable information and other information that HUD or CITY designates as sensitive or DAHC considers sensitive consistent with applicable federal, state, local and tribal laws regarding privacy and obligations of confidentiality.

- L. Nondiscrimination and Equal Opportunity, Affirmative Marketing, Displacement and Relocation, Labor Relations, and Conflict of Interest. DAHC shall comply with all applicable Federal laws and regulations at 24 CFR 92 subpart H. Subpart H prescribes procedures for compliance in these areas.
- M. EQUAL OPPORTUNITY During the performance of this Agreement, DAHC is subject to Executive Order 11246, as amended, and, therefore, agrees to the following:
- (1) DAHC will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, or national origin. DAHC will take affirmative action to ensure that applicants who are employed are treated during employment without regard to their race, color, religion, sex, national origin, or familial status, concerning such employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or their apprenticeship. DAHC agrees to post in conspicuous places, available to both employees and applicants for employment, notices to be provided by the CITY setting forth provisions of this nondiscrimination clause.
 - (2) DAHC, in all solicitations or advancements for employees placed by or on behalf of DAHC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, or national origin.
 - (3) DAHC will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
 - (4) DAHC will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (5) DAHC will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - (6) DAHC will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- (7) In the event of the DAHC's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and DAHC may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 - (8) CITY has included these provisions of paragraphs (1) through (8) in this Agreement pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. CITY will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event CITY becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, CITY may request the United States to enter into such litigation to protect the interests of the United States.
- N. In accordance with Sections 24 CFR 92.350 and 92.351 of the HOME regulations, except for specific exceptions allowing elderly designated projects to apply age restrictions, no person shall on the ground of race, color, religion, sex, disability, familial status, national origin, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project activity funded in whole or in part from HOME funds. Additionally, and without limitation of any other state, local, or federal laws or regulations, the following requirements apply to this Agreement.
- (1) The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and of the Civil Rights Act of 1964 (42 U.S. C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;
 - (2) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
 - (3) The requirements of Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60; The nondiscrimination requirements of section 282 of the HOME Investment Partnerships Act at title II of the Cranston-Gonzales National Affordable Housing Act, as amended;
 - (4) The requirements of Section 3 of the Housing and Urban Development Act of 1968 (U.S.C. 1701u) as evidenced by submission of Form HUD-60002 which the DAHC shall complete and return to CITY within ninety days of the date of this agreement, that:

- (a) To the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME funds be given to low-income persons residing within the unit of general local government or the metropolitan area as determined by HUD, in which the project is located; and
- (b) To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area as the project.
- (c) DAHC Responsibilities for Section 3 Requirements. CITY and DAHC understand and agree that compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD shall be a condition of the federal financial assistance provided to the project binding upon CITY and DAHC, and their respective successors, assigns, contractors and subcontractors. Failure to fulfill these requirements shall subject DAHC and its contractors and subcontractors and their respective successors and assigns to those sanctions specified by the grant agreement through which federal assistance is provided and to such sanctions as are specified by 24 CFR Part 135. DAHC's responsibilities include:
 - i. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
 - ii. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
 - iii. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
 - iv. Assisting and actively cooperating with the Neighborhood Services Department in making contractors and subcontractors comply;
 - v. Refraining from entering contracts with contractors that are in violation of Section 3 regulations;
 - vi. Documenting actions taken to comply with Section 3; and
 - vii. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.
- (d) Section 3 Reporting Requirements. To comply with the Section 3 requirements, DAHC must submit the forms Section 3 Reporting Forms and take the following actions:
 - i. Report to the CITY all applicants for employment, and all applicants for employment by contractors and any subcontractors on a quarterly basis. This shall include name, address, zip code, date of application, and status (hired/not-hired) as of the date of the report.

- ii. Advertise available positions to the public for open competition and provide documentation to CITY with the quarterly report that demonstrates such open advertisement, in the form of printout of Texas Workforce Commission posting, copy of newspaper advertisement, copy of flyers and listing of locations where flyers were distributed, and the like.
 - iii. Report to the CITY all contracts awarded by contractors and any subcontractors on a quarterly basis. This shall include name of contractor and/or subcontractor, address, zip code, and amount of award as of the date of the report.
- (e) The nondiscrimination requirements of Section 282 of the HOME Investment Partnerships Act at title II of the Cranston-Gonzales National Affordable Housing Act, as amended. No Discrimination in Employment during the Performance of this AGREEMENT. DAHC agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees. All solicitations or advertisements for employees, placed by or on the behalf of the DAHC, shall state that all qualified applicants will receive consideration for employment without regard to race, color, national origin, religion, or sex. During the performance of this AGREEMENT DAHC agrees to the following provision, and will require that its contractors, subcontractors and vendors also comply with such provision by including it in all contracts with its contractors and vendors:
- (f) DAHC's Contractors and ADA. In accordance with the provisions of the Americans With Disabilities Act of 1990 ("ADA"), DAHC warrants that it will not unlawfully discriminate on the basis of disability in the provision of services to the general public, nor in the availability, terms and/or conditions of employment for applicants for employment with, or employees of DAHC. DAHC warrants it will fully comply with ADA's provisions and any other applicable federal, state and local laws concerning disability and will defend, indemnify and hold city harmless against any claims or allegations asserted by third parties, contractors, subcontractors or vendors against city arising out of DAHC's and/or its contractors', subcontractors', vendors', agents' or employees' alleged failure to comply with the above-referenced laws concerning disability discrimination in the performance of this agreement.

8. MONITORING AND EVALUATION

- A. CITY reserves the right to monitor and evaluate the progress and performance of DAHC to ensure that the terms of this Agreement are being satisfactorily met in accordance with the terms herein. CITY reserves the right to perform an audit of DAHC's project operations and finances at any time during the term of this AGREEMENT for five (5) years thereafter, if CITY determines that such audit is necessary for CITY's compliance with the HOME Regulations or other CITY policies, and DAHC agrees to allow access to all pertinent materials as described herein.
- (1) If such audit reveals a questioned practice or expenditure, such questions must be

resolved within 15 business days after notice to DAHC of such questioned practice or expenditure.

- (2) If questions are not resolved within this period, CITY reserves the right to withhold further funding under this and/or other Agreement(s) with DAHC.
 - (3) If such an audit determines that DAHC has falsified any documentation or misused, misapplied or misappropriated home funds or spent home funds on any ineligible activities, DAHC agrees to reimburse city the amount of such monies plus the amount of any sanctions, penalty or other charge levied against City by HUD because of such actions.
- B. DAHC agrees to provide CITY, HUD, HUD's Office of Inspector General, the Comptroller General of the United States (aka the U.S. Government Accountability Office or "GAO"), or their representatives access to the Project and its records for the purpose of monitoring and evaluating activities to ensure compliance by DAHC with applicable requirements and the provisions of this Agreement.
- C. DAHC 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.
- D. DAHC 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.
- E. DAHC shall give the City of Denton, the U.S. Department of Housing and Urban Development, and any of their duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files and other papers belonging to or in use by DAHC pertaining to this Agreement. Such rights to access shall continue as long as DAHC is required to retain the records (Section 9. C.).
- F. DAHC agrees to provide reports to CITY and to maintain records documenting compliance with this Agreement, the HOME rules, and all other applicable federal, state, and local laws and regulations. DAHC agrees to provide upon request the following data and reports, or copies thereof:
- (1) All external or internal evaluation reports.
 - (2) Financial statements no less than once every three months. Each statement shall include current and year to date period accounting of all revenues, expenditures, outstanding obligations, and beginning and ending balances; and
 - (3) An explanation of any major changes in project services.
 - (4) An audit must be conducted in accordance with 2 CFR Part 200 as applicable. DAHC shall submit a copy of said audit to the Community Development Division within thirty days of receipt of the completed report.

9. MAINTENANCE OF RECORDS

- A. DAHC shall establish and maintain records sufficiently detailed as to allow authorized persons from CITY, HUD, or any other authorized entity to determine whether this

agreement has been carried out in accordance with applicable rules and requirements and shall render said records immediately available to said entities and persons upon request, with or without prior notice.

- B. DAHC agrees to maintain administrative and financial records as required by 24 CFR 92.508, applicable to the activities to be carried out under this agreement 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 to this agreement, and with any other applicable Federal and State regulations establishing standards for financial management. DAHC's record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure.
- C. DAHC agrees to retain all books, records, documents, reports, and written accounting procedures pertaining to the operation of the organization and expenditures of funds under this Agreement for five (5) years after the termination of all activities funded under this agreement.
- D. Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have commenced before the expiration of the five (5) year period, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever occurs later.
- E. At any reasonable time and as often as CITY may deem necessary, the DAHC 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.
- F. Nothing in the above subsections shall be construed to relieve DAHC of responsibility for retaining accurate and current records which clearly reflect the level and benefit of services provided under this Agreement.

10.MEETINGS

- A. DAHC shall ensure that the CITY is notified of all meetings, regular and special called, of the DAHC board of directors. Notice should be received by the CITY at least 72 hours prior to the meeting. Such notice shall include an agenda and a brief description of the matters to be discussed.
- B. DAHC understands and agrees that CITY representatives shall be afforded access to all of the Board of Directors' meetings.
- C. Minutes of all meetings of DAHC's governing body shall be available to CITY within ten (10) working days of approval.

11. INSURANCE

- A. DAHC shall observe sound business practices with respect to providing such bonding and insurance as would provide adequate coverage for services offered under this Agreement.

- B. The premises on and in which the activities described in Exhibit A are conducted, and the employees conducting these activities, shall be covered by premise liability insurance, commonly referred to as "Owner/Tenant" coverage, with CITY named as certificate holder which requires that CITY and DAHC be notified in writing of any cancellation or change in the policy at least 30 days prior to such change or cancellation. Upon request of DAHC, CITY may, at its sole discretion, approve alternate insurance coverage arrangements.
- C. DAHC 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. DAHC will maintain adequate and continuous liability insurance on all vehicles owned, leased, or operated by DAHC. All employees of DAHC 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 DAHC's files.
- E. Actual losses not covered by insurance as required by this Section are not allowable costs under this Agreement and remain the sole responsibility of DAHC.
- F. The policy or policies of insurance shall contain a clause which requires that CITY and DAHC be notified in writing of any cancellation or change in the policy at least thirty (30) days prior to such change or cancellation.

12. PERSONNEL POLICIES

Personnel policies shall be established by DAHC 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 DAHC.

13. CONFLICT OF INTEREST

- (1) DAHC 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. DAHC 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.
- (2) DAHC 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.
- (3) 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 personal interest or the interest in any corporation, partnership, or DAHC in which he has direct or indirect interest.

- (4) While the conflict of interest provisions in 24 CFR 92.356 do not technically apply to DAHC's procurement of goods and services associated with the development or operation of the Project, DAHC agrees to notify CITY in writing and seek CITY approval prior to entering into any contract with an entity owned in whole or in part by a covered person or an entity owned or controlled in whole or in part by DAHC, the General Partner, any of the underlying individual DAHCs of the General Partner, or any of the Guarantors. CITY will review the proposed contract to ensure that the contractor is qualified and that the costs are reasonable. Approval of an identity of interest contract will be in CITY's sole discretion.

14. NEPOTISM

DAHC 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 DAHC or is a member of DAHC'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.

15. POLITICAL OR SECTARIAN ACTIVITY

- (1) None of the performance rendered hereunder shall involve any political activity (including, but not limited to, any activity to further the election or defeat of any candidate for public office) or any activity undertaken to influence the passage, defeat or final content of legislation.
- (2) None of the performance rendered hereunder shall involve or benefit in any, manner any sectarian or religious activity.

16. 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. DAHC may not make transfers between or among approved line items within budget categories set forth in Exhibit B without prior written approval of CITY. DAHC 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 project funded under this Agreement.
- C. DAHC will submit revised budget and project information, whenever the level of funding for DAHC or the project(s) described herein is altered according to the total levels contained in any portion of Exhibit A or Exhibit B.

- 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 DAHC's compensation. Such changes shall be incorporated in a written amendment hereto, as provided in Subsection A of this Section.
- F. Any alterations, deletions, or additions to the Project budget incorporated in Exhibit B shall require the prior written approval of CITY.
- G. DAHC 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.
- H. DAHC shall notify CITY of any changes in personnel or governing board composition.
- I. It is expressly understood that neither the work performance of Exhibit A for any Project contracted hereunder nor the transfer of funds between or among said projects will be permitted.

17. SUSPENSION OF FUNDING

- A. Upon determination by CITY of DAHC'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 (10) working days written notice to DAHC, withhold further payments to DAHC. Such notice may be given by mail to the Executive Officer and the Board of Directors of DAHC. The notice shall set forth the default or failure alleged, and the action required for cure.
- B. The period of such suspension shall be of such duration as is appropriate to accomplish corrective action, but in no event shall it exceed thirty (30) calendar days. At the end of the suspension period, if CITY determines the default or deficiency has been satisfied, DAHC may be restored to full compliance status and paid all eligible funds withheld or impounded during the suspension period. If, however, CITY determines that DAHC has not come into compliance, this Agreement may be terminated under Section 14 of this Agreement.

18. TERMINATION

- A. Termination for Cause. CITY may terminate this Agreement for cause under any of the following reasons or for other reasons not specifically enumerated in this paragraph:
 - (1) Failure to comply with the terms and conditions hereof;
 - (2) Failure to comply with HOME Program regulations, fair housing laws, and other federal requirements related to the Project;
 - (3) A default by DAHC; and
 - (4) Any event of fraud, misrepresentation, gross negligence, or willful misconduct by

DAHC in the execution or performance of this Agreement or in its application for participation in the HOME Program.

- B. CITY shall promptly notify DAHC in writing of the decision to terminate and the effective date of termination.
- C. The CITY shall have the right to terminate this Agreement for convenience, in whole or in part by written notification to the DAHC which shall include the reason for such termination, the effective date and the portion to be terminated.
- D. DAHC shall have the right to terminate this Agreement for convenience, in whole or in part, by written notification to the CITY, which shall include the reason for such termination, the effective date and the portion to be terminated.
- E. Upon receipt of notice to terminate, DAHC shall cancel, withdraw, or otherwise terminate any out-standing orders or subcontracts, which relate to the performance of this Agreement. CITY shall not be li-able to DAHC or DAHC's creditors for any expenses, encumbrances, or obligations whatso-ever incurred after the termination date listed on the notice to terminate referred to in this paragraph.
- F. Termination for Convenience. In addition to the termination provision, this Agreement may be terminated by CITY upon thirty (30) days written notice. In the event of termination under this section, DAHC shall have no claim of payment or claim of benefit for any incomplete project activities undertaken under this Agreement and shall not be entitled to, and hereby waives, all claims for lost profits and all other damages and expenses. In terminating in accordance with 2 CFR Part 200, Appendix II, this AGREEMENT may be terminated in whole or in part only as follows:
 - (1) By CITY with the consent of DAHC in which case the Parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated; or
 - (2) By DAHC upon written notification to CITY setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. In the case of a partial termination, CITY may terminate the Contract in its entirety if CITY determines in its sole discretion that the remaining portion of the Contract to be performed or HOME Funds to be spent will not accomplish the purposes for which this AGREEMENT was made.
- G. Notwithstanding any exercise by CITY of its right of suspension or termination, DAHC shall not be relieved of liability to CITY for damages sustained by CITY by virtue of any breach of the Agreement by DAHC, and CITY may withhold any reimbursement to DAHC until such time as the exact amount of damages due to CITY from DAHC is agreed upon or otherwise determined.

19. INDEMNIFICATION

- A. It is expressly understood and agreed by both parties hereto that CITY is contracting with DAHC as an independent contractor and that as such, DAHC shall save and hold CITY, its officers, agents, and employees 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 character whatsoever resulting in whole or in part from the performance or omission of any employee, agent, or representative of DAHC.

- B. DAHC agrees to provide the defense for, and to indemnify and hold harmless CITY, its agents, employees, or 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 including administration and implementation except to the extent caused by the willful act or omission of CITY, its agents, employees, or contractors.
- C. DAHC hereby agrees to reimburse, indemnify and save and hold CITY and its successors and assigns harmless from and against any damage, liability, loss, penalty, charge, cost or deficiency, including but not limited to any repayment obligation to HUD incurred by CITY under 24 CFR 92.503(b), reasonable attorney's fees, and other costs and expenses incident to monitoring, remedial actions, proceedings or investigations and the defense of any claim, arising out of, resulting from or related to, and to pay to CITY or its successor in interest, on demand, the full amount of any sum which CITY or its successor has paid or becomes obligated to pay on account of:
 - (1) Any misrepresentation, omission, or the breach of any representation or warranty of the DAHC under the AGREEMENT;
 - (2) Any failure of the DAHC to fully perform or observe or cause to be performed or observed any term, provision, covenant, or agreement to be performed or observed by the DAHC, or after an assumption, by a subsequent DAHC, pursuant to the AGREEMENT;
 - (3) Any claims, assessments, or liabilities for charges, penalties, liens, taxes, or deficiencies arising from or relating to the use and operation by the DAHC
- D. The provisions of this section shall survive the termination of this HOME Agreement.

20. IMMIGRATION NATIONALITY ACT

CITY actively supports the Immigration & Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination.

- A. DAHC shall verify the identity and employment eligibility of all employees who perform work under this AGREEMENT.
- B. DAHC shall complete the Employment Eligibility Verification Form (I-9), maintain photocopies of all supporting employment eligibility and identity documentation for all employees, and upon request, provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this AGREEMENT.
- C. DAHC shall establish appropriate procedures and controls so that no services will be performed by any employee who is not legally eligible to perform such services.
- D. DAHC shall provide CITY with a certification letter that it has complied with the verification requirements required by this AGREEMENT.
- E. DAHC shall indemnify CITY from any penalties or liabilities due to violations of this provision.

- F. CITY shall have the right to immediately terminate this AGREEMENT for violations of this provision by DAHC.

21. NOTICE

- A. Any notice or other written instrument required or permitted to be delivered under the terms of this Agreement shall be deemed to have been delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, or via hand-delivery or facsimile, addressed to DAHC or City, as the case may be, at the following addresses:

TO CITY:

City Manager
City of Denton
215 E. McKinney
Denton, Texas 76201

w/ a copy to: City Attorney
215 E. McKinney
Denton, TX 76201

TO DAHC:

Executive Director,
Denton Affordable Housing Corp
306 N Loop 288 #127
Denton, Texas 76209

- B. Either party may change its mailing address by sending notice of change of address to the other at the above address by certified mail, return receipt requested.
- C. This Agreement shall be interpreted in accordance with the laws of the State of Texas and venue of any litigation concerning this Agreement shall be in a court competent jurisdiction sitting in Denton County, Texas.

IN WITNESS OF WHICH this Agreement has been executed on this the _____, day of _____ 2025.

CITY OF DENTON
BY:

SARA HENSLEY, CITY MANAGER

ATTEST:
BY:

INGRID REX, INTERIM CITY
SECRETARY

DENTON AFFORDABLE HOUSING
CORP. BY:

DocuSigned by:

5768FDC4896F4FE...

EXECUTIVE DIRECTOR

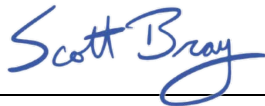
ATTEST:
BY:

Signed by:

C79F93462E984C1...

BOARD POSITION:
DENTON AFFORDABLE HOUSING
CORP.

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

By:  Scott Bray
Deputy City Attorney

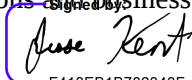
THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms	
	Signed By: F448ED4B782348F...
Signature	
Director of Community Services	
Title	
Community Services	
Department	
Date Signed:	9/17/2025

EXHIBIT A
STATEMENT OF WORK
CHDO Operating Expenses

- A. **CHDO:** Denton Affordable Housing Corp, 1104 Dallas Drive #229, Denton, Texas 76205 (hereafter “CHDO”)
- B. **PROGRAM:** Community Housing Development Organization (CHDO) Operating Expense
- C. **Funding:** Home Investment Partnerships Program Funds (CFDA # 14.239)
2024 HOME funds - \$23,599.62
2025 HOME funds - \$23,111.97
Total HOME funds - \$46,711.59
- D. **Type of Award:** Funds are awarded as a grant to CHDOs meeting the eligibility requirements at the time of application and are subject to the terms of the Agreement including the conditions set forth in this Statement of Work. The eligibility requirements are:
- Current CHDO Certification from City of Denton.
- E. **Purpose:** These funds are designed to provide operating funds to CHDOs based on financial need and the expectation that the CHDO will access HOME CHDO funding within 24 months of the award or has a project underway being funded with HOME CHDO funds.
- F. **Agreement Period:** October 1, 2025, through September 30, 2026.
- G. **Authorization:** 24 CFR § 92.208 -- Eligible Community Housing Development Organization (CHDO) Operating Expense and Capacity Building Costs
- (a) Up to 5 percent of a participating jurisdiction’s fiscal year HOME allocation may be used for the operating expenses of Community Housing Development Organizations. These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The requirements and limitations on the receipt of these funds by CHDOs are set forth in §92.300(e) and (f). [below]
- 24 CFR § 92.300 -- Set aside for Community Housing Development Organizations (CHDO)
- (e) If funds for operating expenses are provided under § 92.208 to a community housing development organization that is not also receiving funds under paragraph (a) of this section for housing to be developed, sponsored or owned by the community housing development organization, the participating jurisdiction must enter into a written agreement with the community housing development organization that provides that the community housing development organization is expected to receive funds under

paragraph (a) of this section within 24 months of receiving the funds for operating expenses, and specifics the terms and conditions upon which this expectation is based.

- (f) The participating jurisdiction must ensure that a community housing development organization does not receive HOME funding for any fiscal year in an amount that provides no more than 50 percent or \$50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under § 92.208.

H. **Requirements:**

1. ONLY ELIGIBLE EXPENSES REIMBURSED

Expenses incurred within the Agreement Period that are eligible under 2 CFR Part 200 (Cost Principles for Non-Profit Organizations) may be reimbursed to the CHDO up to the dollar amount limit of the Agreement. Operating expenses means reasonable and necessary costs for the operation of the CHDO. Such costs include:

- salaries, wages, and other employee compensation and benefits;
- employee education, training and travel;
- rent, utilities, communication costs, taxes and insurance; and
- equipment, materials and supplies.

For specific information about eligible and ineligible expenses, please refer to 2 CFR Part 200 and 24 CFR Part 92.

2. PROJECT-RELATED EXPENSES NOT ELIGIBLE

Because operating expenses funds are designed to support a CHDO's operational needs, project-related expenses are not considered eligible operating expenses under this Agreement.

Project-related expenses include, but may not be limited to:

- Pre-development costs;
- Hard costs;
- Soft costs; and
- Relocation costs

3. USE OF HOME CHDO SET-ASIDE FUNDS

CHDO agrees that it will access HOME CHDO funds within the Term of this Agreement (Section 2.)

- I. **Reports:** CHDO shall submit reports to CITY according to the following schedule, and other reports or revisions to reports upon request:

Required Reports/Documentation	Timeline
--------------------------------	----------

An original invoice with all documentation required to support expenditures	No more than once monthly.
Audited Financial Statements, Auditor's Opinion and Management Letters (3 copies)	Within 180 calendar days following the end of CHDOs Fiscal Year (must be provided annually)

EXHIBIT B
PROJECT BUDGET
CHDO HOME FUNDS

DAHC shall provide the services listed in this Agreement within the monetary limits attached hereto and incorporated by reference herein. In no event shall compensation to the DAHC exceed the lesser of the DAHC's costs attributable to the work performed as stated in Exhibit A, or the sum of Forty-Six Thousand Seven Hundred and Eleven Dollars (\$46,711.59).

DAHC will submit monthly reimbursement requests. DAHC will be reimbursed for eligible expenditures (Section A.) for operating expenses described in Exhibit A, Statement of Work and supported with written documentation verifying the expense was both incurred and paid (Section B.) within the term of the agreement and prior to the request for reimbursement.

A. Allowable Expenditures	Total Allocation
Operating Expenses	\$46,711.59

B. Reimbursement Process: CHDO shall submit its request for reimbursement of operating expenses by submitting to AHFC an original invoice as described in Section J (below) with copies of documentation supporting the amount of the reimbursement being requested. Such documentation may include, but may not be limited to, copies of:

- a. Invoices;
- b. Bills;
- c. Canceled checks;
- d. Receipts; and
- e. Any other documentation that substantiates an eligible expense incurred by the CHDO during the agreement period.

Unless otherwise authorized by City, the frequency of requests for reimbursement shall be limited to once per month until all funds have been expended.