



**A REGULAR MEETING
OF THE WESLACO CITY COMMISSION
TUESDAY, NOVEMBER 2, 2021**

NOTICE IS HEREBY GIVEN THAT the City Commission of the City of Weslaco, Texas will hold a Regular Meeting in the Legislative Chamber of City Hall, located at 255 South Kansas Avenue, on Tuesday, November 2, 2021 at 5:30 PM for the purpose of discussing the following items:

NOTE: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Weslaco City Commission will convene in such executive or closed session whether or not such item is posted as an executive session item at any time during the meeting when authorized by the provisions of the Texas Open Meetings Act.

I. CALL TO ORDER

- A. Certification of Public Notice.
- B. Invocation.
- C. Pledge of Allegiance.
- D. Mayoral Recognition.
- E. Roll Call.

II. PUBLIC COMMENTS

The Public Comments portion of the meeting promotes a fair and open process for the governance of the City. This portion of the meeting is not intended to be an extended discussion or a debate and is limited to three minutes for each presenter. Due to the Texas Open Meetings Act, the Mayor and City Commissioners do not reply; they listen. Matters under litigation are not to be addressed and comments regarding specific City employees and elected officials may be prohibited.

The Public may comment on anything on the agenda, however if you comment on something not included on the agenda, the Commission cannot take any formal action until it is placed on an agenda and notice of the meeting is properly posted. Registration for Public Comments must be submitted to the City Secretary before the City Commission meeting is called to order. As the Mayor calls upon those who submitted a registration form with the City Secretary, please step to the podium and state your name and address before beginning your presentation.

III. PUBLIC HEARING

- A. To solicit input in compliance with the Consolidated Plan for Community Planning and Development (CDBG) Urban County Program Fiscal Year 35 (2022) Needs Assessment Plan Attachment.

IV. CONSENT AGENDA

The following items are routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by one commission member, in which event the item or items will immediately be withdrawn for individual

consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

- A. Approval of the Minutes for the Regular Meeting of October 19, 2021 and Special Meeting of October 25, 2021. (Staffed by City Secretary Department.) Attachment.
- B. Approval on second and final reading of the following:
 - 1) Approval on Ordinance 2021-41 reducing the size of an existing 15-foot utility easement along the northside of the property line and a 20-foot utility easement along the westside of Lot C-1 Re-Plat of Apostolic Assembly Church Subdivision to a 10-foot utility easement along the north and east side and authorize the Mayor to execute any related documents. (First reading held October 19, 2021 staffed by Planning & Code Enforcement Department.) Attachment.
 - 2) Approval on Ordinance 2021-42 for the Voluntary Annexation of Adams Tract Subdivision – being 1.166 AC out of North 210.10 ft. of the East 242.00 ft. of Farm Tract 1009, Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located on the Southwest corner of intersection FM 1015 and Mile 6 North and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by Planning & Code Enforcement Department.) Attachment.
 - 3) Approval on Ordinance 2021-43 for the abandonment of a 50-foot right-of-way on West Esplanada Street and North Georgia Street and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by Planning & Code Enforcement Department.) Attachment.
 - 4) Approval on Ordinance 2021-44 granting Freeport Tax Exemption in the City of Weslaco and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by City Manager.) Attachment.
- C. Approval on amendments and extension from November 7, 2021 to December 7, 2021 for Disaster Declaration (COVID-19) and any reports related to such executive orders and authorize the Mayor to execute any related documents. (Staffed by City Manager.)
- D. Approval to submit an application renewing the E-Rate 2022-2023 within the confines of the Schools and Libraries Program of the Universal Service Administrative Fund, accept funds upon award, accept to advertise and solicit prospective vendors to submit Request for Proposals (RFPs) for basic maintenance of internal connections, accept additional funding if awarded during the grant year, and authorize the Mayor to execute any related documents. (Staffed by Library Department.) Attachment.
- E. Approval of the purchase of nine (9) Tiat TP 9600 Portable Radios for an amount not to exceed \$25,435.81 and authorize the Mayor to execute any related documents.

(Staffed by Planning & Code Enforcement Department). Attachment.

- F. Approval on renewal of an agreement with the Drug Enforcement Administration of State and Local HIDTA Task Force cooperation for Fiscal Year 2021-2022 and authorize Police Chief Joel Rivera to execute any related documents. (Staffed by Police Department.) Attachment.
- G. Approval to accept FY22 Juvenile Justice & Truancy Prevention Grant #4003402 in the amount of \$69,640.89 with NO MATCH and RECURRING FEES to be used for salary, training and equipment for the First Offender Program and authorize the Mayor to execute any related documents. (Staffed by Police Department.) Attachment.
- H. Approval to accept BJA FY21 Edward Byrne Memorial Justice Assistance Grant Program Award in the amount of \$12,010 with NO MATCH AND RECURRING FEES to purchase policy-making software and authorize the Mayor to execute any related documents. (Staffed by Police Department.)
- I. Approval to accept FY2021 General Victim Assistance Grant #3814603 in the amount of \$45,237.75 with a **20% match and no recurring fees** and authorize the Mayor to execute any related documents. (Staffed by Police Department.) Attachment.
- J. Approval to accept FY2022 Project Safe Neighborhoods Grant #4271601 in the amount of \$23,257.05 with **NO MATCH REQUIRED and no RECURRING FEES** to pay for overtime and to purchase surveillance equipment and authorize the Mayor to execute any related documents. (Staffed by Police Department.) Attachment.
- K. Approval to terminate a Weslaco Mid Valley Airport Ground Lease Agreement with tenant Don Ed Holmes for Hangar E-25 and approval of a Weslaco Mid Valley Airport Ground Lease Agreement with Tenant Nowell Willis Borders for Hangar E-25, and authorize the Mayor to execute any related documents. (Staffed by Airport Department.) Attachment.
- L. Approval of a Weslaco Mid Valley Airport Ground Lease Agreement with tenant Armando Martinez D/B/A M-5 Texas Enterprises, LLC. and authorize the Mayor to execute any related documents. (Staffed by Airport Department.) Attachment.
- M. Approval for software maintenance and support renewal agreement for Tyler Technologies Incode system with Financial, Billing, Utility and Payroll software applications in the amount of \$54,084.05, and authorize the Mayor to execute any related documents. (Staffed by Information Technology Department.) Attachment.
- N. Approval of a request from the Valley Nature Center to close Gibson Park to the public on November 13th for the Brew in the Woods annual fund raiser and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.) Attachment.

- O. Approval on Resolution 2021-58 to place a Lighted Christmas Garland Skyline (Banner) affecting state right-of way on Texas Boulevard/FM 88 between Los Torritos Street and Agostadero Street on November 22, 2021 through January 11, 2022 and authorize the Mayor to execute any related documents as may be required by the Texas Department of Transportation. (Staffed by Parks and Recreation Department.) Attachment.
- P. Approval to renew the lease agreement for the building located at Mayor Pablo G. Pena Park with the Boys & Girls Club of Weslaco for a two-year term ending September 30, 2023 and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.) Attachment.
- Q. Approval of the annual subscription renewal to Rio Grande Valley Communications Group for radio communication services to all city departments from October 1, 2021 - September 30, 2022 in the amount of \$48,960 and authorize the Mayor to execute any related documents. (Staffed by Fire Department.) Attachment.
- R. Approval on the renewal of a Public Purposes Services Contract with Weslaco Bicultural Museum, d.b.a. Weslaco Museum of Local History and Cultural Art for an amount not to exceed \$69,100 and Boys & Girls Club in the amount not to exceed \$75,000 effective October 1, 2021 through September 30, 2022 and authorize the Mayor to execute any related documents. (Staffed by Finance Department.) Attachment.

V. APPOINTMENTS

- A. Discussion and consideration on Resolution 2021-59 appointing two members to the Planning and Zoning Commission for terms set to expire and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.) Attachment.
- B. Discussion and consideration on Resolution 2021-60 appointing a member to The Economic Development Corporation of Weslaco for term set to expire and authorize the Mayor to execute any related documents. Possible action. (Staffed by The Weslaco Economic Development Corporation.) Attachment.

VI. NEW BUSINESS

- A. Discussion and consideration to authorize a one-time supplement for all full-time and permanent part-time active employees working during COVID from February 2020 to March 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager.) Attachment.
- B. Discussion and consideration to approve the Fiscal Year 2021 Interlocal Agreement with the County of Hidalgo under the Urban County Program setting the amount for the city at \$300,037 and authorizing the Mayor to execute any related documents.

Possible action. (Staffed by the Finance Department.) Attachment.

- C. Presentation and consideration to accept the Financial Reports (unaudited) as of September 30, 2021 for the General Fund, Water and Sewer Fund, Solid Waste Fund, and Airport Fund and authorize the Mayor to execute all related documents. (Staffed by the Finance department). Attachment.
- D. Presentation and consideration to accept and file the Quarterly Investment Report for the period ending September 30, 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by the Finance Department) Attachment.
- E. Discussion and consideration to approve solicitation of bids for the construction of infrastructure improvements consisting of drainage, stormwater, sanitary sewer, railroad crossing, and traffic signal improvements for the new Public Safety Facilities to be located at 300 S. Bridge St and 711 E. Railroad St and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.) Attachment.
- F. Discussion and consideration to amend waste disposal agreement between the City of Edinburg and the City of Weslaco to include Waste Materials-Municipal Solid Waste at a rate of \$17.75 per ton and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- G. Discussion and presentation on Solid Waste and Brush collection services. (Staffed by Public Works Department.) Attachment.
- H. Discussion and consideration to award the purchase of three (3) Pickup Trucks with Goodbuy vendor Silsbee Ford.
 - 1. Water Division, an F350 Crew Cab 4x4 in the amount of \$45,549,
 - 2. Streets Division, an F250 Extended Cab \$32,873,
 - 3. Drain Ditch Division, F250 Crew Cab \$34,195,and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- I. Discussion and consideration to approve the demolition of the Gibson Park Swimming Pool as discussed during budget workshops and approved in new budget and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation.)
- J. Discussion and consideration to solicit bids for a New Splash Pad to be installed at Gibson Park as budgeted in the current Capital Improvement Budget for Parks and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.)
- K. Discussion and consideration of selected material colors for the Public Safety Complex with the Police Department, Municipal Court and Fire Administration.

Possible action. (Staffed by Parks and Recreation.)

- L. Discussion and consideration of selected material colors for the New Downtown Fire Station #2 Project. Possible action. (Staffed by City Manager.)

VII. EXECUTIVE SESSION

Texas Government Code, Section 551 Open Meetings:

§551.145. Closed Meeting Without Certified Agenda or Tape Recording; Offense; Penalty

(a) A member of a government body commits an offense if the member participates in a closed meeting of the governmental body knowing that a certified agenda of the closed meeting is not being kept or that a tape recording of the closed meeting is not being made.

(b) An offense under Subsection (a) is a Class C misdemeanor.

§551.146. Disclosure of Certified Agenda or Tape Recording of Closed Meeting; Offense; Penalty; Civil Liability

(a) An individual, corporation, or partnership that without lawful authority knowingly discloses to a member of the public the certified agenda or tape recording of a meeting that was lawfully closed to the public under this chapter:

(1) commits an offense; and

(2) is liable to a person injured or damaged by the disclosure for:

(A) actual damages, including damages for personal injury or damage, lost wages, defamation, or mental or other emotional distress;

(B) reasonable attorney fees and court costs; and

(C) at the discretion of the trier of fact, exemplary damages.

(b) An offense under Subsection (a)(1) is a Class B misdemeanor.

(c) It is a defense to prosecution under Subsection (a)(1) and an affirmative defense to a civil action under Subsection (a)(2) that:

(1) the defendant had good reason to believe the disclosure was lawful; or

(2) the disclosure was the result of a mistake of fact concerning the nature or content of the certified agenda or tape recording. (Added by Acts 1993, 73rd Leg., ch 268, § 1, eff. Sept. 1, 1993.)

NOTE: Any documentation related to the following items will be maintained as part of the certified agenda.

- A. Personnel - Discussion regarding the goals, objectives, and evaluation of the Interim City Manager for the City of Weslaco as authorized by section §551.074 of the Texas Government Code.
- B. Real Property - Consultation with City Attorney on the purchase, sale, exchange, lease or value of various city-owned real property to Affordable Homes of South Texas, Inc., TuCasa Investments, Inc as authorized by section §551.072 of the Texas Government Code.
- C. Legal Consultation - Consultation with City Attorney relating to the lawsuit with CDM as authorized by section §551.071 of the Texas Government Code.
- D. Legal Consultation - Consultation with City Attorney regarding Christopher De Leon as authorized by section §551.071 of the Texas Government Code.
- E. Legal Consultation - Consultation with City Attorney relating to 380 Agreement between City of Weslaco and SDI Weslaco Holdings, LLC. as authorized by section §551.071 of the Texas Government Code.
- F. Legal Consultation - Consultation with City Attorney regarding the Performance Contracting Agreement between the City of Weslaco and Siemens Industry Inc. as authorized by section §551.071 of the Texas Government Code.
- G. Legal Consultation - Consultation with City Attorney regarding *Letter of*

Representation and Notice Pursuant to TEX.CIV.P. & REM. Code § 101, from the Law Office of Rogelio Solis, PLLC to on behalf of Laura de Socorro Zamora , Nathan Alexis Guerra and Jayden Isaiah Guerra as authorized by section §551.071 of the Texas Government Code.

- H. Legal Consultation - Consultation with the City Attorney regarding *claim in accordance with The Texas Tort Claims Act, Section 101.101 from the Law Office of Raul "Rudy" Rodriguez, P.C. on behalf of the estate, wife and minor children of Juan Pedro Guerra* as authorized by section §551.071 of the Texas Government Code.
- I. Economic Development - Consultation with City Attorney regarding financial offer or other incentives for Project Energy as authorized by section §551.087 of the Texas Local Government Code.

VIII. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

IX. ADJOURNMENT

I hereby certify this **Notice of a Regular Meeting of the Weslaco City Commission** was posted in accordance with the Open Meetings Act on the outside bulletin board at City Hall of the City of Weslaco, located at the 255 South Kansas Avenue entrance, visible and accessible to the general public during and after regular working hours. This notice was posted on this 29th day of October 2021, on or before 4:00 pm and will remain so posted continuously for at least 72-hours preceding the scheduled time of this meeting in accordance with Chapter 551 of the Texas Government Code.

/s/ Norma A. Cantu, City Secretary

NOTE: If any accommodation for a disability is required, please notify the City Secretary Department at (956) 968-3181, Ext. 1001 prior to the meeting date.

Regular Meetings of the Weslaco City Commission stream live online at <http://www.weslacotx.gov/open-government/open-meetings>. Archived video of some meetings are also available.

Removed from Bulletin Board	Date:	Initials:
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PURSUANT TO SECTION 30.06, PENAL CODE (TRESPASS BY LICENSE HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN".

“DE ACUERDO CON LA SECCION 30.06 DEL CODIGO PENAL (INGRESO SIN AUTORIZACION DE UN TITULAR DE UNA LICENCIA CON UNA PISTOLA OCULTA), UNA PERSONA CON LICENCIA SEGUN EL SUBCAPITULO H, CAPITULO 411, CODIGO DEL GOBIERNO (LEY SOBRE LICENCIAS PARA PORTAR PISTOLAS), NO PUEDE INGRESAR A ESTA PROPIEDAD CON UNA PISTOLA OCULTA”.

"PURSUANT TO SECTION 30.07, PENAL CODE (TRESPASS BY LICENSE HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H,

CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY".

“DE ACUERDO CON LA SECCION 30.07 DEL CODIGO PENAL (INGRESO SIN AUTORIZACION DE UN TITULAR DE UNA LICENCIA CON UNA PISTOLA A LA VISTA), UNA PERSONA CON LICENCIA SEGUN EL SUBCAPITULO H, CAPITULO 411, CODIGO DEL GOBIERNO (LEY SOBRE LICENCIAS PARA PORTAR PISTOLAS), NO PUEDE INGRESAR A ESTA PROPIEDAD CON UNA PISTOLA A LA VISTA”.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4441	
From:			
Subject: Certification of Public Notice.			
Background: Call to Order, includes the following: A. Certification of Public Notice. B. Invocation. C. Pledge of Allegiance. D. Mayoral Recognition. E. Roll Call.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU ADELAIDA VEGA Mike Perez		Created	
City Manager Comments:			
Staff Recommendation: A. Mayor will Call to Order and certify Public Notice. B. Pastor Timothy Aguiar from Open Door Baptist Church will lead the invocation. C. Mayor will lead Pledge of Allegiance; Mayor Pro-Tem may lead Texas Flag. D. Mayoral Recognition. E. City Secretary will call roll. Four or more Commissioners present constitute a Quorum; otherwise, no action may be taken.			
Attachments, if any: Pledge & Mission 2020 updated			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

The Pledge of Allegiance to the Flag

"I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA AND TO THE REPUBLIC FOR WHICH IT STANDS, ONE NATION UNDER GOD, INDIVISIBLE, WITH LIBERTY AND JUSTICE FOR ALL."

The Pledge of Allegiance to the State Flag

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

**The pledge was amended by House Bill 1034 during the 80th Legislature with the addition of "one state under God." The revised wording became effective on June 15, 2007.*

Preamble to the Constitution of the United States of America

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

STATEMENT OF VISION: AN INTERNATIONAL CENTER OF GROWTH

Friendly people with vision, courage and integrity

STATEMENT OF MISSION: COMMITMENT TO EXCELLENCE IN PUBLIC SERVICE

- *Positive Attitude of Courtesy & Concern
- *Doing it Right the First Time
- *Sensitive to the citizens' needs
- *Friendly Respect for All
- *Service without Hassle



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4768
From:		
Subject: To solicit input in compliance with the Consolidated Plan for Community Planning and Development (CDBG) Urban County Program Fiscal Year 35 (2022) Needs Assessment Plan		
Background: In compliance with the Consolidated Plan for community development block grant (CDBG), City of Weslaco is conducting a public hearing to solicit input from interested parties' needs under the Urban County Program Fiscal Year (35) FY2022. Primary goals are to enable the City to provide decent housing, to establish and maintain a suitable living environment, and to expand economic opportunities for every citizen, particularly for low to moderate income persons.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Public Hearing Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: Notices were posted on the following locations; 255 S Kansas and 525 S. Kansas avenue, on October 21, 2021.		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
VIDAL ROMAN VIDAL ROMAN Mike Perez		Created/Initiated Approved New
City Manager Comments:		
Staff Recommendation: Staff recommends soliciting public comments.		
Attachments, if any: UC Interlocal Agreement Letter, 2021 Weslaco-Interlocal Agreement, Amigos Del Valle, Inc., re Letter of Request for CDBG Funds FY 2022-2023		
Responsibilities upon Approval:		



URBAN COUNTY PROGRAM

1916 Tesoro Street, Pharr, Texas 78577 (956) 787-8127 FAX (956) 318-2988

E-Mail: ucp@ucp.co.hidalgo.tx.us

October 13, 2021

City of Weslaco
Mayor David Suarez
255 S. Kansas Ave.
Weslaco, Texas 78596

Re: 2021-2022 Fiscal Year Interlocal Agreement

Dear Mayor Suarez,

Attached is the Interlocal Agreement for the 2021-2022 Urban County Program fiscal year that must be approved by your city council. Please return Interlocal Agreement to the Urban County Program office no later than *Monday, November 15, 2021*. In addition, minutes reflecting city council's approval of the Interlocal Agreement are also required. The UCP will accept signed and stamped excerpts of minutes in lieu of official certified minutes not being ready before the due date. Please see guidelines below:

Codes of Conduct - In addition to various Exhibits in the Agreement, the Agreement contains Exhibit A-I, the Code of Conduct Certifications. The Code of Conduct must be signed by each city council member, the city secretary, and city manager. Note that there are only five (5) copies of the Code of Conduct included in your Agreement; make additional copies for signature as needed.

Signing the Codes of Conduct - In **BLUE INK**, is required for all original signatures.

Failure to submit the Interlocal Agreement - The Interlocal Agreement is due every fiscal year for cities participating in the Urban County Program. **Failure to submit approved and signed Interlocal Agreement by November 15, 2021 will result in forfeiture of funds.**

Please note that once the agreement has been returned to UCP with approval certification and signatures, the agreements will then be submitted for County signatures to complete the required approval process. A completely signed copy will be forwarded to each city for your administration files. Should you have any questions or concerns, please do not hesitate to contact Maritsa Meza, Executive Assistant or myself at 956-787-8127.

Respectfully,


Patricio R. Avila, Director
Urban County Program

PAR/mm

Enclosure: Interlocal Agreement with Exhibits.
cc: City Managers

INTERLOCAL AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the “County” and the [City of Weslaco](#), a municipal corporation under the laws of the State of Texas, hereafter referred to as “City”.

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the “essential powers” to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated [\\$7,729,312.00](#) of Fiscal Year [2021](#) Community Development Block Grant (CDBG) Funds under Grant No. [B-21-UC-48-0501](#) to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City’s population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR.570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City’s jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II Applicability of Uniform Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments.” (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data,

information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B Matrix. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with 2 CFR Part 200 and with the following sections of 24 CFR Part 85 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government”:

- (1) Section 85.3, “Definitions”;
- (2) Section 85.6, “Exceptions”;
- (3) Section 85.12, Special grant or subgrant conditions for “high-risk “grantees”;
- (4) Section 85.20, “Standards for financial management systems,” except paragraph (a);
- (5) Section 85.21, “Payment,” except as modified by SS570.513;
- (6) Section 85.22, “Allowable costs”;
- (7) Section 85.26, “Non-federal audits”
- (8) Section 85.32, “Equipment,” except in all cases in which the equipment is sold, the proceeds shall be program income;
- (9) Section 85.33, “Supplies”;
- (10) Section 85.34, “Copyrights”;
- (11) Section 85.35, “Sub-awards to debarred and suspended parties”;
- (12) Section 85.36, “Procurement,” except paragraph (a);
- (13) Section 85.37, “Subgrants”;
- (14) Section 85.40, “Monitoring and reporting program performance,” except paragraphs (b)-(d) and (f);
- (15) Section 85.41, “Financial Reporting.” except paragraphs (a), (b), and (e);
- (16) Section 85.42, “Retention and access requirements for records”;
- (17) Section 85.43, “Enforcement”;
- (18) Section 85.44, “Termination for convenience”;
- (19) Section 85.51, “Later disallowances and adjustments”; and
- (20) Section 85.52, “Collection of amounts due.”

the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III Other Program Requirements

The City agrees to comply with “Other Program Requirements” as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV Allocation

The City understands that the Urban County allocation has been set at [\\$7,729,312.00](#) for [Fiscal Year 2021](#) and that City’s allotment has been set at [\\$300,037.00](#) The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen

participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2021**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by April 30, 2022 ; Funds in excess of the 1.5 standards shall be subject to the Recapture by the Urban County Program, and/or any applicable Redistribution & Recapture Policy. The County shall recapture any and all unobligated funds that a City fails to expend or obligate, by June 30, 2022 and shall expend such funds at the discretion of the Hidalgo County Commissioners' Court. The Hidalgo County Commissioners' Court may take any type of remedial action, including but not limited to Recapture, at any time to comply with any and all rules, regulations and decisions, and timeliness requirements as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds.

SECTION V

Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI

Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII

Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment A-1)

SECTION VIII Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of \$ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over \$25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet

one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X

Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). (See Exhibit-E)

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year [\(B-21-UC-48-0501\)](#) and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI

Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII

Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds

requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan are included herein as Exhibit C, if applicable.

SECTION XIII

Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV

Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV

Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI

Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2018 – 2022 Five-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The

City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2018 – 2022 Five-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this _____ Day of _____, 2021.

ATTEST:

Arturo Guajardo, Jr.
County Clerk

Richard F. Cortez,
Hidalgo County Judge

ATTEST:

City Secretary

Mayor

APPROVED AS TO FORM
Hidalgo County Criminal District Attorney's Office
Ricardo Rodriguez, Jr.

By: _____
Victor M. Garza, Asst. District Attorney

Date: _____

The following Exhibits are incorporated into the 2021 Interlocal Agreement:

Exhibit A	2021 Proposed Activities
Exhibit A-1	Code of Conduct Enforcement
Exhibit B	Urban County Program Matrix
Exhibit C	Section 108 Loan Guarantee Program
Exhibit D	CDBG Regulations and other Program Requirements
Exhibit E	Audit Finding or Exceptions

Exhibit A

2021 Proposed Activities

2021	WESLACO	\$300,037.00
21A Exempt 58.34 (a)(3)	GENERAL PROGRAM ADMINISTRATION Funds shall be used for expenses related to compliance with CDBG requirements including but not limited to advertisements, postings and coordinating eligible related projects. Location: City Hall 255 S. Kansas Ave., Weslaco, Texas 78596	\$ 3,000.00
03J Environmental Assessment 58.36 8 Step	WATER/SEWER IMPROVEMENTS Project consists of the upgrade of water and sewer lines to include but not limited to fire hydrants for water, manholes for sewer and related appurtenances for streets within the same general vicinity. Other expenditures include professional engineering services, geotechnical and material testing fees, etc. Location: Pike Street between Kansas Ave. & Bridge Ave., Weslaco, Texas 78596 Census Data: 225.02 (3), 226.00 (1) National Objective: 77.025% LMA Goal Outcome Indicator: 2410 Beneficiary Type: People	\$ 292,037.00
05A Exempt 58.34(a)(4)	SENIOR SERVICES – Amigos Del Valle Project expenditures include but are not limited to the reimbursement of expenses related to the delivery of meals to the elderly (62 years older) within the City of Weslaco. Location: Casa de Amigos V: 1201 W. 6 th St., Weslaco, TX 78596 National Objective: LMC Goal Outcome Indicator: 8 Beneficiary Type: People	\$5,000.00

Exhibit A-1

Code of Conduct Certifications

CODE OF CONDUCT

No employee, officer or agent of the ***County of Hidalgo-Urban County Program, sub-grantee or subrecipient*** shall participate in selection or in the award or administration of a contract or conduct business with a vendor if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- A. ***the employee, officer or any agent***
- B. ***any member of his immediate family***
- C. ***his or her partner***
- D. ***an organization which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for award.***

The ***Urban County Program's , sub-grantee or subrecipient***, officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, or vendors or potential vendors. Depending on gravity, violation of this Code of Conduct could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

Non-disclosure Policy

No disclosure of verbal or written price quotations shall be made by any ***Urban County Program*** employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the ***County of Hidalgo*** or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

Personal Interest

No member of the ***Hidalgo County Commissioners*** or any officer or employee of the ***Urban County Program, sub-grantee or subrecipient*** shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the ***Urban County Program, sub-grantee or subrecipient*** or to a contractor supplying the ***Urban County Program, sub-grantee or subrecipient*** of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the ***Urban County Program***. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the ***Urban County Program, sub-grantee or subrecipient*** found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the ***Urban County Program, sub-grantee or subrecipient*** shall render the contract voidable by the ***Urban County Director or the board of Commissioners***.

Employee, Officer, or Agent Acknowledgment

Print or Type Name and Position/Title

Entity/Organization Name

Date

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Employee, Officer, or Agent Acknowledgment

Print or Type Name and Position/Title

Entity/Organization Name

Date

Exhibit B

Urban County Matrix

Pre-Bid Activities

Development of Annual Workplan

This activity is a city responsibility with the county involvement only as is necessary to assure that the individual activities meet one of the three national objectives.

Revisions or Amendments to Annual Workplan

Same as above (only two amendments allowed per fiscal year)

Eligibility Test on Activities

This is a county responsibility working with the cities to assure all activities meet one of the three national objectives. The County will assure that the 51 percent benefit to low and moderate income persons can be verified and that the activities are eligible for funding. The county may request an eligibility determination from HUD should a difference of opinion arise between the City and the County.

Public Hearings

This responsibility will be a shared responsibility between the Cities and the County. In accordance with the adopted Citizen Participation Plan, the Cities will conduct a public hearing in their respective Cities after public notice. The County will then have a second public hearing at the County level on the county-wide workplan, after public notice.

Environmental Assessment

This is a County responsibility with concurrence and assistance by the Cities. The County will determine what level of clearance is needed and will do noise, hazard, historical, floodplain, etc. assessments as may be needed with as much city input as possible. The County Judge will consider the “do nothing” alternative after consultation with the respective Mayors. The County Judge and or UCP Staff will direct all mitigation efforts if necessary. The County Judge will sign all environmental assessment reviews and findings. (A County Signatory may be appointed: UCP Director)

Advertise for Professional Services

This is a County responsibility whereby the County will advertise once a year for all professional services through a statement of qualifications process. The County will provide all data concerning proposed activities and type of services needed. This list will be sent to all Cities so that the Cities may decide on the professional services as they see the need for the services. Should a city need services not available from the list (UC-1 List) of Professional Services, the City shall advertise for the service after consulting with the Urban County Program staff.

Selection of Professional Services Provider

This is a City and County shared responsibility, based on the Texas Local Government code and other applicable laws and regulations. County will make sure that the provider is not a contractor's debarred list by consulting with the System for Award Management (SAM) website (www.sam.gov), prior to recommendation for awarding a contractor to Hidalgo County Commissioner's Court.

Execute Professional Contracts

The City will negotiate the Professional Service Contract, and submit a Best and Final Offer (BAFO) along with Scope of Services, Project Cost Estimate, Certificate of Debarment, CIQ Form and IRS W-9 Form. The County will prepare the Professional Contract Agreement documents and submit to Hidalgo County Commissioner's Court for approval of contract. Any modifications to the County contracts require prior approval of the County Legal Department. Once approved, the County will forward the contracts to the Professional Service Provider for proper signatures, they will return to the County for the County's execution and County will issue Notice to Proceed.

Review of Preliminary Drawings

This is a city responsibility.

Solicit Davis-Bacon Wage Rates

This is a County responsibility. The County will obtain wage rates from HUD for specific projects and will forward wage rates to the respective Cities and the Professional Service Provider to include in the bid specification packages.

Review and Approval of Final Plans and Specifications

This is a City responsibility where by the Mayor's signature will be required on all plans and specifications prior to bidding. Final plans should be forwarded to Urban County Program office prior to bid advertisement for compliance check.

Advertise for Construction Bid

This is a County responsibility. The County will advertise for all construction projects and will instruct bidders as to the availability of plans and specs, (to be picked up at Professional Service Provider's choice of location), and will advise bidders as to who will accept bids. (Hidalgo County Purchasing Department – any given Wednesday at 9:30am)

Pre-Bid Conference

This is a County responsibility. County will conduct a pre-bid conference if necessary at the Urban County program Conference Room, accompanied by the Professional Service Provider and the project's respective City.

Bid Activities

Ten Day Wage Rate Check

This is a County responsibility. Ten days prior to any bid opening, the County will ascertain as to the applicability of the wage rate in the bid documents. Should the wage rate change all appropriate engineers will be notified and instructed to change wage rates.

Accept Construction Bids

This is a County Purchasing Department responsibility. The Hidalgo County Purchasing Department will accept bids as per the conditions set forth in the specification handbook.

Accept and Tabulate Bids

This is a County Purchasing Department responsibility with an Urban County, City, and Professional Service Provider representative at bid opening. The respective Professional Service Provider will review the bids received and make their recommendation to the Urban County Program.

Research Apparent Low Bidder

This is a shared responsibility. The respective Professional Service Provider will research and review apartment low bidder's past performances and their bids. The Urban County program will research the list of Debarred Contractor's and make a finding in the regard.

Bid Recommendation

This is a City responsibility. The respective Professional Service Provider will recommend the lowest and most responsible bid to the City. The city will send a recommendation to the County. County will request approval by Hidalgo County Commissioner's Court for approval of contract.

Contract Award

The County upon approval by Hidalgo County Commissioner's Court will prepare the contract documents and forward them to the approved Contractor for execution.

Pre-Construction Activities

Construction Contract and Bonds

This is a shared responsibility. The Professional Service Provider will coordinate the execution of construction contracts to include Insurance, Payment and Performance Bonds. Once they receive four (4) original set of construction contracts they will submit to the County for execution. Any modifications to the construction contracts require prior review by Legal Department and approval by Hidalgo County Commissioner's Court.

Pre-Construction Conference

The Urban County Program will conduct a Pre-construction conference to inform the contractor of the various federal regulations such as Affirmative Action, Section 3 Compliance, and Davis-Bacon Wage Compliance. The Pre-construction conference will be held at the Urban County

Program Conference Room, with the city and professional service provider representatives present. Once contracts are signed, County will prepare and issue a Notice to Proceed.

Document Posting and Construction Signs

This is a shared responsibility. The city and Professional Service Provider will ensure itself that the appropriate documents are posted at the site and that the construction sign is erected.

Construction Activities

Davis-Bacon Compliance

This is a shared responsibility. The City may be asked to conduct wage rate employee interviews. The County will conduct wage rate interviews and review wage rates on payroll reports submitted with request for payments.

Periodic Project Inspections

This is a shared responsibility. The City, County, and Professional Service Providers will conduct periodic site inspections of the project site.

Payment Request Approval

This is a shared responsibility. The Professional Service Provider will review and sign off on request for payments and forward RFP to the City for signature and approval, and forward the final RFP to the County for review and approval of payment.

Change Orders

This is a shared responsibility. Professional Service Provider will recommend any change orders after negotiating said change order with the contractor. All change orders must have City's approval prior to submission to County for review and approval.

Contract Amendment

This is a shared responsibility. The City will recommend any contract amendments to the County. County will consider and take appropriate action to approve or deny the contract amendment if necessary.

Final Payment Approval

This is a shared responsibility. The City and Professional Service Provider will conduct final project site inspections to ensure that construction has been completed as per plans and specifications prior to submitting final request for payment recommendation to the County. County will ensure that all applicable laws and regulations have been complied with. County will review wage rate compliance, release of liens, certification of construction completion, warranty certification and other pertinent documents.

Exhibit C

Section 108 Loan Guarantee Program

Introduction

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Regulations governing the Section 108 program may be found at [24 CFR 570](#), Subpart M, Loan Guarantees.

Eligible Applicants

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

Eligible Activities

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

Maximum Commitment Amount

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.
2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.
3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

Loan Details

Security: The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

Financing Source: Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

Interest Rates: Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

Default: To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

For More Information visit www.hud.gov

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108

Exhibit D

CDBG Regulations and Other Program Requirements

Subpart A—General Provisions

SOURCE: 53 FR 34437, Sept. 6, 1988, unless otherwise noted.

§ 570.1 Purpose and primary objective.

(a) This part describes policies and procedures applicable to the following programs authorized under title I of the Housing and Community Development Act of 1974, as amended:

- (1) Entitlement grants program (subpart D);
- (2) Nonentitlement Funds: HUD-administered Small Cities and Insular Area programs (subpart F);
- (3) State program: State-administered CDBG nonentitlement funds (subpart I);
- (4) Special Purpose Grants (subpart E);
- (5) Urban Development Action Grant program (subpart G); and
- (6) Loan Guarantees (subpart M).

(b) Subparts A, C, J, K, and O apply to all programs in paragraph (a) except as modified or limited under the provisions of these subparts or the applicable program regulations. In the application of the subparts to Special Purpose Grants or the Urban Development Action Grant program, the reference to funds in the form of grants in the term “*CDBG funds*”, as defined in § 570.3, shall mean the grant funds under those programs. The subparts do not apply to the State program (subpart I) except to the extent expressly referred to.

(c) The primary objective of the programs authorized under title I of the Housing and Community Development Act of 1974, as amended, is described in section 101(c) of the Act (42 U.S.C. 5301(c)).

[53 FR 34437, Sept. 6, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 61 FR 11475, Mar. 20, 1996; 69 FR 32778, June 10, 2004]

§ 570.3 Definitions.

The terms *HUD* and *Secretary* are defined in 24 CFR part 5. All of the following definitions in this section that rely on data from the United States Bureau of the Census shall rely upon the data available from the latest decennial census.

Act means title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et seq.*).

Age of housing means the number of year-round housing units, as further defined in section 102(a)(11) of the Act.

Applicant means a State or unit of general local government that makes application pursuant to the provisions of subpart E, F, G or M.

Buildings for the general conduct of government shall have the meaning provided in section 102(a)(21) of the Act.

CDBG funds means Community Development Block Grant funds, including funds received in the form of grants under subpart D, F, or § 570.405 of this part, funds awarded under section 108(q) of the Housing and Community Development Act of 1974, loans guaranteed under subpart M of this part, urban renewal surplus grant funds, and program income as defined in § 570.500(a).

Chief executive officer of a State or unit of general local government means the elected official or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer" of a unit of general local government are: the elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; and the official designated pursuant to law by the governing body of a unit of general local government.

City means the following:

(1) For purposes of Entitlement Community Development Block Grant and Urban Development Action Grant eligibility:

(i) Any unit of general local government that is classified as a municipality by the United States Bureau of the Census, or

(ii) Any other unit of general local government that is a town or township and that, in the determination of the Secretary:

(A) Possesses powers and performs functions comparable to those associated with municipalities;

(B) Is closely settled (except that the Secretary may reduce or waive this requirement on a case by case basis for the purposes of the Action Grant program); and

(C) Contains within its boundaries no incorporated places as defined by the United States Bureau of the Census that have not entered into cooperation agreements with the town or township for a period covering at least 3 years to undertake or assist in the undertaking of essential community development and housing assistance activities. The determination of eligibility of a town or township to qualify as a city will be based on information available from the United States Bureau of the Census and information provided by the town or township and its included units of general local government.

(2) For purposes of Urban Development Action Grant eligibility only, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the counties of Kauai, Maui, and Hawaii in the State of Hawaii, and Indian tribes that are eligible recipients under the State and Local Government Fiscal Assistance Act of 1972 and located on reservations in Oklahoma as determined by the Secretary of the Interior or in Alaskan Native Villages.

Community Development Financial Institution has the same meaning as used in the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 note).

Consolidated plan. The plan prepared in accordance with 24 CFR part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including the CDBG program. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

Discretionary grant means a grant made from the various Special Purpose Grants in accordance with subpart E of this part.

Entitlement amount means the amount of funds which a metropolitan city is entitled to receive under the Entitlement grant program, as determined by formula set forth in section 106 of the Act.

Extent of growth lag shall have the meaning provided in section 102(a)(12) of the Act.

Extent of housing overcrowding shall have the meaning provided in section 102(a)(10) of the Act.

Extent of poverty means the number of persons whose incomes are below the poverty level based on data compiled and published by the United States Bureau of the Census available from the latest census referable to the same point or period in time and the latest reports from the Office of Management and Budget. For purposes of this part, the Secretary has determined that it is neither feasible nor appropriate to make adjustments at this time in the computations of “extent of poverty” for regional or area variations in income and cost of living.

Family refers to the definition of “family” in 24 CFR 5.403.

Household means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

Income. For the purpose of determining whether a family or household is low- and moderate-income under subpart C of this part, grantees may select any of the three definitions listed below for each activity, except that integrally related activities of the same type and qualifying under the same paragraph of § 570.208(a) shall use the same definition of income. The option to choose a definition does not apply to activities that qualify under § 570.208(a)(1) (Area benefit activities), except when the recipient carries out a survey under § 570.208(a)(1)(vi). Activities qualifying under § 570.208(a)(1) generally must use the area income data supplied to recipients by HUD. The three definitions are as follows:

(1)(i) “Annual income” as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106 (except that if the CDBG assistance being provided is homeowner rehabilitation under § 570.202, the value of the homeowner's primary residence may be excluded from any calculation of Net Family Assets); or

(ii) Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

(A) Wages, salaries, tips, commissions, etc.;

(B) Self-employment income from own nonfarm business, including proprietorships and partnerships;

(C) Farm self-employment income;

(D) Interest, dividends, net rental income, or income from estates or trusts;

(E) Social Security or railroad retirement;

(F) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;

(G) Retirement, survivor, or disability pensions; and

(H) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

(iii) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

(2) Estimate the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. Income or asset enhancement derived from the CDBG-assisted activity shall not be considered in calculating estimated annual income.

Insular area shall have the meaning provided in section 102(a)(24) of the Act.

Low- and moderate-income household means a household having an income equal to or less than the Section 8 low-income limit established by HUD.

Low- and moderate-income person means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose.

Low-income household means a household having an income equal to or less than the Section 8 very low-income limit established by HUD.

Low-income person means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Metropolitan area shall have the meaning provided in section 102(a)(3) of the Act.

Metropolitan city shall have the meaning provided in section 102(a)(4) of the Act except that the term "central city" is replaced by "principal city."

Microenterprise shall have the meaning provided in section 102(a)(22) of the Act.

Moderate-income household means a household having an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD.

Moderate-income person means a member of a family that has an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Nonentitlement amount means the amount of funds which is allocated for use in a State's nonentitlement areas as determined by formula set forth in section 106 of the Act.

Nonentitlement area shall have the meaning provided in section 102(a)(7) of the Act.

Population means the total resident population based on data compiled and published by the United States Bureau of the Census available from the latest census or which has been upgraded by the Bureau to reflect the changes resulting from the Boundary and Annexation Survey, new incorporations and consolidations of governments pursuant to § 570.4, and which reflects, where applicable, changes resulting from the Bureau's latest population determination through its estimating technique using natural changes (birth and death) and net migration, and is referable to the same point or period in time.

Small business means a business that meets the criteria set forth in section 3(a) of the Small Business Act (15 U.S.C. 631, 636, 637).

State shall have the meaning provided in section 102(a)(2) of the Act.

Unit of general local government shall have the meaning provided in section 102(a)(1) of the Act.

Urban county shall have the meaning provided in section 102(a)(6) of the Act. For the purposes of this definition, HUD will determine whether the county's combined population contains the required percentage of low- and moderate-income persons by identifying the number of persons that resided in applicable areas and units of general local government based on data from the most recent decennial census, and using income limits that would have applied for the year in which that census was taken.

Urban Development Action Grant (UDAG) means a grant made by the Secretary pursuant to section 119 of the Act and subpart G of this part.

[53 FR 34437, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 60 FR 1915, 1943, Jan. 5, 1995; 60 FR 56909, Nov. 9, 1995; 61 FR 5209, Feb. 9, 1996; 61 FR 11475, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004; 77 FR 5675, Feb. 3, 2012]

§ 570.4 Allocation of funds.

(a) The determination of eligibility of units of general local government to receive entitlement grants, the entitlement amounts, the allocation of appropriated funds to States for use in nonentitlement areas, the reallocation of funds, the allocation of appropriated funds to insular areas, and the allocation of appropriated funds for discretionary grants under the Secretary's Fund shall be governed by the policies and procedures described in sections 106 and 107 of the Act, as appropriate.

(b) The definitions in § 570.3 shall govern in applying the policies and procedures described in sections 106 and 107 of the Act.

(c) In determining eligibility for entitlement and in allocating funds under section 106 of the Act for any federal fiscal year, HUD will recognize corporate status and geographical boundaries and the status of metropolitan areas and principal cities effective as of July 1 preceding such federal fiscal year, subject to the following limitations:

(1) With respect to corporate status as certified by the applicable State and available for processing by the Census Bureau as of such date;

(2) With respect to boundary changes or annexations, as are used by the Census Bureau in preparing population estimates for all general purpose governmental units and are available for processing by the Census Bureau as of such date, except that any such boundary changes or annexations which result in the population of a unit of general local government reaching or exceeding 50,000 shall be recognized for this purpose whether or not such changes are used by the Census Bureau in preparing such population estimates; and

(3) With respect to the status of Metropolitan Statistical Areas and principal cities, as officially designated by the Office of Management and Budget as of such date.

(d) In determining whether a county qualifies as an urban county, and in computing entitlement amounts for urban counties, the demographic values of population, poverty, housing overcrowding, and age of housing of any Indian tribes located within the county shall be excluded. In allocating amounts to States for use in nonentitlement areas, the demographic values of population, poverty, housing overcrowding and age of housing of all Indian tribes located in all non-entitled areas shall be excluded. It is recognized that all

such data on Indian tribes are not generally available from the United States Bureau of the Census and that missing portions of data will have to be estimated. In accomplishing any such estimates the Secretary may use such other related information available from reputable sources as may seem appropriate, regardless of the data's point or period of time and shall use the best judgement possible in adjusting such data to reflect the same point or period of time as the overall data from which the Indian tribes are being deducted, so that such deduction shall not create an imbalance with those overall data.

(e) Amounts remaining after closeout of a grant which are required to be returned to HUD under the provisions of § 570.509, Grant closeout procedures, shall be considered as funds available for reallocation unless the appropriation under which the funds were provided to the Department has lapsed.

[53 FR 34437, Sept. 6, 1988, as amended at 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004]

§ 570.5 Waivers.

HUD's authority for the waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR part 5 and in section 122 of the Act, respectively.

[61 FR 11476, Mar. 20, 1996]

Subpart B [Reserved]

Subpart C—Eligible Activities

SOURCE: 53 FR 34439, Sept. 6, 1988, unless otherwise noted.

§ 570.200 General policies.

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in § 570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or under

§ 570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See § 570.420(d)(3) for additional discussion of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at § 570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under § 570.205 and § 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to § 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under § 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under § 570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR PART 200 ¹ All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

¹ These circulars are available from the American Communities Center by calling the following toll-free numbers: (800) 998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD's specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term “special assessment” means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in § 570.208(a)(1), (b), or (c); and

(iii) The requirements of § 570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of

the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under § 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at § 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under § 570.204(a) may only be undertaken by entities specified in that section.

(g) *Limitation on planning and administrative costs.* No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§ 570.205 and 570.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of § 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Faith-based activities.* (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program. Neither the Federal government nor a State or local government receiving funds under CDBG programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded

religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007]

§ 570.201 Basic eligible activities.

CDBG funds may be used for the following activities:

(a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207.

(b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in § 570.504.

(c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in § 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in § 570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in § 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group

homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in § 570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in § 570.200(b).

(d) *Clearance and remediation activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. Remediation may include project-specific environmental assessment costs not otherwise eligible under § 570.205.

(e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in § 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

(i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

(A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;

(B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;

(C) The amount of funds it obligated for public services in the 1982 program year; or,

(D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.* (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:

(i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities, and

(iii) The improvement of private properties.

(3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in § 570.801.

(i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of § 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of § 570.606(d).

(j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(k) *Housing services.* Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).

(l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) *Homeownership assistance.* CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.

(o)(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.

(3) For purposes of this paragraph (o), “persons developing microenterprises” means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

(p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under § 570.205.

(q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

[53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 17, 1988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 67 FR 47213, July 17, 2002; 71 FR 30034, May 24, 2006]

§ 570.202 *Eligible rehabilitation and preservation activities.*

(a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:

(1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;

(2) Low-income public housing and other publicly owned residential buildings and improvements;

(3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;

(4) Nonprofit-owned nonresidential buildings and improvements not eligible under § 570.201(c); and

(5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.

(b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.

(1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;

(2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;

(3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;

(4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;

(5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;

(6) Connection of residential structures to water distribution lines or local sewer collection lines;

(7) For rehabilitation carried out with CDBG funds, costs of:

(i) Initial homeowner warranty premiums;

(ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and

(iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to § 570.605.

(8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;

(9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;

(10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

(11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.

(c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

(d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

(f) *Lead-based paint activities.* Lead-based paint activities pursuant to § 570.608.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 64 FR 50225, Sept. 15, 1999; 71 FR 30035, May 24, 2006]

§ 570.203 *Special economic development activities.*

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.

(c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).

(a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii); activities under this paragraph may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in § 570.207(a);

(2) Carrying out public services that do not meet the requirements of § 570.201(e), except that:

(i) Services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and

(ii) Services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in § 570.201(e)(1) or (2), as applicable;

(3) Providing assistance to activities that would otherwise be eligible under § 570.203 that do not meet the requirements of § 570.209; or

(4) Carrying out an activity that would otherwise be eligible under § 570.205 or § 570.206, but that would result in the recipient's exceeding the spending limitation in § 570.200(g).

(c) *Eligible CBDOs.* (1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

[60 FR 1944, Jan. 5, 1995, as amended at 71 FR 30035, May 24, 2006]

§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(1) Comprehensive plans;

(2) Community development plans;

(3) Functional plans, in areas such as:

(i) Housing, including the development of a consolidated plan;

(ii) Land use and urban environmental design;

(iii) Economic development;

(iv) Open space and recreation;

(v) Energy use and conservation;

(vi) Floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;

(vii) Transportation;

(viii) Utilities; and

(ix) Historic preservation.

(4) Other plans and studies such as:

(i) Small area and neighborhood plans;

(ii) Capital improvements programs;

(iii) Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§ 570.201-570.204);

(iv) The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

(v) Strategies and action programs to implement plans, including the development of codes, ordinances and regulations;

- (vi) Support of clearinghouse functions, such as those specified in Executive Order 12372; and
- (vii) Analysis of impediments to fair housing choice.
- (viii) Developing an inventory of properties with known or suspected environmental contamination.
- (5) [Reserved]
- (6) Policy—planning—management—capacity building activities which will enable the recipient to:
 - (1) Determine its needs;
 - (2) Set long-term goals and short-term objectives, including those related to urban environmental design;
 - (3) Devise programs and activities to meet these goals and objectives;
 - (4) Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and
 - (5) Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.206 *Program administrative costs.*

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under § 570.201 through § 570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year (or the grant period for grants under subpart F). Program administration includes the following types of assignments:

- (i) Providing local officials and citizens with information about the program;
- (ii) Preparing program budgets and schedules, and amendments thereto;
- (iii) Developing systems for assuring compliance with program requirements;
- (iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

- (v) Monitoring program activities for progress and compliance with program requirements;
 - (vi) Preparing reports and other documents related to the program for submission to HUD;
 - (vii) Coordinating the resolution of audit and monitoring findings;
 - (viii) Evaluating program results against stated objectives; and
 - (ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.
- (2) Travel costs incurred for official business in carrying out the program;
 - (3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and
 - (4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.
- (c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.
- (d) [Reserved]
- (e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with 2 CFR PART 200 as applicable.
- (f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.
- (g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:
- (1) The cost of conducting preliminary surveys and analysis of market needs;
 - (2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and "sketch drawings," but excluding architectural, engineering, and other

details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;

(3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;

(4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);

(5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and

(6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.

(h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.

(i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:

(1) A Federally designated Empowerment Zone or Enterprise Community; and

(2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004]

§ 570.207 *Ineligible activities.*

The general rule is that any activity that is not authorized under the provisions of §§ 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with CDBG funds:

(1) *Buildings or portions thereof, used for the general conduct of government* as defined at § 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(2) *General government expenses.* Except as otherwise specifically authorized in this subpart or under 2 CFR PART 200—expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(3) *Political activities.* CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(b) The following activities may not be assisted with CDBG funds unless authorized under provisions of § 570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of § 570.204.

(1) *Purchase of equipment.* The purchase of equipment with CDBG funds is generally ineligible.

(i) *Construction equipment.* The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR PART 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under § 570.201(c).

(ii) *Fire protection equipment.* Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c).

(iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR PART 200 as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to § 570.201(e).

(2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under § 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) *New housing construction.* For the purpose of this paragraph, activities in support of the development of low or moderate income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in § 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in 24 CFR part 42;

(ii) As authorized under § 570.201(m) or (n);

(iii) When carried out by an entity pursuant to § 570.204(a);

(4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 56912, Nov. 9, 1995; 65 FR 70215, Nov. 21, 2000]

§ 570.208 *Criteria for national objectives.*

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under § 570.200(a)(2):

(a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a) (1), (2), (3), or (4) of this section as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate income persons to the exclusion of low income persons.)

(1) *Area benefit activities.* (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

(ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under § 570.208(a)(1)(i), except that the area served contains less than 51 percent low- and moderate-income residents, will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of such persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. This exception is inapplicable to non-entitlement CDBG grants in Hawaii. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose, as follows:

(A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low and moderate income persons to the block group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.

(B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.

(C) The proportion of low and moderate income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low and moderate income persons at or above this level shall be considered to be within the highest quartile.

(D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.

(iii) An activity to develop, establish, and operate for up to two years after the establishment of, a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient obtains prior HUD approval. To obtain such approval, the recipient must:

(A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;

(B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, block numbering areas, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;

(C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and

(D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or block numbering areas), the total number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

(iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in § 570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.

(v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.

(vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraph (a)(1) (i), (ii), or (vii) of this section, the most recently available decennial census information must be used to the fullest extent feasible, together with the section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the

proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.

(vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

(2) *Limited clientele activities.* (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:

(A) Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or

(C) Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it is restricted, to the extent practicable, to the removal of such barriers by assisting:

(A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;

(B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or

(C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.

(iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

(iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:

(A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and

(B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of paragraph § 570.208 (d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining “affordable rents” for this purpose. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

(A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;

(B) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and

(C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

(ii) When CDBG funds are used to assist rehabilitation eligible under § 570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low and moderate income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low and moderate income persons.

(iii) When CDBG funds are used for housing services eligible under § 570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.

(4) *Job creation or retention activities.* An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

(i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.

(ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:

(A) The job is known to be held by a low- or moderate-income person; or

(B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

(iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:

(A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

(B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

(iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:

(A) He/she resides within a census tract (or block numbering area) that either:

(1) Meets the requirements of paragraph (a)(4)(v) of this section; or

(2) Has at least 70 percent of its residents who are low- and moderate-income persons; or

(B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.

(v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)(1) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:

(A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

(1) All block groups in the census tract have poverty rates of at least 20 percent;

(2) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

(3) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

(vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.

(C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.

(D) Where CDBG funds are used for activities meeting the criteria listed at § 570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

(1) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

(2) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)(1) of this section) is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at § 570.209(b).

(b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

(1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:

(i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

(ii) The area also meets the conditions in either paragraph (A) or (B):

(A) At least 25 percent of properties throughout the area experience one or more of the following conditions:

(1) Physical deterioration of buildings or improvements;

(2) Abandonment of properties;

(3) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;

(4) Significant declines in property values or abnormally low property values relative to other areas in the community; or

(5) Known or suspected environmental contamination.

(B) The public improvements throughout the area are in a general state of deterioration.

(iii) Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at § 570.208(b)(1)(ii)(A), and maintain records to substantiate how the area met the slums or blighted criteria. The designation of an area as slum or blighted under this section is required to be re-determined every 10 years for continued qualification. Documentation must be retained pursuant to the recordkeeping requirements contained at § 570.506 (b)(8)(ii).

(iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

(2) *Activities to address slums or blight on a spot basis.* The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area: acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

(3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:

(i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to title I of the Housing Act of 1949; and

(ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b) (1) and (2) of this section, any rehabilitation activity which benefits low and moderate income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

(c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.

(d) *Additional criteria.* (1) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under § 570.505.

(2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low and moderate income persons.

(3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low and moderate income persons.

(4) CDBG funds expended for planning and administrative costs under § 570.205 and § 570.206 will be considered to address the national objectives.

(5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of § 91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:

(i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:

(i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(7) Where an activity meeting the criteria at § 570.209(b)(2)(v) may also meet the requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraphs (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56912, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 71 FR 30035, May 24, 2006; 72 FR 46370, Aug. 17, 2007]

§ 570.209 Guidelines for evaluating and selecting economic development projects.

The following guidelines are provided to assist the recipient to evaluate and select activities to be carried out for economic development purposes. Specifically, these guidelines are applicable to activities that are eligible for CDBG assistance under § 570.203. These guidelines also apply to activities carried out under the authority of § 570.204 that would otherwise be eligible under § 570.203, were it not for the involvement of a Community-Based Development Organization (CBDO). (This would include activities where a CBDO makes loans to for-profit businesses.) These guidelines are composed of two components: guidelines for evaluating project costs and financial requirements; and standards for evaluating public benefit. The standards for evaluating public benefit are *mandatory*, but the guidelines for evaluating projects costs and financial requirements are not.

(a) *Guidelines and objectives for evaluating project costs and financial requirements.* HUD has developed guidelines that are designed to provide the recipient with a framework for financially underwriting and selecting CDBG-assisted economic development projects which are financially viable and will make the most effective use of the CDBG funds. These guidelines, also referred to as the underwriting guidelines, are published as appendix A to this part. The use of the underwriting guidelines published by HUD is not mandatory. However, grantees electing not to use these guidelines would be expected to conduct basic financial underwriting prior to the provision of CDBG financial assistance to a for-profit business. Where appropriate, HUD's underwriting guidelines recognize that different levels of review are appropriate to take into account differences in the size and scope of a proposed project, and in the case of a microenterprise or other small business to take into account the differences in the capacity and level of sophistication among businesses of differing sizes. Recipients are encouraged, when they develop their own programs and underwriting criteria, to also take these factors into account. The objectives of the underwriting guidelines are to ensure:

- (1) That project costs are reasonable;
- (2) That all sources of project financing are committed;
- (3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- (4) That the project is financially feasible;
- (5) That to the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
- (6) That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

(b) *Standards for evaluating public benefit.* The grantee is responsible for making sure that at least a minimum level of public benefit is obtained from the expenditure of CDBG funds under the categories of eligibility governed by these guidelines. The standards set forth below identify the types of public benefit that will be recognized for this purpose and the minimum level of each that must be obtained for the amount of CDBG funds used. Unlike the guidelines for project costs and financial requirements covered under paragraph (a) of this section, the use of the standards for public benefit is mandatory. Certain public facilities and improvements eligible under § 570.201(c) of the regulations, which are undertaken for economic development purposes, are also subject to these standards, as specified in § 570.208(a)(4)(vi)(F)(2).

(1) *Standards for activities in the aggregate.* Activities covered by these guidelines must, in the aggregate, either:

(i) Create or retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used; or

(ii) Provide goods or services to residents of an area, such that the number of low- and moderate-income persons residing in the areas served by the assisted businesses amounts to at least one low- and moderate-income person per \$350 of CDBG funds used.

(2) *Applying the aggregate standards.* (i) A metropolitan city, an urban county, a non-entitlement CDBG grantee in Hawaii, or an Insular Area shall apply the aggregate standards under paragraph (b)(1) of this section to all applicable activities for which CDBG funds are first obligated within each single CDBG program year, without regard to the source year of the funds used for the activities. For Insular Areas, the preceding sentence applies to grants received in program years after Fiscal Year 2004. A grantee under the HUD-administered Small Cities Program, or Insular Areas CDBG grants prior to Fiscal Year 2005, shall apply the aggregate standards under paragraph (b)(1) of this section to all funds obligated for applicable activities from a given grant; program income obligated for applicable activities will, for these purposes, be aggregated with the most recent open grant. For any time period in which a community has no open HUD-administered or Insular Areas grants, the aggregate standards shall be applied to all applicable activities for which program income is obligated during that period.

(ii) The grantee shall apply the aggregate standards to the number of jobs to be created/retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, the grantee may elect to count the activity under either the jobs standard or the area residents standard, but not both.

(iv) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the aggregate standards.

(v) Any activity subject to these guidelines which meets one or more of the following criteria may, at the grantee's option, be excluded from the aggregate standards described in paragraph (b)(1) of this section:

(A) Provides jobs exclusively for unemployed persons or participants in one or more of the following programs:

(1) Jobs Training Partnership Act (JTPA);

(2) Jobs Opportunities for Basic Skills (JOBS); or

(3) Aid to Families with Dependent Children (AFDC);

- (B) Provides jobs predominantly for residents of Public and Indian Housing units;
- (C) Provides jobs predominantly for homeless persons;
- (D) Provides jobs predominantly for low-skilled, low- and moderate-income persons, where the business agrees to provide clear opportunities for promotion and economic advancement, such as through the provision of training;
- (E) Provides jobs predominantly for persons residing within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
- (F) Provides assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
- (G) Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
- (H) Provides assistance to a Community Development Financial Institution that serve an area that is predominantly low- and moderate-income persons;
- (I) Provides assistance to a Community-Based Development Organization serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
- (J) Provides employment opportunities that are an integral component of a project designed to promote spatial deconcentration of low- and moderate-income and minority persons;
- (K) With prior HUD approval, provides substantial benefit to low-income persons through other innovative approaches;
- (L) Provides services to the residents of an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title;
- (M) Creates or retains jobs through businesses assisted in an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title.
- (N) Directly involves the economic development or redevelopment of environmentally contaminated properties.

(3) *Standards for individual activities.* Any activity subject to these guidelines which falls into one or more of the following categories will be considered by HUD to provide insufficient public benefit, and therefore may under no circumstances be assisted with CDBG funds:

(i) The amount of CDBG assistance exceeds either of the following, as applicable:

- (A) \$50,000 per full-time equivalent, permanent job created or retained; or
- (B) \$1,000 per low- and moderate-income person to which goods or services are provided by the activity.

(ii) The activity consists of or includes any of the following:

- (A) General promotion of the community as a whole (as opposed to the promotion of specific areas and programs);
- (B) Assistance to professional sports teams;

(C) Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to users or members clearly outweighs employment or other benefits to low- and moderate-income persons;

(D) Acquisition of land for which the specific proposed use has not yet been identified; and

(E) Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided by the recipient.

(4) *Applying the individual activity standards.* (i) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, it will be disqualified only if the amount of CDBG assistance exceeds both of the amounts in paragraph (b)(3)(i) of this section.

(ii) The individual activity standards in paragraph (b)(3)(i) of this section shall be applied to the number of jobs to be created or retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the individual activity standards in paragraph (b)(3)(i) of this section.

(c) *Amendments to economic development projects after review determinations.* If, after the grantee enters into a contract to provide assistance to a project, the scope or financial elements of the project change to the extent that a significant contract amendment is appropriate, the project should be reevaluated under these and the recipient's guidelines. (This would include, for example, situations where the business requests a change in the amount or terms of assistance being provided, or an extension to the loan payment period required in the contract.) If a reevaluation of the project indicates that the financial elements and public benefit to be derived have also substantially changed, then the recipient should make appropriate adjustments in the amount, type, terms or conditions of CDBG assistance which has been offered, to reflect the impact of the substantial change. (For example, if a change in the project elements results in a substantial reduction of the total project costs, it may be appropriate for the recipient to reduce the amount of total CDBG assistance.) If the amount of CDBG assistance provided to the project is increased, the amended project must still comply with the public benefit standards under paragraph (b) of this section.

(d) *Documentation.* The grantee must maintain sufficient records to demonstrate the level of public benefit, based on the above standards, that is actually achieved upon completion of the CDBG-assisted economic development activity(ies) and how that compares to the level of such benefit anticipated when the CDBG assistance was obligated. If the grantee's actual results show a pattern of substantial variation from anticipated results, the grantee is expected to take all actions reasonably within its control to improve the accuracy of its projections. If the actual results demonstrate that the recipient has failed the public benefit standards, HUD may require the recipient to meet more stringent standards in future years as appropriate.

[60 FR 1947, Jan. 5, 1995, as amended at 60 FR 17445, Apr. 6, 1995; 71 FR 30035, May 24, 2006; 72 FR 12535, Mar. 15, 2007; 72 FR 46370, Aug. 17, 2007]

§ 570.210 Prohibition on use of assistance for employment relocation activities.

(a) *Prohibition.* CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(b) *Definitions.* The following definitions apply to this section:

(1) *Directly assist.* Directly assist means the provision of CDBG funds for activities pursuant to:

(i) § 570.203(b); or

(ii) §§ 570.201(a)-(d), 570.201(l), 570.203(a), or § 570.204 when the grantee, subrecipient, or, in the case of an activity carried out pursuant to § 570.204, a Community Based Development Organization (CDBO) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the grantee's LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(2) *Labor market area (LMA).* For metropolitan areas, an LMA is an area defined as such by the BLS. An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are non-overlapping and geographically exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, an LMA is either an area defined by the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA. Recipients of Fiscal Year 1999 Small Cities Program funding in New York will follow the requirements for State CDBG recipients.

(3) *Operation.* A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.

(4) *Significant loss of jobs.* (i) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(ii) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years of the provision of assistance to the business; or the time period within which jobs are to be created as specified by the agreement between the business and the recipient if it is longer than three years.

(c) *Written agreement.* Before directly assisting a business with CDBG funds, the recipient, subrecipient, or a CDBO (in the case of an activity carried out pursuant to § 570.204) shall sign a written agreement with the assisted business. The written agreement shall include:

(1) *Statement.* A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA;

(2) *Required information.* If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(3) *Reimbursement of assistance.* The agreement shall provide for reimbursement of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(d) *Assistance not covered by this section.* This section does not apply to:

(1) *Relocation assistance.* Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970, (URA) (42 U.S.C. 4601-4655);

(2) *Microenterprises.* Assistance to microenterprises as defined by Section 102(a)(22) of the Housing and Community Development Act of 1974; and

(3) *Arms-length transactions.* Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

[70 FR 76369, Dec. 23, 2005]

Subpart K—Other Program Requirements

SOURCE: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.

§ 570.600 General.

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in § 570.405 and § 570.440 with the exception of § 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see § 570.487.

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[53 FR 34456, Sept. 6, 1988, as amended at 61 FR 11477, Mar. 20, 1996; 72 FR 12536, Mar. 15, 2007]

§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), and implementing regulations in 24 CFR part 1.

(2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an

analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

(b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

[61 FR 11477, Mar. 20, 1996]

§ 570.602 Section 109 of the Act.

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

[64 FR 3802, Jan. 25, 1999]

§ 570.603 Labor standards.

(a) Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

§ 570.604 Environmental standards.

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decision making, and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20, 1996]

§ 570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91), section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477, Mar. 20, 1996]

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

(a) *General policy for minimizing displacement.* Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) *Relocation assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section, the term “ *displaced person* ” means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the “initiation of negotiations” if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(1) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

(2) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

(3) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term “ *displaced person* -” does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in 49 CFR 24.2(g)(2).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term “ *initiation of negotiations* ” means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) *Residential anti-displacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

(d) *Optional relocation assistance.* Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) *Acquisition of real property.* The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.

(f) *Appeals.* If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) *Responsibility of grantee or State.* (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[61 FR 11477, Mar. 20, 1996, as amended at 61 FR 51760, Oct. 3, 1996]

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[68 FR 56405, Sept. 30, 2003]

§ 570.608 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities under this program.

[64 FR 50226, Sept. 15, 1999]

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

The requirements set forth in 24 CFR part 5 apply to this program.

[61 FR 5209, Feb. 9, 1996]

§ 570.610 Uniform administrative requirements and cost principles.

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines, and requirements of 24 CFR part 85 and 2 CFR PART 200 as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at § 570.502.

² See footnote 1 at § 570.200(a)(5).

[60 FR 56916, Nov. 9, 1995]

§ 570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities

that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]

§ 570.612 Executive Order 12372.

(a) *General.* Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

§ 570.613 Eligibility restrictions for certain resident aliens.

(a) *Restriction.* Certain newly legalized aliens, as described in 24 CFR part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of this section. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in paragraph (e) of this section. "Benefits" do not include relocation services and payments to which displacees are entitled by law.

(b) *Covered activities.* "Covered activities" under this section means activities meeting the requirements of § 570.208(a) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) *Limitation on coverage.* The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) *Compliance.* Compliance can be accomplished by obtaining certification as provided in 24 CFR 49.20.

(e) *Programs affected.* (1) The Community Development Block Grant program for small cities, administered under subpart F of part 570 of this title until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under subpart D of part 570 of this title.

(3) The Community Development Block Grant program for States, administered under subpart I of part 570 of this title until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under subpart G of part 570 of this title until closeout of the recipient's grant.

[55 FR 18494, May 2, 1990]

§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

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

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

[60 FR 56917, Nov. 9, 1995]

UPDATE: Effective March 2015

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance supersedes, consolidates and streamlines requirements from 8 OMB Circulars referenced in Exhibit D - CDBG Regulations and Other Program Requirements:

A - 21	A - 110
A - 87	A - 122
A - 89	A - 133
A - 102	A - 50

To view Notice SD-2015-01 Issued by the U.S. Department of Housing and Urban Development, please visit the following link:

www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf

Exhibit E

Audit Findings or Exceptions

(N/A - No audit findings or exceptions)



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Juan J. Barrios
Banking / Finance

Executive Director - Amigos Del Valle, Inc. Executive Director
ALEJANDRO GUERRA

October 22, 2021

Mr. Mike Perez
City Manager
City of Weslaco
255 S. Kansas Ave.
Weslaco, TX 78596



Re: Letter of request for CDBG Funds FY 2022-2023

Dear Mr. Perez,

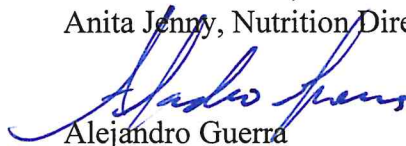
Amigos Del Valle, Inc. is respectfully requesting \$15,000 in CDBG funds for Fiscal Year 2022-2023. These funds will continue to be utilized to provide home delivered meals to 17 eligible citizens for 165 days that reside within the City of Weslaco area.

With your continued financial support, we will be able to continue providing much needed meals to the homebound seniors to assist them to continue living as healthy, independent, productive and self-sufficient lives as possible.

Please be assured that we are very grateful for your proven generous, valuable financial and moral support for our agency's projects throughout our forty-seven (47) years of experience.

If you have any questions or concerns, please do not hesitate to contact us at (956)213-9400 or by email:

Alejandro Guerra, Executive Director: aguerra@advrgv.org
Marisol Gonzalez, Executive Admin. Asst.: mgonzalez@advrgv.org
Anita Jenny, Nutrition Director: ajenny@advrgv.org


Alejandro Guerra



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Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4446
From:		
Subject: Approval of the Minutes for the Regular Meeting of October 19, 2021 and Special Meeting of October 25, 2021. (Staffed by City Secretary Department.) Attachment.		
Background: Record of commission action for the Regular Meeting of October 19, 2021 and Special Meeting of October 25, 2021.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
NORMA CANTU ADELAIDA VEGA Mike Perez		Created
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: 21-10-19 minutes DRAFT, 21-10-25 minutes DRAFT		
Responsibilities upon Approval: Execute and retain.		



**MINUTES OF A REGULAR MEETING
WESLACO CITY COMMISSION
OCTOBER 19, 2021**

On Tuesday, October 19, 2021, at 5:30 p.m. the City Commission of the City of Weslaco, Texas convened in a Regular Meeting at City Hall in the Legislative Chamber, located at 255 South Kansas Avenue with the following member's present:

PRESENT:	Mayor	David Suarez
	Mayor Pro Tem	Leo Muñoz
	Commissioner	Greg Kerr
	Commissioner	Adrian Farias
	Commissioner	Josh Pedraza
	Commissioner	Letty Lopez
	Commissioner	J.P. Rodriguez

ABSENT: None

STAFF PRESENT:	Mike R. Perez	City Manager
	Andrew Muñoz	Asst. City Manager
	Norma A. Cantu	City Secretary
	Juan E. Gonzalez	City Attorney

Also present: Vidal Roman, Finance Director, Antonio "Tony" Lopez, Fire Chief, Eddie Gil, IT Department, Omar Rodriguez, Parks & Recreation Director, Rebekah de la Fuente, Director of Planning and Code Enforcement, Albert Aldana, City Engineer, Martin Vela, IT Director, David Arce, Deputy Public Works Director, Rosa Badillo, Municipal Court, George Quilantan, Inframark and Aida Vega, Deputy City Secretary.

I. CALL TO ORDER

A. Certification of Public Notice.

Mayor David Suarez called the meeting to order and certified the public notice of the meeting as properly posted Friday, October 15, 2021.

B. Invocation.

Pastor David McCann, First Presbyterian Church led in the invocation.

C. Pledge of Allegiance.

Mayor Suarez led the Pledge of Allegiance and Texas Flag.

D. Mayoral Recognition.

Mayor Suarez proclaimed and recognized the partnership between the Weslaco Crime Stoppers, Weslaco Crime Stoppers coordinator and Weslaco Police Department on their “productivity award for most cases cleared”.

E. Roll Call.

Norma A. Cantu, City Secretary, called the roll noting at the time of roll call the absence of Commissioner Rodriguez and a quorum present.

II. PUBLIC COMMENTS

Jaime Luis Martinez stated he reported a fallen tree to the city; staff went and determined on city property (easement) at 215 and 219 Sergeant. Rosas Street; a tree contractor went and removed the tree and in doing so damaged his property and neighbors; presented pictures of debris left behind to the city and city crews cleaned the debris; filed a claim and denied and was advised since he hired the contractor that his contractor at fault and wants to know who represented to the insurance that he hired the contractor.

Sergio Trevino, 504 E Mile 15 N, addressed the commission on the lack of lighting at Isaac D. Rodriguez Park; as an active skate boarder disappointed to come back after an absence to see the park in dismay stating he has submitted a request to park maintenance and asked the commission provide a safe well lighted park to the community; utilize funds from grants and The American Rescue Plan of 2021 for a new skate park and further opined why the city should not accept funds from the Department of Homeland Security (DHS).

Randy Hall voiced his concerns with the Drainage Advisory Board that has falsely misrepresented statements against him and not permitted to respond at the September 23, 2021 Drainage Advisory Board; will be requesting an action agenda item at the next advisory board meeting that will allow him to respond and determine if action be taken against those members that have falsely accused him and will not be intimidated for being active on social media on his views and opinions.

Joel Rivera, Chief of Police, thanked the commission, departments, and his staff in attending the National Night Event.

III. PRESENTATION

A. Presentation by Hidalgo County Drainage District No. 1 relating to drainage projects.

County Commissioner David Fuentes along with Raul Sesin, District General Manager HCDD#1 presented an update for Weslaco area projects from the 2018 Bonds; stated the public can access the information at the Hidalgo County website www.hcdd1.org that lists the ongoing county wide drainage projects and status.

IV. CONSENT AGENDA

The following items are routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by one commission member, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

A. Approval of the Minutes of the Regular Meeting on September 21, 2021 and Special Meeting on September 28, 2021 (Staffed by City Secretary's Department.)

B. Approval on second and final reading of the following:

1) Approval on Ordinance 2021-37 for the Voluntary Annexation of Texas Road Subdivision – being West Tract E660’-N330’ Farm Tract 109 & E660’-S660’ Farm Tract 110 15.0 AC GR 13.63 AC net, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located 660’ south of Mile 10 North along East Side of FM 88 and authorize the Mayor to execute any related documents. (First reading held September 21, 2021; staffed by Planning & Code Enforcement Department.)

C. Approval to apply to the FY2022 Border Zone Fire Departments (BZFD) under the Office of the Governor, Public Safety Office Homeland Security Grants Division for Equipment, Supplies and or Direct Operating Expenses associated with border security activities. No match requirements and authorize the Mayor to execute any related documents. (Staffed by Fire Department.)

D. Approval of the extension of the Memorandum of Understanding (MOU) with the United States Customs and Border Patrol Protection, Rio Grande Valley Sector for Emergency Medical Services training at no cost to the City and authorize the Mayor to execute any related documents. (Staffed by Fire Department.)

E. Approval on renewal of the Professional Services Agreement with Dr. Andrew Levine for Emergency Medical Services, Medical Director for an amount not to exceed \$40,000 per year and appointment as Health Authority for the City of Weslaco with an annual salary of \$10,000 per year to run concurrently for a two-year term from February 2021-February 2023 and authorize the Mayor to execute any related documents. (Staffed by Fire Department.)

F. Approval on Resolution 2021-54 to apply to the FY22 Body-Worn Camera Program Grant #4367801 for an amount not to exceed \$155,010 with a 25% matching requirement to obtain body-worn cameras, digital video storage, and retrieval systems or cloud-based services and authorize the Mayor to execute any related documents. (Staffed by Police Department.)

G. Approval on Resolution 2021-57 to accept Local Border Security Program Grant #3407205 Award in the amount of \$100,000 for overtime to enhance local law enforcement patrols to facilitate directed actions to deter and interdict criminal activity and authorize the Mayor to execute any related documents. (Staffed by Police Department.)

H. Approval on Resolution 2021-55 for the application to the FY2022 Operation Lone Star Grant Program (Grant #4377801) to enhance interagency border security operations supporting Operation Lone Star, including the facilitation of directed actions to deter and interdict criminal activity and detain non-citizen inmates and authorize the Mayor to execute any related documents (Staffed by Police Department.)

I. Approval to authorize staff to solicit bids for an Annual City Grounds Maintenance Contract for City Hall-UTRGV-EDC, Fire Station 2-Library-Flag Plaza-Bank, Fire Station 1, Fire Station 3, Police Department, Shooting Range, Mid-Valley Airport Terminal and Customs & Border Protection Building and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.)

J. Approval of six-month extension for the Final Plat for Milanos Estates 2 Subdivision– being 26.43 acres being out of and forming a portion of Farm Tract 720 and 721, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located on the Northeast corner of Mile 5 ½ West and Mile 6 ½ Road and authorize the Mayor to execute any related documents. (Staffed by Planning & Code Enforcement Department.)

K. Approval of six-month extension for the Final Plat for Tejas Cuatro Phase III Subdivision – being a 21.21-acre tract of land out of Farm Tract 172, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 2000 ft North of the intersection of W. Sugar Cane Dr. along Mile 5 ½ West and authorize the Mayor to execute any related documents. (Staffed by Planning & Code Enforcement Department.)

L. Approval of six-month extension for the Final Plat for Freedom Storage– being a 2.409 acre being a part or portion out Farm Tract 710, Block 136, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 863’ east of Pleasantview Dr. south of business 83 and authorize the Mayor to execute any related documents. (Staffed by Planning & Code Enforcement Department.)

M. Approval of six-month extension for the Final Plat for Villa Event Center Subdivision being a 3.11-acre tract of land of Farm Tract 31, West and Adams Subdivision, Hidalgo County, and Texas located on the Northeast corner of Bridge and Dolores Huerta and authorize the Mayor to execute any related documents. (Staffed by Planning & Code Enforcement Department.)

N. Approval to purchase 500 water meters for the total cost of \$166,355 for the continuing development of subdivisions and replenishment of inventory and authorize the Mayor to execute any related documents. (Staffed by Finance Department.)

O. Approval to authorize solicitation of bids for the following: 1) Long Reach Excavator; 2) 3-six-inch pumps; 3) Manhole Rehabilitation; 4) 2 backhoes (water/wastewater divisions); 5) 2 trailers with barricades; 6) Various city units for all departments; 7) Oil Distributor

Trailer; 8) Mower for ditches; 9) tandem dual wheel pintle trailer; and 10) Utility Vehicle and authorize the Mayor to execute any related documents. (Staffed by Public Works Department.)

Mayor Pro Tem Muñoz seconded by Commissioner Lopez moved to approve consent agenda A, B, C, D, E, F, G, H, I, J, K, L, M, O withholding item N as presented. The motion carried unanimously; Mayor Suarez was present and voting.

N. Approval to purchase 500 water meters for the total cost of \$166,355 for the continuing development of subdivisions and replenishment of inventory and authorize the Mayor to execute any related documents. (Staffed by Finance Department.)

Sonia Flores, Asst. Finance Director, recommended approval to award Core Main, a sole source vendor, for the purchase of 500 water meters for a total cost of \$166,355.

In response to the Commission, this is the second request for additional meters; the cost has increased in general and water meters should arrive within two weeks.

Mayor Pro Tem Muñoz seconded by Commissioner Lopez, moved to approve Core Main to purchase 500 water meters for the total cost of \$166,355 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record following is the ordinance caption.

ORDINANCE NO. 2021-37

AN ORDINANCE ANNEXING ADDITIONAL TERRITORY TO THE CORPORATE LIMITS OF THE CITY OF WESLACO, HIDALGO COUNTY, TEXAS ON VOLUNTARY PETITION OF AREA LANDOWNER SUCH LAND BEING 15 ACRES OF LAND, LOCATED IN HIDALGO COUNTY, TEXAS, WHICH IS CONTIGUOUS TO THE CITY LIMITS AND HEREINAFTER DESCRIBED; AS SHOWN IN THE ATTACHED EXHIBIT; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 21st day of September 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 19th day of October 2021.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

V. APPOINTMENTS

A. Discussion and consideration to approve Resolution 2021-48 confirming an appointment by the Chief Executive Officer for a term set to expire October 19, 2021 on the Weslaco Civil Service Commission as per Local Government Code §143.006 and authorize the Mayor to execute any related documents. Possible action. (There was no action on October 21, 2021; staffed by Human Resources Department.)

No action.

B. Discussion and consideration on Resolution 2021-53 appointing two members to the Board of Adjustments & Appeals to the Zoning Ordinance for terms set to expire and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.)

Joe Pedraza, Asst. Director of Planning and Code Enforcement stated Andy Veliz and Nick Carranza both expressed their continued interest in serving on the Board of Adjustments & Appeals.

Commissioner Farias seconded by Commissioner Lopez moved to appoint Andy Veliz and Nick Carranza to the Board of Adjustments & Appeals as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record following is the resolution.

RESOLUTION NO. 2021-53

A RESOLUTION OF THE CITY OF WESLACO APPOINTING TWO MEMBERS TO THE BOARD OF ADJUSTMENTS & APPEALS-ZONING ORDINANCE.

WHEREAS, the City of Weslaco created and established the Board of Adjustments & Appeals-Zoning Ordinance.

WHEREAS, the term of the members of this board are for two years; and

WHEREAS, the Board of Adjustments & Appeals-Zoning Ordinance members shall serve with neither compensation nor term limits; and

WHEREAS, the two term of two members are set to expire November 2, 2021 and November 6, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT the following individuals are appointed to serve on the Board of Adjustments & Appeals-Zoning Ordinance.

NAME

TERM ENDING

Andy Veliz

11/02/2023

Nick Carranza

11/06/2023

PASSED AND APPROVED at a regular meeting of the City Commission this 19th day of October 2021.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

VI. NEW BUSINESS

A. Discussion and consideration to approve Ordinance 2021-41 reducing the size of an existing 15-foot utility easement along the northside of property line of Lot C-1 Re-Plat of Apostolic Assembly Church Subdivision to a 10-foot utility easement and authorize the Mayor to execute any related documents. First reading on Ordinance 2021-41. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated the property owner requested to reduce an existing 15-foot utility easement to 10 foot located on the north side of the property for the construction of a commercial plaza; owner unable to meet requirements due to oversized utility easement; owner has obtained letters from the utility companies they do not have any objection to the reduction in the size of the easement and Subdivision Ordinance requires the dedication of 10-foot utility easement. Staff recommended approval on the reduction of the utility easement.

Commissioner Pedraza seconded by Commissioner Lopez moved to approve Ordinance 2021-41 to reduce the size of an existing 15-foot utility easement as presented. The motion carried unanimously; Mayor Suarez was present and voting.

B. Discussion and reconsideration to approve the Final Plat for Verona Subdivision– being 20 acres out of Farm Tract 1038, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 1800 ft. North of Mile 8 on FM 1015 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated the developer originally proposed fifty (50) lots and is now proposing fifty-two lots; the two lots are along Vani Drive all appropriate updates have been made. The Planning and Zoning Commission and staff recommend approval.

Commissioner Pedraza seconded by Commissioner Lopez moved to approve Final Plat for Verona Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

C. Discussion and consideration to approve the Final Plat for White Rose Subdivision– being a 4.644-acre tract of land out of Farm Tract 31, West Tract Subdivision, Weslaco, Hidalgo County, Texas Located approximately 2000ft North of Intersection Frontage Road & Bridge Ave and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated the proposed two lot subdivision inside city limits; serviced with water and sewer by the city. Staff requested an additional 15 feet of right-of-way dedicated on Bridge Avenue and granted. The Planning and Zoning Commission and staff recommended approval of the final plat.

Commissioner Pedraza seconded by Commissioner Kerr moved to approve Final Plat for White Rose Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

D. Discussion and consideration to approve Ordinance 2021-42 for the Voluntary Annexation of Adams Tract Subdivision – being 1.166 AC out of North 210.10 FT of the East 242.00 FT. of Farm Tract 1009, Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located on the Southwest corner of intersection FM 1015 and Mile 6 North and authorize the Mayor to execute any related documents. First reading of Ordinance 2021-42. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated site is a one (1) lot subdivision outside city limits; serviced with water by City and owner proposes to tie into existing city sewer line. The location is the existing Nana's Taqueria. The Planning and Zoning Commission and staff recommended approval of the voluntary annexation.

Commissioner Pedraza seconded by Commissioner Kerr moved to approve Ordinance 2021-42 for Voluntary Annexation of Adams Tract Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

E. Discussion and consideration to approve Ordinance 2021-43 for the abandonment of a 50-foot right-of-way on West Esplanada Street and North Georgia Street and authorize the Mayor to

Commissioner Kerr abstained from voting and discussion.

Rebekah de la Fuente stated the original warehouse was constructed in 1944; right of way was originally dedicated as part of Pike Snead subdivision in 1967 but this portion of right of way was never constructed. Staff recommended approval of the abandonment of the 50 ft right of way for West Esplanada Street and North Georgia Street.

Commissioner Farias seconded by Commissioner Pedraza moved to approve Ordinance 2021-43 for abandonment of 50 ft right of way on West Esplanada and North Georgia as presented. The motion carried with Commissioner Kerr abstained; Mayor was present and voting.

F. Discussion and consideration for approval to purchase a 2022 - 2023 FORD F-250 Animal Control Unit from Caldwell Country Ford at a cost of \$68,695 under Buy Board Contract # 601-19 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Commissioner Farias abstained from voting and discussion.

Joe Pedraza, Assistant Planning and Code Enforcement Director stated local vendors do not carry the special equipment for the animal control unit, therefore staff recommended approval to purchase the unit through Caldwell Country Ford for a cost of \$68,695 through buyboard contract #601-19.

Commissioner Pedraza seconded by Commissioner Kerr moved to approve purchase a 2022-2023 Ford F-250 Animal Control Unit from Caldwell Country Ford as presented. The motion carried with Commissioner Farias abstained; Mayor Suarez was present and voting.

G. Discussion and consideration on Ordinance 2021-44 granting Freeport Tax Exemption in the City of Weslaco and authorize the Mayor to execute any related documents. First reading of Ordinance 2021-44. Possible action. (Staffed by City Manager.)

City Manager Mike Perez recommended approval stating the need of a taxation of Freeport Goods and granting Freeport Tax Exemption of certain tangible personal property from ad valorem taxation for the city was not in place. Staff recommended approval of Ordinance 2021-44.

Commissioner Rodriguez seconded by Commissioner Kerr moved to approve Ordinance 2021-44 granting Freeport Tax Exemption in the City of Weslaco as presented. The motion carried unanimously; Mayor Suarez was present and voting.

H. Discussion and consideration to approve Resolution 2021-56 to allocate votes in the election for the 2022-2023 Board of Directors of the Hidalgo County Appraisal District pursuant to §6.03(e) of the Texas Property Tax Code and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager.)

City Manager Mike Perez stated 75 votes are needed to appoint Joe Olivarez to the 2022-2023 Board of Directors of the Hidalgo County Appraisal District. Staff recommends approval of resolution 2021-56.

Commissioner Kerr seconded by Commissioner Lopez moved to approve Resolution 2021-56 to allocate votes in the election for the 2022-2023 Board of Directors of the Hidalgo County Appraisal District as presented. The motion carried unanimously; Mayor Suarez was present and voting.

I. Discussion and consideration to reject all bids for Sanitation Building Renovations RFB#2020-21-23 and allow staff to rebid and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

David Arce, Deputy Public Works Director, recommended to reject all bids as they are over budget for the renovations of the sanitation building and requested to rebid. The cost range submitted was from \$410,000 to \$1,013,000.

Commissioner Pedraza seconded by Commissioner Kerr moved to reject all bids for Sanitation Building Renovation and allow staff to rebid as presented. The motion carried unanimously; Mayor Suarez was present and voting.

J. Discussion and consideration to approve the purchase of 2-way radios from Tri County Communications through Buyboard Contract #603-20/604-20 in the amount not to exceed \$56,273 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

Commissioner Farias abstained from voting and discussion.

David Arce stated two (2) way radios are needed for the operation of brush and garbage collection; to be used by Supervisors, Drivers, and Mechanics to communicate on daily routes. Staff recommended approval to purchase 2-way radios from Tri County Communications.

Commissioner Kerr seconded by Commissioner Lopez moved to approve purchase of two-way radios from Tri County Communications as presented. The motion carried with Commissioner Farias abstained; Mayor Suarez was present and voting.

K. Discussion and consideration to approve purchase of survey equipment through DIR Contract #DIR-CPO-4504 in the amount of \$32,256.37 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.)

Albert Aldana, City Engineer, stated the need to purchase survey equipment in the amount of \$32,256.37 through Texas Department of Information Resources (DIR) contract; the department's existing survey equipment is in bad condition. Staff recommended approval of the purchase.

Commissioner Rodriguez seconded by Commissioner Lopez moved to approve purchase of survey equipment through DIR Contract #DIR-CPO-4504 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

L. Discussion and consideration for planning, program development and to solicit funds through grants, partners, agencies and foundations for the purchase of a Mobile Communications/Command Unit (Regional) and authorize the Mayor to execute any related documents. Possible action. (Staffed by Fire Department.)

Antonio Lopez, Fire Chief stated staff requested approval to solicit funds through grants, partners, agencies, and foundations for the purchase of a Mobile Communications/Command Unit (Regional); this unit would be like the Ambus which will be mobilized as needed for disaster events. Staff recommended approval to solicit funds.

Commissioner Pedraza seconded by Commissioner Kerr moved to approve to solicit funds for purchase of a Mobile Communications/Command Unit (Regional) as presented. The motion carried unanimously; Mayor Suarez was present and voting.

M. Discussion and consideration for approval to purchase a 107 ft Ladder Truck under the 2021-2022 WFD Apparatus Replacement Fund at a cost of \$1,230,000 under Buy Board Contract # 651-21 replacing Downtown Fire Station 2004 Engine Company/ 2003 Ladder 1 and authorized the Mayor to execute any related documents. Possible action. (Staffed by Fire Department.)

Commissioner Farias abstained from voting and discussion.

Antonio Lopez requested to purchase a 107ft Ladder Truck under the 2021-2022 Weslaco Fire Apparatus Replacement fund at a cost of \$1,230,000 under the Buyboard contract #651-2; replacement of Ladder 1 and Engine 2 which are older models. Staff recommended approval of purchase of Ladder Truck.

Commissioner Lopez seconded by Commissioner Kerr moved to approve purchase of a 107 ft Ladder Truck under the 2021-2022 WFD Apparatus Replacement Fund as presented. The motion carried with Commissioner Farias abstained; Mayor Suarez was present and voting.

N. Discussion and consideration to purchase Fire Rescue Tools and Equipment from Metro Fire Apparatus Specialist in the total amount of \$42,864.00 through Buy Board Contract # 603-20 which was approved for FY 2021-2022 under Capital Outlay expenditures and authorized the Mayor to execute any related documents. Possible action. (Staff by Fire Department.)

Commissioner Farias abstained from voting and discussion.

Antonio Lopez recommended approval for the replacement of old hydraulic rescue tools for the current Engine Company; rescue tools would include updating of equipment to E-Drolic rescue tools (Battery Powered), Recue Spreader, Rescue Cutter, Rescue Ram, Rescue Stabilization jacks and Airbag lifting system.

Commissioner Lopez seconded by Commissioner Kerr moved to approve purchase Fire Rescue equipment from Metro Fire Apparatus Specialist through buyboard vendor as presented. The motion carried with Commissioner Farias abstained; Mayor Suarez was present and voting.

O. Discussion and consideration accepting a financing proposal from Frost Bank for the purchase of commercial bins and Ordinance 2021-44 for a Budget Amendment on the Solid Waste program and authorize the Mayor to execute any related documents. First reading of Ordinance 2021-44. Possible action. (Staffed by Finance Department.)

Sonia Flores, Asst. Finance Director, stated the city solicited financing proposals for the purchase of commercial bins; three proposals for financing received and reviewed. Staff recommended Frost Bank as the most favorable for the City with the lowest interest rate offered at 1.671%.

Commissioner Pedraza seconded by Mayor Pro Tem Muñoz moved to approve financing proposal from Frost Bank for purchase of commercial bins and approve Ordinance 2021-44 for budget amendment as presented. By roll call vote, the motion carried unanimously; Mayor Suarez was present and voting.

P. Discussion and consideration awarding a contract to the most advantageous respondent in Retail Energy Services and authorize the Mayor to execute all related documents. Possible action. (Staffed by Finance Department.)

Sonia Flores introduced Rudy Ramirez, Energy Consultant.

The City Manager stated the proposals received for retail energy services are higher than currently being paid with the current vendor, Cavallo Energy through the Texas General Land Office Contract (GLO). The City Manager recommended to reject all bids and authorize staff and consultant to discuss with the GLO to extend the contract until December 2023 as the city is currently paying 3.5cents and proposals received are about 25% more.

Rudy Ramirez stated four proposals received and all had fixed rates; three had ancillary charges subject to change a charge that could range from \$9 to \$25 per kilowatt that can be imposed upon legislative law to support the transmission of electric power because of an event, such as the severe winter storm; the Consultant recommended to award Engie Resources that has a fixed rate, includes ancillary charges and has a blend and extend option that allows the rate to be lowered if market rates become lower and extends the contract; Engie Resources will not change the rates during the contract unless the blend and extend option is used. The rate is not subject to change; city will have an increase of \$11,000 monthly but the city is protected from ancillary charges when imposed for the term of the contract and the rates from the other proposals may be lower but subject to change as the rate may not be an all-protected fixed rate.

In response to Mayor Pro Tem Muñoz and Commissioner Kerr, the Consultant stated the contract can be terminated and recommended a 96-term contract instead of 60-term and has a 30-day termination but offers the blend and extend, if rates are lower, will lower and contract extended. The City Manager stated if they are permitted to cancel at any time should lower rates occur, he would agree with the recommendation from the consultant. The Consultant noted benefits in the contract ancillary charges included and usage of kilowatts does change the rate.

Commissioner Kerr seconded by Commissioner Rodriguez moved to approve Engie Resources subject to review as the most advantageous respondent for Retail Energy Services as presented. The motion carried unanimously; Mayor Suarez was present and voting.

Q. Discussion and consideration on the Special Services Agreement for the Hotel/Motel Room Occupancy tax proceeds between City of Weslaco and the following:

1.) Chamber of Commerce for \$275,185

2.) Frontera Audubon Society for \$51,500; and

3.) Lower Rio Grande Valley Nature Center for \$80,000

and authorize the Mayor to execute any related documents. Possible action. (Staffed by the Finance Department.)

Sonia Flores recommended approval to fund the Chamber of Commerce, Frontera Audubon Society and Lower Rio Grande Valley Nature Center as recommended by the Hotel/Motel Advisory Committee from the Hotel/Motel Room Occupancy tax proceeds.

Commissioner Lopez seconded by Commissioner Pedraza moved to approve Special Services Agreement for Hotel/Motel room Occupancy tax proceeds as presented. The motion carried unanimously; Mayor Suarez was present and voting.

R. Discussion and consideration of Statement of Qualifications provided in response to the New Library/Library Renovation Project and designation of an evaluation team to assist in selection and interview of respondents. Possible action. (Staffed by the Library Department)

Arnold Becho, Library Director stated seven Statements of Qualifications received; recommended Saida Sanchez, Ray Banda, Library Members, Dr. Sylvia Sanchez Garza, the Library Consultant, and staff be members to evaluate. The City Manager recommended Commissioner Farias, Mayor Suarez, and Mayor Pro Tem Muñoz as an ex officio member.

Commissioner Lopez seconded by Commissioner Kerr moved to approve designation of an evaluation team for the Statement of Qualifications provided in response to New Library/Library Renovation Project as presented. The motion carried unanimously; Mayor Suarez was present and voting.

S. Discussion and consideration to approve Change Order #1 in the amount of \$43,401.00 for the Airport hangar project and authorize the Mayor to execute any related documents. Possible action. (Staffed by Airport Department.) Attachment.

Andrew Munoz, Asst. City Manager, recommended approval; this is to furnish and install three 30-foot light poles along the apron area near the Customs and Border Protection area for after-hour and night inspections for international flights with funds for the project will be under the Routine Area Maintenance Program (RAMP), which has the budgeted funds.

Commissioner Rodriguez seconded by Commissioner Lopez moved to approve Change Order #1 in the amount of \$43,401 for Airport Hangar project as presented. The motion carried; Commissioner Farias abstained; Mayor Suarez was present and voting.

VII. REPORTS

A. Report by Engineering Interns on the work completed for the City of Weslaco and experience gained.

Raul Estrada, Intern for Engineering reviewed a power point on his internship such as surveying the old Recycling Center, working in the flood zone areas and manholes in the city.

B. Report by Parks & Recreation Department - New Police and Fire Station project.

Omar Rodriguez reviewed the design layout and costs.

VIII. EXECUTIVE SESSION

At 7:27 p.m. Mayor Pro Tem Munoz seconded by Commissioner Pedraza moved to convene the regular meeting in Executive Session. The motion carried unanimously; Mayor Suarez was present and voting.

At 9:30 p.m. Mayor Suarez stated the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public.

VIII. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

A. Personnel - Discussion regarding the goals, objectives, and evaluation of the City Manager for the City of Weslaco as authorized by section §551.074 of the Texas Government Code.

No action.

B. Personnel - Discussion regarding terms of the Agreement with MRP Consultant for consulting services for the City of Weslaco as authorized by section §551.074 of the Texas Government Code.

Commissioner Pedraza seconded by Commissioner Rodriguez moved to approve to enter into a contract agreement with MRP Consulting as discussed in executive session. This agreement can be terminated without cause upon notice as discussed in executive session. The motion carried unanimously; Mayor was present and voting.

C. Personnel - Discussion regarding the appointment of an Interim City Manager and discuss Resolutions 2021-50, 2021-51 and 2021-52 for signatories on legal financial documents identified with the PNC, Navy Army, and Tex-Pool for the City of Weslaco as authorized by section §551.074 of the Texas Government Code.

Commissioner Lopez seconded by Commissioner Pedraza moved to appoint Andrew Muñoz as Interim City Manager, approved Resolutions 2021-50, 2021-51 and 2021-52 authorizing him as signatory on legal financial documents and authorize MRP Consulting to begin the search for a new City Manager as discussed in executive session. The motion carried unanimously; Mayor was present and voting.

D. Contract Negotiations - Discussion with the City Manager and City Attorney relating to the City's rights, duties, privileges, and obligations in connection to the Collective Bargaining Agreement with the Police Union (Weslaco Municipal Police Association) as authorized by section §551.071 of the Texas Government Code.

Commissioner Pedraza seconded by Commissioner Rodriguez moved to approve Collective Bargaining Agreement Option A with the Weslaco Police Association as discussed in executive session. The motion carried unanimously; Mayor was present and voting.

E. Real Property - Consultation with City Attorney on the purchase, sale, exchange, lease or value of various city-owned real property to Affordable Homes of South Texas, Inc., TuCasa Investments, Inc as authorized by section §551.072 of the Texas Government Code.

No action.

F. Legal Consultation - Consultation with City Attorney relating to the lawsuit with CDM as authorized by section §551.071 of the Texas Government Code.

No action.

G. Legal Consultation - Consultation with City Attorney regarding Christopher De Leon as authorized by section §551.071 of the Texas Government Code.

No action.

H. Legal Consultation - Consultation with City Attorney relating to 380 Agreement between City of Weslaco and SDI Weslaco Holdings, LLC. as authorized by section §551.071 of the Texas Government Code.

No action.

I. Legal Consultation - Consultation with City Attorney regarding redistricting for the City of Weslaco as authorized by section §551.071 of the Texas Government Code.

Commissioner Pedraza seconded by Mayor Pro Tem Muñoz moved to authorize Attorney Rolando Rios to submit the redistricting map to the Justice Department as discussed in executive session. The motion carried unanimously; Mayor was present and voting.

J. Legal Consultation - Consultation with City Attorney regarding the Performance Contracting Agreement between the City of Weslaco and Siemens Industry Inc. as authorized by section §551.071 of the Texas Government Code

No action.

K. Legal Consultation - Consultation with City Attorney regarding the Conditional Use Permit for Sr Mostacho located at 2307 W Interstate 2. Suite A, also being Lot 4, Town Center Subdivision Lots 2-9, Weslaco Original Townsite, Weslaco, Hidalgo County as authorized by section §551.071 of the Texas Government Code.

No action.

L. Legal Consultation - Consultation with City Attorney regarding Letter of Representation and Notice Pursuant to TEX.CIV.P. & REM. Code § 101, from the Law Office of Rogelio Solis, PLLC to on behalf of Laura de Socorro Zamora , Nathan Alexis Guerra and Jayden Isaiah Guerra as authorized by section §551.071 of the Texas Government Code.

No action.

M. Legal Consultation - Consultation with the City Attorney regarding claim in accordance with The Texas Tort Claims Act, Section 101.101 from the Law Office of Raul "Rudy" Rodriguez, P.C. on behalf of the estate, wife and minor children of Juan Pedro Guerra as authorized by section §551.071 of the Texas Government Code.

No action.

N. Legal Consultation - Consultation with City Attorney regarding the Conditional Use Permit for Tipsey Monkey located at 3700 E. Expressway also being Lot 5, Replat Red Bird No. 2 Subdivision, Weslaco, Hidalgo County, Texas as authorized by section §551.071 of the Texas Government Code.

No action.

O. Economic Development - Consultation with City Attorney regarding ongoing and pending economic development projects as authorized by section §551.087 of the Texas Government Code.

No action.

IX. ADJOURNMENT

Commissioner Pedraza seconded by Mayor Pro Tem Muñoz moved to adjourn the meeting of October 19, 2021 at 9:32 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

CITY OF WESLACO

MAYOR, David Suarez

ATTEST:

Norma A. Cantu, CITY SECRETARY



**MINUTES
WESLACO CITY COMMISSION
SPECIAL MEETING
TUESDAY, OCTOBER 25, 2021**

On this 25th day of October 2021 at 12:15 p.m. the City Commission of the City of Weslaco, Texas convened in a Special Meeting.

Mayor Suarez called the meeting to order. The following city officials were present, a quorum was established, and the following proceedings were held.

PRESENT:	Mayor	David Suarez
	Commissioner	Josh Pedraza
	Commissioner	Letty Lopez
	Commissioner	J.P. Rodriguez
	Commissioner	Adrian Farias
ABSENT:	Commissioner	Greg Kerr
	Mayor Pro-Tem	Leo Muñoz
STAFF:	City Manager	Mike R. Perez
	Asst. City Manager	Andrew Muñoz
	City Secretary	Norma A. Cantu
	City Attorney	Juan E. Gonzalez

Also present: Vidal Roman, Finance Director, Antonio Lopez, Fire Chief, Gus Ramirez, Interim Assistant Fire Chief, Omar Rodriguez, Parks & Recreation Director, Joe Pedraza, Asst. Planning & Code Enforcement Director, Luz Galindo, HR Director, Sonia Flores, Asst. Finance Director, Cristina Garcia, PIO and Eddie Gil, IT Department.

I. CALL TO ORDER

A. Certification of Public Notice.

Mayor Suarez called the meeting to order and certified the public notice of the meeting as properly posted Friday, October 22, 2021.

B. Pledge of Allegiance.

The Mayor led the Pledge of Allegiance and Texas Flag.

C. Roll Call.

Norma A. Cantu, City Secretary, called the roll, noting the absence of Mayor Pro Tem Muñoz and Commissioner Kerr, and a quorum present.

II. PUBLIC COMMENTS

None.

III. NEW BUSINESS

A. Discussion and reconsideration on the contract for Retail Energy Services and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager.)

City Manager Mike Perez stated at the last City Commission meeting the Retail Energy Services contract was awarded to Engie Resources contingent upon the review of the City Attorney on the 30 day out clause.

City Attorney Juan E. Gonzalez reviewed the contract; stated a 30-day termination clause in contract but included additional language that referenced a sale confirmation agreement which although allows the city to terminate Engie Resources it binds the city to continue to purchase and pay for retail energy to Engie Resources until December 31, 2030.

Commission Pedraza and Rodriguez voiced concerns on a termination clause and if energy rates get lower does the city receive the lower rate.

Rudy H. Ramirez, Valiant Energy Consultant, stated the Master Agreement (Engie Resources) allows for lower market rates in exchange for extending the term and the Sales Confirmation incorporated to the Master Agreement, as noted by the City Attorney, allows for termination but binds the City to pay the entire contract term.

In response to Mayor Suarez, the Energy Consultant stated the Engie Resources rate per kilowatt included ancillary charges already and not subject to change; a higher premium being paid now for the energy in anticipation of those ancillary charges. The City Manager noted those ancillary charges are based on legislative law (SB 2 and 3) to impose fees for improvements (\$2.1billion) a fee not known yet but Engie Resources has stated the rate for energy will not increase if the ancillary charges imposed by ERCOT when determined is higher any other imposed fee will be added. The Consultant stated the blend and extend clause may allow a lower rate if requested and although not guaranteed, Engie will do what is in the best interest of the City based on the market rates.

The City Manager recommended Reliant Energy that will have a cost savings to the City and if awarded to Engie Resources the recommendation is a five-year contract.

Commissioner Lopez seconded by Commissioner Pedraza moved to approve the contract with Engie Resources for 60 months as the Retail Energy Services as presented. The motion carried unanimously; Mayor Suarez was present and voting.

IV. ADJOURNMENT

Commissioner Pedraza, seconded by Commissioner Lopez moved to adjourn at 1:02 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Norma A. Cantu, **CITY SECRETARY**



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4689
From: REBEKAH DE LA FUENTE		
Subject: Approval on Ordinance 2021-41 reducing the size of an existing 15-foot utility easement along the northside of the property line and a 20-foot utility easement along the westside of Lot C-1 Re-Plat of Apostolic Assembly Church Subdivision to a 10-foot utility easement along the north and east side and authorize the Mayor to execute any related documents. (First reading held October 19, 2021 staffed by Planning & Code Enforcement Department.)		
Background: The property owner of 2949 N Texas is requesting a reduction in the size of the north side utility easement from 15-foot to 10-foot. The property owner has proposed the construction of a new commercial plaza on the proposed lot and is unable to meet requirements due to the oversized utility easement on this property. The property has obtained letters from the utility companies stating that they do not have any objection to the reduction in the size of the easement. The City Subdivision Ordinance requires the dedication of 10-foot utility easements during the development process.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Ordinance - First Reading Ordinance - Final Reading		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
NORMA CANTU REBEKAH DE LA FUENTE Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval of the reduction to the utility easement.		
Attachments, if any: Utility Easement- Memo, Request Letter of Abandonment Weslaco, Apostolic		

Assembly Church Replat- Addressed Plat, Letter of Release Charter Communication,
AEP- Letter, Frontier-email, O2021-41 reduce easement- Apostolic Church

Responsibilities upon Approval:

Staff will advise applicant

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

MEMO

TO: Mayor and City Commission

FROM: Rebekah de la Fuente, Planning & Code Enforcement Director

RE: Reduction- 15' Utility Easement

DATE: October 5, 2021

The property owner of 2949 N Texas is requesting a reduction in the size of the north side utility easement from 15-foot to 10-foot. The property owner has proposed the construction of a new commercial plaza on the proposed lot and is unable to meet requirements due to the oversized utility easement on this property. The property has obtained letters from the utility companies stating that they do not have any objection to the reduction in the size of the easement. The City Subdivision Ordinance requires the dedication of 10-foot utility easements during the development process.

Thank you,

Rebekah de la Fuente, CFM

Letter of Abandonment
September 29th, 2021

To: Rebecca de la Fuente
Planning & Code Enforcement Director
Weslaco City Commission
255 S. Kansas Avenue
Weslaco, Texas 78596
956.447.3403

From: Mr. & Mrs. Juan | Nelda Gonzalez
3308 Rosewood Drive
Weslaco, Texas 78599
956.532.1030

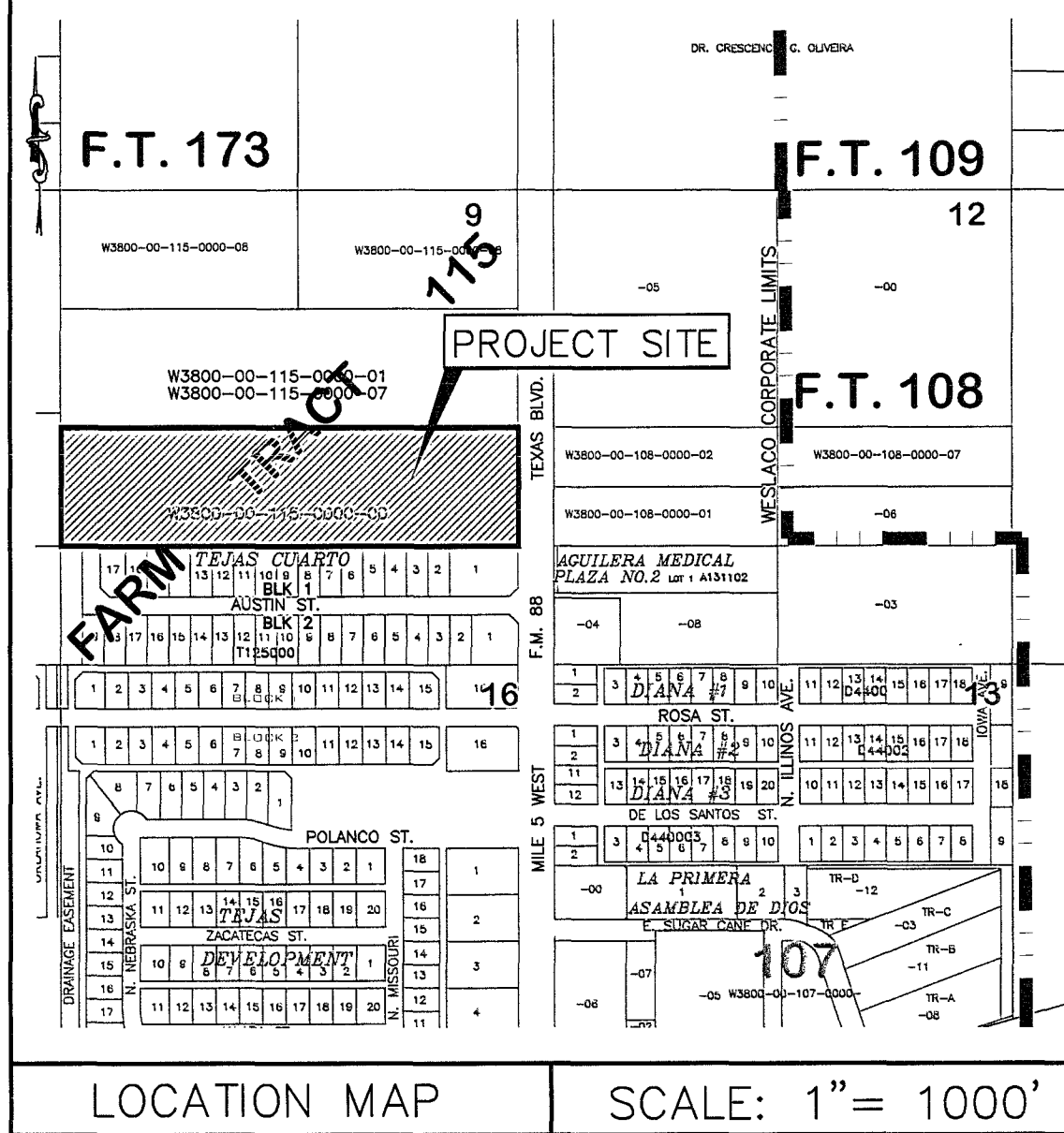
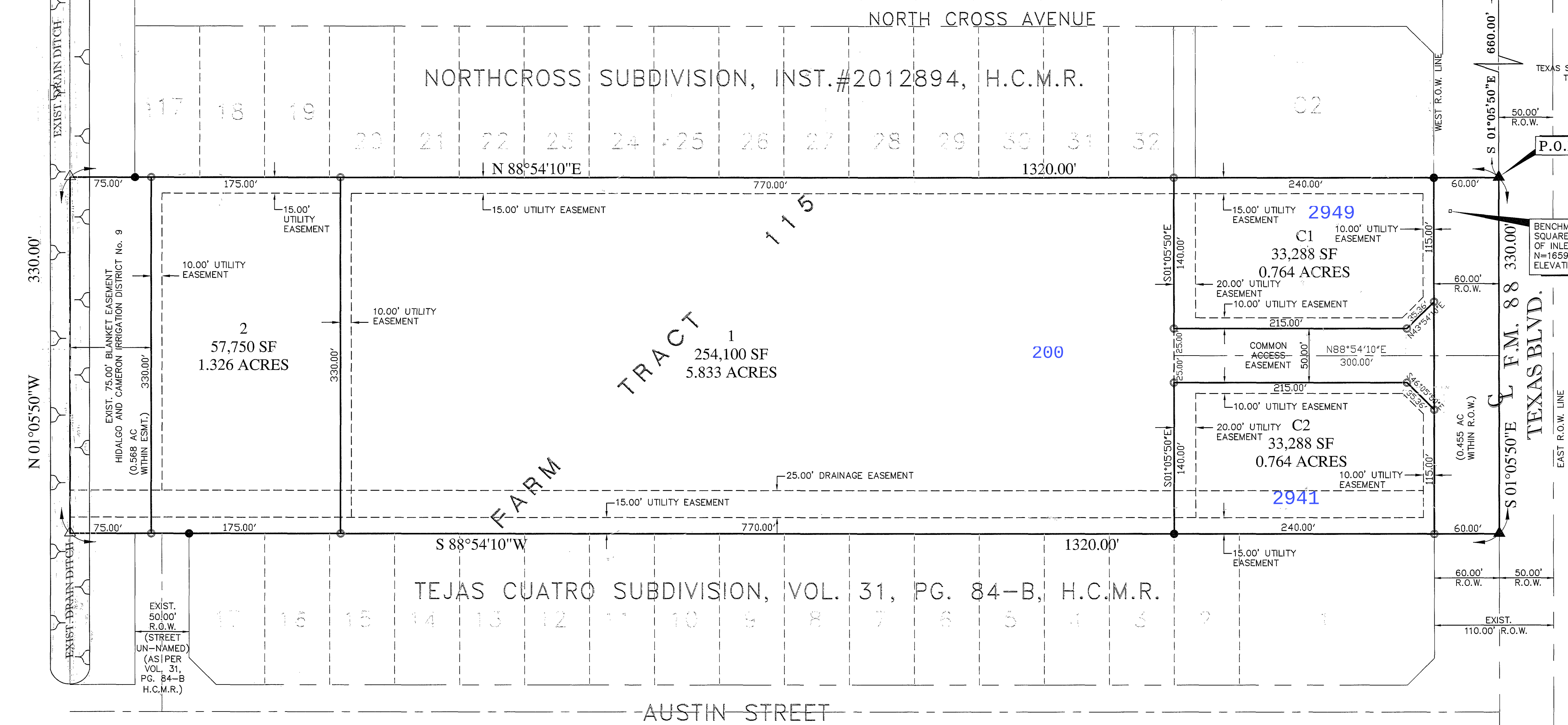
Reference: Abandonment of easements 2949 Lot C1 N. Texas Blvd.

Hello, this letter is to inform you that we are requesting to abandon the easements of 20' feet to 10' feet on the west side of the property, and from 15' feet to 10' feet on the northside of the property of 2949 Lot C1 N. Texas Boulevard. We have contacted the required entities that may have some proprietary rights on this commercial land, and they have advised that they do not need the necessary easements. I have attached the letters from those entities. I can be reached at 956-532-1030 or my email address at nelda027@yahoo.com.

Respectfully,
Mr. & Mrs. Juan | Nelda Gonzalez

RE-PLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION

BEING 10.00 ACRE TRACT OF LAND SITUATED IN HIDALGO COUNTY, TEXAS. SAME BEING A REPLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION, RECORDED IN INST. #2061119, MAP RECORDS OF HIDALGO COUNTY, TEXAS, AND SAME BEING THE NORTH 10 ACRES OF THE SOUTH 20 ACRES OF FARM TRACT 115, WEST TRACT SUBDIVISION, LLANO GRANDE GRANT AS PER MAP RECORDED IN VOLUME 2, PAGE 34-37, MAP RECORDS, HIDALGO COUNTY, TEXAS



LEGEND	
○	SET 1/2 INCH IRON ROD
●	FD. 1/2 INCH IRON ROD
▲	COTTON PICKER SPINDLE SET
△	CALCULATED POINT

WESLACO CITY LIMITS

PLAT NOTES AND RESTRICTIONS

- RE-PLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION IS LOCATED IN ZONE "X" ACCORDING TO FEMA'S FLOOD INSURANCE RATE MAP COMMUNITY PANEL NUMBER 480334 0450 C, MAP REVISED JUNE 6, 2000.
- MINIMUM BUILDING SETBACK LINES ARE AS FOLLOWS:
FRONT: 50 FEET
SIDE: 5 FEET CORNER LOTS: 10 FEET
REAR: 15 FEET, OR TO EASEMENT LINE, WHICHEVER IS GREATER.
- THESE LOTS SHALL REQUIRE PLANNING DEPARTMENT, HEALTH DEPARTMENT AND FIRE MARSHALL APPROVAL. APPLICATIONS FOR CONSTRUCTION ARE REQUIRED PRIOR TO OCCUPYING THE LOT.
- MINIMUM FLOOR ELEVATION SHALL BE 18" ABOVE TOP OF CURB OR 12" ABOVE NATURAL GROUND, WHICHEVER IS GREATER.
- NO STRUCTURE SHALL BE PERMITTED OVER ANY EASEMENT. EASEMENTS SHALL BE KEPT CLEAR OF FENCES, BUILDINGS, SHEDS, SHRUBS, TREES, AND OTHER PLANTING (EXCEPT LOW, LESS THAN 18 INCHES MATURE HEIGHT, GROUND COVER, GRASS, OR FLOWERS) AND OTHER OBSTRUCTIONS THAT WOULD INTERFERE WITH THE OPERATIONS AND MAINTENANCE OF THE EASEMENT.
- IN ACCORDANCE WITH THE HIDALGO DRAINAGE DISTRICT NO. 1 AND HIDALGO COUNTY REQUIREMENTS, THIS DEVELOPMENT WILL BE REQUIRED TO DETAIN APPROXIMATELY A TOTAL OF 36,745 CUBIC-Feet 0.84 ACRE-Feet OF STORM WATER RUNOFF. DETENTION WILL BE PROVIDED IN LANDSCAPED DETENTION SWALES.
- BENCHMARK:
SQUARE CUT NE CORNER OF INLET
N=16594660.81, E=1151054.00, ELEVATION= 71.76
- THE DEVELOPER SHALL INSTALL STREET LIGHTING AND SIGNAGE AT THE TIME OF SITE DEVELOPMENT.
- A 5' CONCRETE SIDEWALK SHALL BE INSTALLED ALONG F.M. 88 DURING SITE DEVELOPMENT. THE LOCATION OF THE SIDEWALK SHALL BE ACCORDING TO CITY OF WESLACO STANDARDS AND SPECIFICATIONS.
- UTILITIES PROVIDERS:
WATER: CITY OF WESLACO
SANITARY SEWER: CITY OF WESLACO
ELECTRICITY: M.V.E.C.
- ADDITIONAL FIRE HYDRANT AND A WATER LINE EXTENSION AND LOOP WILL BE REQUIRED AT THE TIME OF SITE DEVELOPMENT.
- PARK FEES WILL BE PAID TO CITY OF WESLACO, AS PER CITY ORDINANCE.
- WATER LINE WILL NEED TO BE LOOPED AT TIME OF BUILDING PERMIT.
- A STORMWATER POLLUTION PREVENTION PLAN MUST BE SUBMITTED PRIOR TO ISSUANCE OF BUILDING PERMIT.
- NO ACCESS, LOT FRONTAGE PERMITTED ALONG F.M. 88 (TEXAS BLVD.) FOR LOTS C1 & C2

STATE OF TEXAS - COUNTY OF HIDALGO OWNER'S DEDICATION, CERTIFICATION, AND ATTESTATION

I, HERMAN MENDEZ, PASTOR OF APOSTOLIC ASSEMBLY CHURCH OF THE FAITH IN CHRIST JESUS, INC., AS OWNER OF THE 10.00 ACRE TRACT OF LAND ENCOMPASSED WITHIN THE PROPOSED RE-PLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION HEREBY SUBDIVIDE THE LAND AS DEPICTED IN THIS SUBDIVISION PLAT AND DEDICATE TO PUBLIC USE OF STREETS, PARK, AND EASEMENTS SHOWN HEREIN. I CERTIFY THAT I HAVE COMPLIED WITH THE REQUIREMENTS OF TEXAS LOCAL GOVERNMENT CODE § 232.032 AND THAT:

- THE WATER QUALITY AND CONNECTIONS TO THE LOTS MEET, OR WILL MEET, THE MINIMUM STATE STANDARDS;
- SEWER CONNECTIONS TO THE LOTS OR SEPTIC TANKS MEET, OR WILL MEET, THE MINIMUM REQUIREMENTS OF STATE STANDARDS;
- ELECTRICAL CONNECTIONS PROVIDED TO THE LOTS MEET, OR WILL MEET, THE MINIMUM STATE STANDARDS; AND
- GAS CONNECTIONS, IF AVAILABLE, PROVIDED TO THE LOTS MEET, OR WILL MEET, THE MINIMUM STATE STANDARDS.

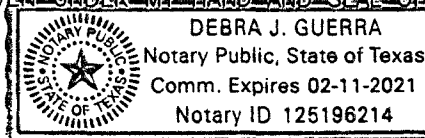
I ATTEST THAT THE MATTERS ASSERTED IN THIS PLAT ARE TRUE AND COMPLETE.

Herman Mendez 7/13/17
PASTOR - HERMAN MENDEZ,
APOSTOLIC ASSEMBLY CHURCH
OF THE FAITH IN CHRIST JESUS, INC.

STATE OF TEXAS - COUNTY OF HIDALGO PUBLIC NOTARY CERTIFICATE

BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, ON THIS DAY PERSONALLY APPEARED **HERMAN MENDEZ** PROVED TO ME THROUGH HIS/HER TEXAS DEPARTMENT OF PUBLIC SAFETY DRIVER LICENSE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, WHO, BEING BY ME FIRST DULY SWORN, DECLARED THAT THE STATEMENTS THEREIN ARE TRUE AND CORRECT AND ACKNOWLEDGED THAT HE EXECUTED THE SAME FOR THE PURPOSED AND CONSIDERATION THEREBY EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 13th DAY OF July, 2017



Debra J. Guerra 02-11-21
NOTARY PUBLIC MY COMMISSION EXPIRES

STATE OF TEXAS - CITY OF WESLACO PLAT APPROVAL CERTIFICATE

I, THE UNDERSIGNED, MAYOR TO THE CITY OF WESLACO, HEREBY CERTIFY THAT RE-PLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THIS CITY WHEREIN MY APPROVAL IS REQUIRED.

David Perry 7/26/17
CITY MAYOR DATE
WCC 11/6/16; 02/21/17
ATTEST-CITY SECRETARY DATE

I, THE UNDERSIGN CHAIRMAN OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF WESLACO, TEXAS HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISIONS REGULATIONS OF THE CITY WHEREIN MY APPROVAL IS REQUIRED.

7/26/17
PLANNING AND ZONING COMMISSION CHAIRMAN DATE

PRINCIPAL CONTACTS:		
NAME	ADDRESS	PHONE
OWNER: HERMAN MENDEZ	APOSTOLIC ASSEMBLY OF THE FAITH IN CHRIST JESUS, INC. P.O. BOX 404 WESLACO, TX 78596	(956) 376-1717
ENGINEER: GILBERT J. GUERRA	P.E. 921 SOUTH 10TH ST. EDINBURG, TEXAS 78538	(956) 380-5152 (956) 380-5083
SURVEYOR: EDWARD RUMSEY,	R.P.L.S. 9020 ANDERSON MILL AUSTIN, TEXAS 78729	(512) 249-8149 (512) 331-5217

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 CERTIFICATE

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 HEREBY CERTIFIES THAT THE DRAINAGE PLANS FOR THIS SUBDIVISION COMPLY WITH THE MINIMUM STANDARDS OF THE DISTRICT ADOPTED UNDER TEXAS WATER CODE NO. 49.211(C). THE DISTRICT HAS NOT REVIEWED AND DOES NOT CERTIFY THAT THE DRAINAGE STRUCTURES DESCRIBED ARE APPROPRIATE FOR THE SPECIFIC SUBDIVISION, BASED ON GENERALLY ACCEPTED ENGINEERING CRITERIA. IT IS THE RESPONSIBILITY OF THE DEVELOPER OF THE SUBDIVISION AND ITS ENGINEER TO MAKE THESE DETERMINATIONS.

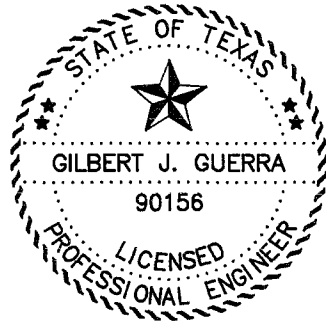
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

Raul E. Sesin 08/16/17
RAUL E. SESIN, P.E., C.E.M.
GENERAL MANAGER DATE

STATE OF TEXAS COUNTY OF HIDALGO

I, THE UNDERSIGNED, A REGISTERED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE PROPER ENGINEERING CONSIDERATIONS HAVE BEEN GIVEN TO THIS PLAT.

Gilbert J. Guerra 7/11/17
GILBERT J. GUERRA
REG. PROFESSIONAL ENGINEER NO. 90156 DATE



METES AND BOUNDS

BEING 10.00 ACRE TRACT OF LAND SITUATED IN HIDALGO COUNTY, TEXAS. SAME BEING A REPLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION, RECORDED IN INST. #2061119, MAP RECORDS OF HIDALGO COUNTY, TEXAS, AND SAME BEING THE NORTH 10 ACRES OF THE SOUTH 20 ACRES OF FARM TRACT 115, WEST TRACT SUBDIVISION, LLANO GRANDE GRANT AS PER MAP RECORDED IN VOLUME 2, PAGE 34-37, MAP RECORDS, HIDALGO COUNTY, TEXAS AND SAID 10.00 ACRE TRACT BEING MORE PARTICULAR DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING AT THE NORTHEAST CORNER OF FARM TRACT 115, SAME BEING A POINT WITHIN THE RIGHT-OF-WAY OF FM 88, (TEXAS AVENUE)

THENCE, S 01°05'50" E ALONG THE CENTERLINE OF FM 88, SAME BEING THE EAST LINE OF FARM TRACT 115, A DISTANCE OF 660.00 FEET TO A COTTON PICKER SPINDLE SET, THE SOUTHEAST CORNER OF THE NORTH CROSS SUBDIVISION, RECORDED IN DOC # 2009-2012894, HIDALGO COUNTY MAP RECORDS, HIDALGO COUNTY, TEXAS, SAME BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT AND POINT OF BEGINNING;

THENCE, S 01°05'50" E ALONG THE CENTERLINE OF FM 88, A DISTANCE OF 330.00 FEET TO A COTTON PICKER SPINDLE SET FOR THE NORTHEAST CORNER OF THE TEJAS CUATRO SUBDIVISION, RECORDED IN VOLUME 31, PAGE 84-B, HIDALGO COUNTY MAP RECORDS, HIDALGO COUNTY, TEXAS, SAME BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, S 88°54'10" W ALONG THE NORTH LINE OF THE SAID TEJAS CUATRO SUBDIVISION, PASSING AT 60.00 FEET A IRON ROD SET, THE WEST RIGHT-OF-WAY OF FM 88, AND PASSING AT 1210.00 FEET AN IRON ROD FOUND ON THE EAST RIGHT-OF-WAY OF STREET DEDICATED BY THE TEJAS CUATRO SUBDIVISION, CONTINUING FOR A TOTAL DISTANCE OF 1320.00 FEET TO CALCULATED POINT IN THE CENTERLINE OF DRAINAGE DITCH, FOR THE NORTHWEST CORNER OF THE SAID TEJAS CUATRO SUBDIVISION, SAME BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, N 01°05'50" W ALONG THE WEST LINE OF FARM TRACT 115, A DISTANCE OF 330.00 FEET TO A CALCULATED POINT, THE SOUTHWEST CORNER OF THE NORTHCROSS SUBDIVISION, SAME BEING THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

THENCE, N 88°54'10"E ALONG THE SOUTH LINE OF THE SAID NORTH CROSS SUBDIVISION, PASSING AT 1260.00 FEET AN IRON ROD FOUND, THE WEST RIGHT-OF-WAY OF FM 88, CONTINUING FOR A TOTAL DISTANCE OF 1320.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 10.00 ACRES OF LAND MORE OR LESS.

STATE OF TEXAS COUNTY OF HIDALGO

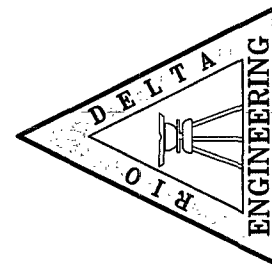
I, THE UNDERSIGNED, IVAN GARCIA, R.P.L.S., A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECTLY MADE AND IS PREPARED FROM AND ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION ON THE GROUND.

Ivan Garcia 7/11/17
IVAN GARCIA
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6496
SURVEY FIRM # 10194027 DATE



RIO DELTA ENGINEERING

FIRM REGISTRATION NO. F-7628
SURVEY FIRM NO. 10194027
921 S. 10TH AVENUE EDINBURG, TEXAS 78539
(TEL) 956-380-5152 (FAX) 956-380-5083



DRAWN: OSCAR ALARCON JR.
BOUNDARY DESIGN:
IVAN GARCIA, P.E., R.P.L.S.
CHECKED:
GILBERT J. GUERRA P.E.
SURVEYOR:
IVAN GARCIA, P.E., R.P.L.S.
SCALE: 1"=60'
DATE: JULY, 2017

ISSUED FOR:
FINAL

PLAT SHEET
RE-PLAT OF APOSTOLIC
ASSEMBLY CHURCH SUBDIVISION
WESLACO, TEXAS



FILED FOR RECORD IN
HIDALGO COUNTY
CLERK
ON: 8/29/17 AT 9:57 AM
INSTRUMENT NUMBER 2044947

BY: *Amador Card* DEPUTY

PROJECT:
SUB 13 028

PAGE NO.
1 OF 1



3/2 /21

REF: City of Weslaco

Address: 2941 North Texas lot C1

Weslaco, Texas 78559

To whom it may concern:

Spectrum cable has no issue in releasing the 20' feet easement and bringing it down to 10'. We have no cable at this time been affected by this request, our cable runs parallel to Texas Blvd along the east right of way and is overhead attached to AEP poles. Any questions, I can be reach at 956-412-5489 and my e-mail address is Robert.Martinez@charter.com.

Sincerely,

Robert Martinez

A handwritten signature in black ink that reads "Robert martinez" in a cursive, lowercase script.

RGV Construction Coordinator

Supervisor Clair Garcia



An AEP Company

BOUNDLESS ENERGY™

February 24, 2021

Nelda G. Gonzalez and spouse, Juan Gonzalez
3308 Rosewood Drive
Weslaco, TX 78599

RE: Reduction of a Utility Easement, Apostolic Assembly Church Subdivision, Lot C1

To Whom It May Concern,

AEP Texas Inc (AEP) has reviewed your request regarding a 20' utility easement located along the WEST property line of Lot C1, and a 15' utility easement located along the NORTH property line of Lot C1, a Re-Plat of Apostolic Assembly Church Subdivision, Hidalgo County, Texas, as per map or plat thereof recorded in Document Number 2844947, Official Map Records of Hidalgo County, Texas.

AEP has agreed in reducing the entire Utility Easement to 10' that runs along the WEST and NORTH property lines of said tract of land. AEP has no interest and does hereby relinquish any right to any future distribution use of the additional designated 10' feet on the WEST side and 5' utility easement on the NORTH side of the property. 10' foot utility easement will begin along the property lines of said tract of land.

AEP Texas Inc does not hereby abandon any other easements on the property it might have obtained through other means. Please do not hesitate to contact AEP if you have further questions at (956) 626-2617.

Sincerely,
AEP TEXAS INC

A handwritten signature in blue ink, appearing to read "Mario G. Campos". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mario G. Campos
Right-of-Way Agent
Rio Grande Valley District

Rebekah M. De La Fuente

From: Nelda <nelda027@yahoo.com>
Sent: Wednesday, September 8, 2021 12:10 PM
To: Rebekah M. De La Fuente
Subject: Re: Changing utility setbacks

It's no longer Verizon. It's Frontier and they never sent me anything in writing yet. It's been too long waiting for them to send me something. Verizon told me this area pertains to Frontier.

I did speak to a man who said he was going to go view the site and let his supervisor know that I'm needed a letter but no one has sent me anything. It's been to long already.

Don't know what to do anymore.

[Sent from Yahoo Mail for iPhone](#)

On Wednesday, September 8, 2021, 11:16 AM, Rebekah M. De La Fuente <rdelafuente@weslacotx.gov> wrote:

Good Morning,

Do you by chance have any of the emails from Verizon it doesn't necessarily need to be on letter head

Rebekah de la Fuente, CFM

Planning & Code Enforcement Director



City of Weslaco

255 S. Kansas Avenue

Weslaco, TX 78596

Ph: (956) 447-3403

Fax: (956) 973-3128

rdelafuente@weslacotx.gov

From: Nelda <nelda027@yahoo.com>
Sent: Sunday, September 5, 2021 11:15 AM
To: Rebekah M. De La Fuente <rdelafuente@weslacotx.gov>
Subject: Changing utility setbacks

Morning,

So I reached out to Verizon back 2 months and

I was told that they do not service that area, that it's frontier. I called frontier and ask them

About them needing utility easement and she said they do everything above ground. I requested a letter and it was never sent. I called them again 3 weeks ago and

he told me he was going to the site and would let dept know of letter that I'm needing and to of this day, he has yet to send me

Anything.

I really want to move forward so we

Can get our blue prints finished and start building. Maybe if you call them, they would tell you over the phone that they don't need utility easement.

I've already sent which I believe is the most important one, which is spectrum, since they do use cables underground at times.

Please advise if utility easement can be reduced to 10ft all around.

Thanks

Nelda

[Sent from Yahoo Mail for iPhone](#)

ORDINANCE NO. 2021-41

AN ORDINANCE REDUCING THE SIZE OF 15-FOOT UTILITY EASEMENT ALONG THE NORTHSIDE LOT C-1 RE-PLAT OF APOSTOLIC ASSEMBLY CHURCH SUBDIVISION, HIDALGO COUNTY, TEXAS, TO A 10 FOOT UTILITY EASEMENT AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT:

SECTION I. Reducing the size of 15-foot utility easement along the northside Lot C-1 Re-Plat of Apostolic Assembly Church Subdivision, Hidalgo County, Texas, to a 10-foot utility easement

SECTION II: That this ordinance shall become effective upon its passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 19th day of October 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 2nd day of November 2021.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4743	
From: REBEKAH DE LA FUENTE			
Subject: Approval on Ordinance 2021-42 for the Voluntary Annexation of Adams Tract Subdivision – being 1.166 AC out of North 210.10 ft. of the East 242.00 ft. of Farm Tract 1009, Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located on the Southwest corner of intersection FM 1015 and Mile 6 North and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by Planning & Code Enforcement Department.)			
Background: The one (1) lot subdivision is outside the City of Weslaco city limits. This subdivision is being serviced with water by the City of Weslaco through a 12" waterline and has proposed sewer by the City of Weslaco through an 8" sanitary sewer line. The location is the existing Nana's Taqueria.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Ordinance - First Reading Ordinance - Final Reading			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation): The Planning and Zoning Commission recommended approval of the voluntary annexation at their regular meeting of October 6, 2021.			
NORMA CANTU REBEKAH DE LA FUENTE Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval of the voluntary annexation.			
Attachments, if any: Voluntary Annexation- Nana's Taqueria- Memo, Nana's Taqueria - attachments, Voluntary Annexation - Aerial, O2021-42 Annexation Nana's Taqueria			

Responsibilities upon Approval: Staff will advise applicant

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

MEMO

TO: Mayor and City Commission

FROM: Rebekah de la Fuente, Planning & Code Enforcement Director

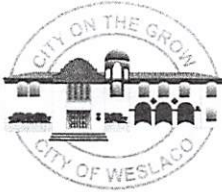
RE: Voluntary Annexation- Nana's Taqueria

DATE: October 12, 2021

The proposed one (1) lot subdivision is located just outside the City of Weslaco city limits on the Southwest corner of FM 1015 and E 18th Street, which is the existing Nana's Taqueria. The location is provided with water by City of Weslaco and has proposed to tie into an existing sanitary sewer owned by the City of Weslaco which is located on the Northwest corner of FM 1015 and E 18th Street. This annexation will be contiguous to the current city limits.

Thank you,

Rebekah de la Fuente, CFM



APPLICATION FOR VOLUNTARY ANNEXATION

ANNX-000112-2021

The Planning & Zoning Commission meets every 1st Wednesday of each month at 5:30 pm.

The City Commission meets every 1st and 3rd Tuesday of each month at 5:30 pm

FILE NO. _____

GENERAL INFORMATION

Name of Subdivision: Adams Tract Subdivision

Location: Hidalgo County, Texas

Legal Description: Plat of a 1.166 Acre Tract, Out of the North 2010.10 Ft. of The East 242.00 ft of Farm tract 1009

- ☒ Petition for annexation signed and notarized by property owners.
☐ Detailed dimensioned site plan/map must be submitted with this request.
☐ Survey and metes and bounds.
☐ City and school tax receipts attached.

OWNER INFORMATION

Owner's Name: Alfredo Treviño Telephone: 956-520-9728

Address: 1907 Tomatillo Dr Fax: _____

City: Weslaco State: Tx Zip: 78596 E-mail: alfredotrevu@gmail.com

ENGINEER INFORMATION

Name: William R. Shea Telephone: (956) 968-2194

Address: 611 S International Blvd Fax: _____

City: Weslaco State: Tx Zip: 78596 E-mail: _____

AUTHORIZATION AND ACKNOWLEDGEMENTS

I certify that I am the actual owner of the property described above and this application is being submitted with my consent (include corporate name if applicable); and the following person listed below is my authorized agent to act on my behalf.

I certify that the above information is correct and complete to the best of my knowledge. I understand that I must comply with all applicable local, state, and federal regulations.

Owner Printed Name: Alfredo Treviño
Owner Signature: [Signature] Date: 8/30/2021

_____ is the authorized agent

Authorized Agent Signature: _____ Date: _____

Authorized Agent Printed Name: _____

THIS PAGE FOR STAFF USE ONLY

Date Received: _____ Received By: _____

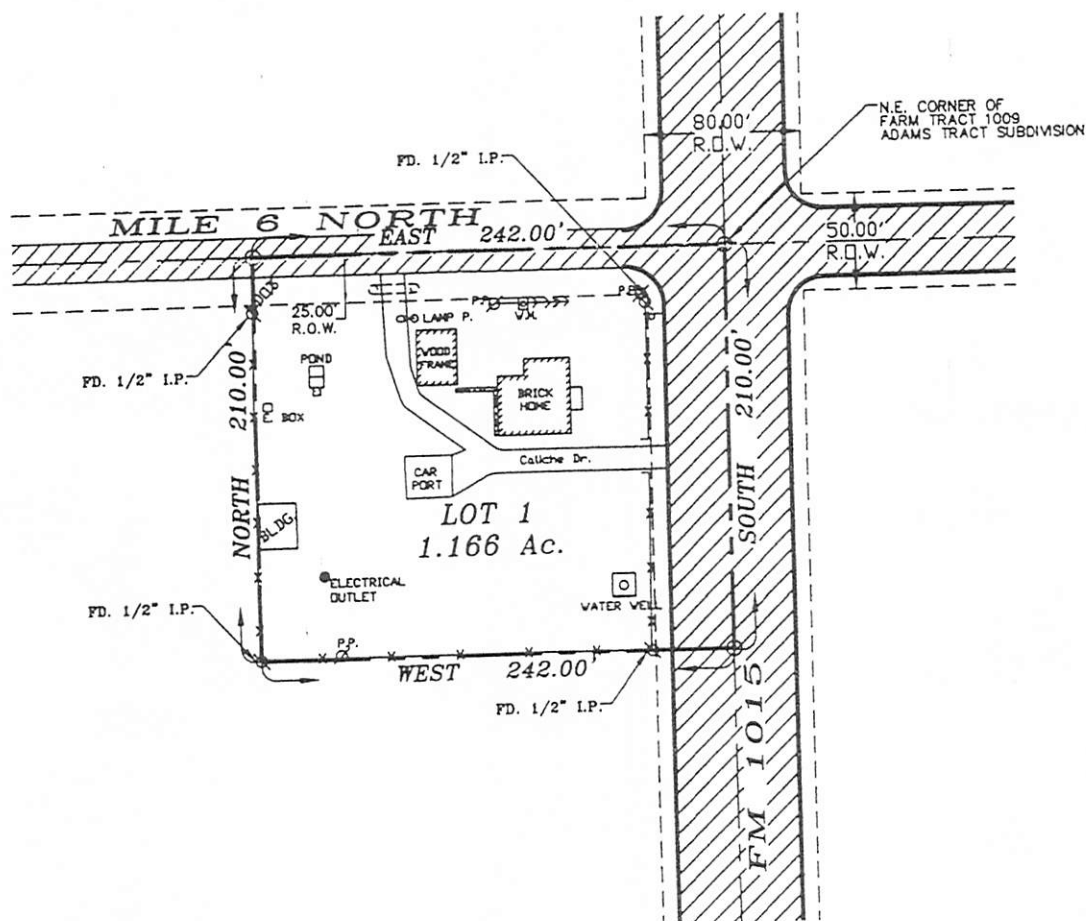
Staff Review Date: _____

P & Z Commission Approval: _____

City Commission Approval on First Reading: _____

City Commission Approval on Final Reading: _____

SCALE 1"=100'



LEGEND

Property Line.....
 Fd. Iron Pin.....
 Wire Fence

PLAT OF A 1.166 ACRE TRACT,
 OUT OF THE NORTH 210.10
 FT. OF THE EAST 242.00 FT.
 OF FARM TRACT 1009,
 ADAMS TRACT SUBDIVISION
 HIDALGO COUNTY, TEXAS

This survey is being provided solely for the use of the current parties and that no license has been created, express or implied, to copy the survey except as is necessary in conjunction with the original transaction which shall take place within a six (6) months time period.

This is to certify that the foregoing plat is, to the best of my knowledge, a true and complete representation of properties as surveyed under my direction.

Signed William R. Shea
 Date 07/26/04



Sigler,
 Winston,
 Greenwood,
 & Associates, Inc.
SWG
 CONSULTING ENGINEERS
 WESLACO-McALLEN
 TEXAS

S-4795

7-26-04

SINCE 1945
 COPYRIGHT 2004

150—WARRANTY DEED (WITH VENDOR'S LIEN)

DEED

TEXAS STANDARD FORM

The State of Texas,

County of HIDALGO

12391
Know All Men by These Presents:

That I, Mrs. Vinnie L. Aldridge, a widow, individually and as Independent Executrix of the Estate of Getty Grady Aldridge, Deceased,

of the County of Hidalgo State of Texas for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars and other good and valuable consideration,

~~DOLLARS~~

to me paid, and secured to be paid, by Augustine Cano and wife, Margarita L. Cano, of Weslaco, Hidalgo County, Texas,

as follows:

The sum of Ten and No/100 (\$10.00) Dollars in cash, the receipt of which is hereby acknowledged and confessed.

As a further part of the consideration, the additional sum of Four Thousand and No/100 (\$4,000.00) Dollars being advanced to the Grantor herein by Brownsville Savings & Loan Association at the request of Grantees, said sum being evidenced by one promissory installment note in that amount of even date herewith bearing interest at the rate of 7.2% per annum, both principal and interest being due and payable to the order of Brownsville Savings & Loan Association at its offices in Brownsville, Texas, in 120 equal monthly installments of Forty Six and 86/100 (46.86) Dollars each commencing on September 1, 1965, and a like installment on the first day of each month thereafter. Said note is additionally secured by a Deed of Trust of even date herewith to C. S. Eidman, Jr., Trustee for said Association.



have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said

Augustine Cano and wife, Margarita L. Cano
of Weslaco,

of the County of Hidalgo State of Texas all that certain lot, tract, piece or parcel of land lying and being situated in Hidalgo County, Texas, and more particularly described as follows, to-wit:

Being the North 210 feet of the East 242 feet of Farm Tract 1009, Adams Tract Subdivision, Hidalgo County, Texas, according to a map or plat thereof now of record in the office of the County Clerk of Hidalgo County, Texas, to which map or plat reference is here made for all purposes;

This conveyance is subject to the following:

DEED

- 1. The reservation by Vinnie L. Aldridge of all of the oil, gas and other minerals lying in, on and under said property to herself, her heirs and assigns forever.
- 2. All visible easements and easements in favor of Hidalgo and Cameron Counties Water Control and Improvement District Number Nine, and any other easements of record in the offices of the County Clerk of Hidalgo County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said

Augustine Cano and wife, Margarita L. Cano, their heirs and assigns forever and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said

Augustine Cano and wife Margarita L. Cano, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

But it is expressly agreed and stipulated that the Vendor's Lien is retained against the above described property, premises and improvements, until the above described note, and all interest thereon are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

WITNESS my hand and
this 15th day of July,

19 65

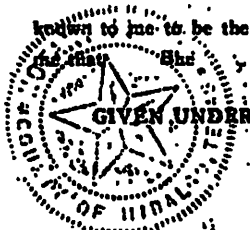
Vinnie L. Aldridge
Vinnie L. Aldridge

~~WITNESS my hand and~~

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF HIDALGO

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Vinnie L. Aldridge, a widow, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to executed the same for the purposes and consideration therein expressed.



(L. S.)

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 16th day of July, A. D. 1965.
E. H. McILHERAN
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS
Notary Public in and for Hidalgo County, Texas

DEED

12391

150

Warranty Deed

(WITH VENDOR'S LIEN)

FROM

VINNIE L. ALDRIDGE, A WIDOW
TO

AUGUSTINE CANO, ET UX

FILED FOR RECORD
FILED FOR RECORD THIS DATE

This day of clock M. A. D. 19

At JUL 19 1965 M.

JULIO GUZMAN

County Clerk

By County Clerk, Hidalgo County, Texas

Deputy

RECORDED

A. D. 19

In County Records

In Book on Page

County Clerk

By Deputy

CHARGE & RETURN:
Recording Fee \$

This instrument should be filed immediately with
the County Clerk for Record.

SMITH, HOLMES & JENNINGS
ATTORNEYS AT LAW
P. O. BOX 318
WESLACO, TEXAS

THE ODEE COMPANY, PUBLISHERS, DALLAS

*
 Official Receipt for Recording in:

Hidalgo County
 P.O. BOX 58

Edinburg, Texas 78540

Issued to:

RICHARD S. TALBERT
 612 SOUTH TEXAS
 968-1578
 WESLACO TX 785966222

Recording Fees

Document Description	Number	Volu	Page	Recording Amount
Recording RL	1416996			\$14.00

\$14.00

Collected Amounts

Payment Type	Amount
Check	20723
	\$14.00
	\$14.00

Total Received :	\$14.00
Less Total Recordings:	\$14.00
Change Due :	\$0.00

Thank You
 J. D. SALINAS, III - County Clerk
 By Deputy - Rebecca Mariscal

Receipt# Date Time
 0639755 12/27/2004 11:08a

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

RELEASE OF LIEN

Date: November 1, 2004

Note:

Date: July 8, 2004
 Original Amount: TWENTY THOUSAND DOLLARS (\$20,000.00)
 Maker: ALFREDO TREVINO and wife, E. ROXANNA TREVINO
 Payee: AGUSTIN A. CANO and wife, MARGARITA L. CANO

Holder of Note and Lien: AGUSTIN A. CANO and wife, MARGARITA L. CANO

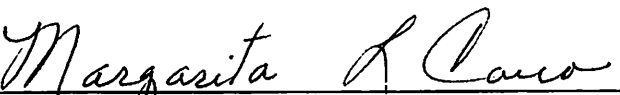
Holder's Address: 1601 S. Airport Drive, Lot#312-Weslaco, TX 78596

Note and Lien are described in the following documents Warranty Deed with Vendor's Lien recorded under Document No. 1367523 and Deed of Trust recorded under Document No. 1367524, Official Records, Hidalgo County, Texas.

Property to be released from lien: The North 210.00 feet of the East 242.00 feet of Farm Tract 1009, ADAMS TRACT SUBDIVISION, Hidalgo County, Texas, according to the map recorded in Volume 2, Page 34, Map Records in the Office of the County Clerk of Hidalgo County, Texas.

Holder of the Note acknowledges its payment and releases the property from the lien(s). When the context requires, singular nouns and pronouns include the plural.

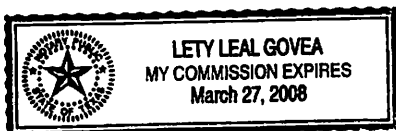

 AGUSTIN A. CANO

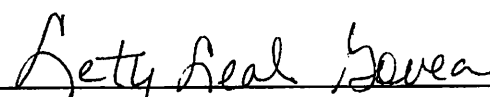

 MARGARITA L. CANO

(Acknowledgment)

State of Texas

This instrument was acknowledged before me on the 2nd day of November, 2004, by AGUSTIN A. CANO and wife, MARGARITA L. CANO.




 Notary Public, State of Texas

PREPARED BY:

Law Offices of Richard S. Talbert
 612 South Texas
 Weslaco, TX 78596-6222
 (956) 968-1578
 (956) 968-0698 (Fax)

AFTER RECORDING RETURN TO:

Mr. & Mrs. Alfredo Trevino
 4104 Monica Drive
 Weslaco, TX 78596

File/GF Number: 6415

Filed for Record in:
Hidalgo County
by J. D. Salinas, III
County Clerk

On: Dec 27, 2004 at 11:00A

As a Recording

Document Number: 1416996
Total Fees : 14.00

Receipt Number - 639755
By,
Rebecca Mariscal, Deputy

Voluntary Annexation

Nana's Taqueria- 1802 S International Blvd

Legend

 1802 S International Blvd

E 18th St

E 18th St

E 18th St

Camino de Verdad Rd

1015

1015

Google Earth

© 2021 Google



300 ft

ORDINANCE NO. 2021-42

AN ORDINANCE ANNEXING ADDITIONAL TERRITORY TO THE CORPORATE LIMITS OF THE CITY OF WESLACO, HIDALGO COUNTY, TEXAS ON VOLUNTARY PETITION OF AREA LAND OWNER SUCH LAND BEING 1.166 ACRES OF LAND, LOCATED IN HIDALGO COUNTY, TEXAS, WHICH IS CONTIGUOUS TO THE CITY LIMITS AND HEREINAFTER DESCRIBED; AS SHOWN IN THE ATTACHED EXHIBIT; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the City of Weslaco, Texas (the "City"), is a home rule municipality authorized by State law and the City's Charter to annex territory lying adjacent and contiguous to the City;

WHEREAS, the City Council, in compliance with §43.021, *Tex. Local Gov't Code*, instituted proceedings for the annexation of certain property more particularly described herein (the "subject property");

WHEREAS, the subject property hereby annexed is adjacent and contiguous to the present City limits;

WHEREAS, the boundaries of the City are contiguous to the subject property on at least two sides;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS:

SECTION 1. That all of the above premises and findings of fact are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. There is hereby annexed on voluntary petition of area landowner as part of the territory within the corporate boundaries of the City of Weslaco the following tract located in Hidalgo County, Texas, that totals to 15.00 acres and are more specifically described as follows, to-wit:

METES & BOUNDS DESCRIPTION

Being the North 210 feet of the East 242 feet of Farm Tract 1009, Adams Tract Subdivision, Hidalgo County, Texas, according to a map or plat thereof now of record in the office of the County Clerk of Hidalgo County, Texas. (Exhibit A)

SECTION 3. That the official map and boundaries of the City, heretofore adopted and amended be and hereby are amended so as to include the Annexed Property as part of the City of Weslaco.

SECTION 4. This ordinance shall be published in one (1) newspaper of general circulation published in Weslaco, once a week for two (2) weeks, after the last reading of the ordinance.

SECTION 5. That this Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov't. Code*.

SECTION 6. That it is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place,

and purpose of said meeting was given as required by the Open Meetings Act, *Chapter 551, Tex. Gov't. Code*.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 19th day of October 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 2nd day of November 2021.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

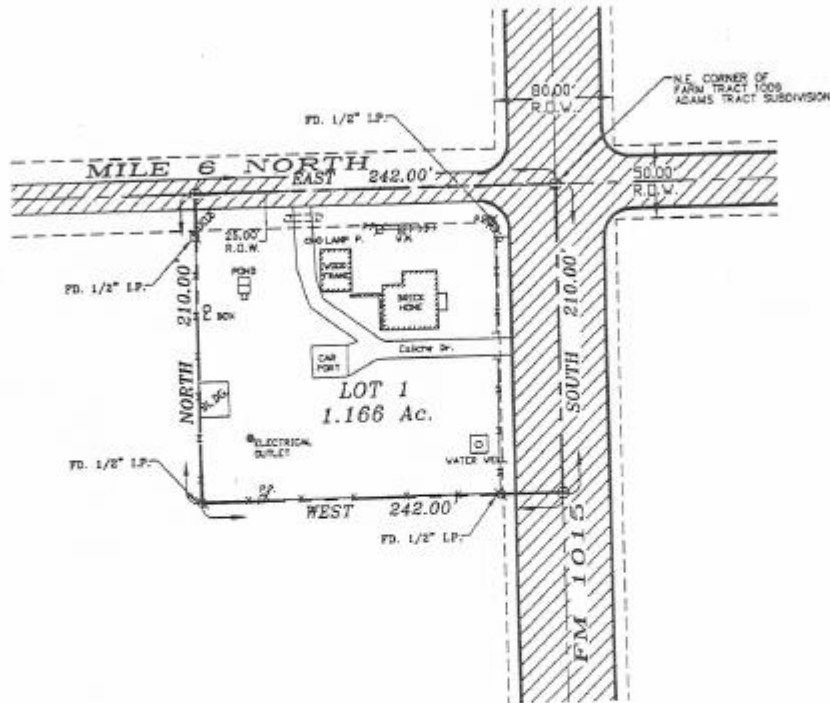
NORMA A. CANTU, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY

EXHIBIT A

SCALE 1"=100'



LEGEND

Property Line.....
 Fd. Iron Pin.....
 Wire Fence.....

PLAT OF A 1.166 ACRE TRACT,
 OUT OF THE NORTH 210.10
 FT. OF THE EAST 242.00 FT.
 OF FARM TRACT 1009,
 ADAMS TRACT SUBDIVISION
 HIDALGO COUNTY, TEXAS

This survey is being provided solely for the use of the current parties and that no license has been created, express or implied, to copy the survey except as is necessary in conjunction with the original transaction which shall take place within a six (6) months time period.

This is to certify that the foregoing plat is, to the best of my knowledge, a true and complete representation of properties as surveyed under my direction.

Signed William D. Shea
 Date 07/26/04



S-4795

7-26-04

SINCE 1945
 COPYRIGHT 2004



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4749
From: REBEKAH DE LA FUENTE		
Subject: Approval on Ordinance 2021-43 for the abandonment of a 50-foot right-of-way on West Esplanada Street and North Georgia Street and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by Planning & Code Enforcement Department.)		
Background: The original warehouse was constructed in 1944. The right of way was originally dedicated as part of the Pike Snead subdivision in 1967. However, this portion of right-of-way was never constructed.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Ordinance - First Reading Ordinance - Final Reading		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
NORMA CANTU REBEKAH DE LA FUENTE Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends the approval of the abandonment of the 50-foot right-of-way for West Esplanada Street and North Georgia Street.		
Attachments, if any: ROW- Memo, Ltr. City of Weslaco , Pike Snead Plat, O2021-43 Abandonment of 50' ROW Esplanada and N. Georgia		
Responsibilities upon Approval: Staff is advise the applicant		

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

MEMO

TO: Mayor and City Commission

FROM: Rebekah de la Fuente, Planning & Code Enforcement Director

RE: 50' Rights-of-way Abandonment

DATE: October 12, 2021

The original warehouse was constructed in 1944. The right of way was originally dedicated as part of the Pike Snead subdivision in 1967. However, this portions of Esplanada and N. Georgia rights-of-way was never fully constructed. The property owner has submitted a request to have the two portions of rights-of-ways abandoned and ownership transferred back to the property owner.

Thank you,

Rebekah de la Fuente, CFM

JONES, GALLIGAN, KEY & LOZANO, L.L.P.

F. L. Jones (1939-2007)
Robert L. Galligan
Terry D. Key (Retired)
Anita G. Lozano
Matthew L. Jones
Lance A. Kirby
Rebecca Gay Jones
Rudy Salinas, Jr.

ATTORNEYS AT LAW
Town Center Tower
2300 West Pike Blvd., Suite 300, Weslaco, Texas 78596
P. O. Drawer 1247, Weslaco, Texas 78599-1247
Telephone: (956) 968-5402
General Fax: (956) 968-6089 - Litigation Fax: (956) 969-9402

*1400 E. Madison, Suite 4, Brownsville, Texas 78520
Telephone: (956) 621-0710

Ivan F. Pérez
Eugene R. Vaughan, III
Paola R. Guerrero
Gregory P. Kerr
*Juan M. Pequeño, Jr.
Lauren K. Christy
David Lozano
Alexandro Benavides

Writer's e-mail: dlozano@jkgll.com
File No.:

September 22, 2021

Mr. Mike Perez, City Manager
City of Weslaco
255 S. Kansas Ave.
Weslaco, Texas 78596

Via Email: mrperez@weslacotx.gov

Re: Request for Abandonment of Dedicated Road by the City of Weslaco (the "City")

Dear Mr. Perez:

Our firm serves as legal counsel for the owner of the property located on the corner of W. Huisache and Border Ave in Weslaco, Hidalgo County, Texas (the "Property"). A survey has been done that shows that there exists a dedicated road to the City for the continuation of Esplanada Street and North Georgia Street through the Property. Attached is a survey as well as an aerial view of the Property with a drawing that outlines the Property and the dedicated road. As you know, those streets were never constructed and are not open.

The purpose of this letter is to request that the dedicated roads be abandoned by the City so as to unencumber the Property. We will be working with the surveyor to have a metes and bounds description of the dedicated roads submitted to the City.

If there is any other information you may need from us, please let us know and we will be sure to promptly provide it.

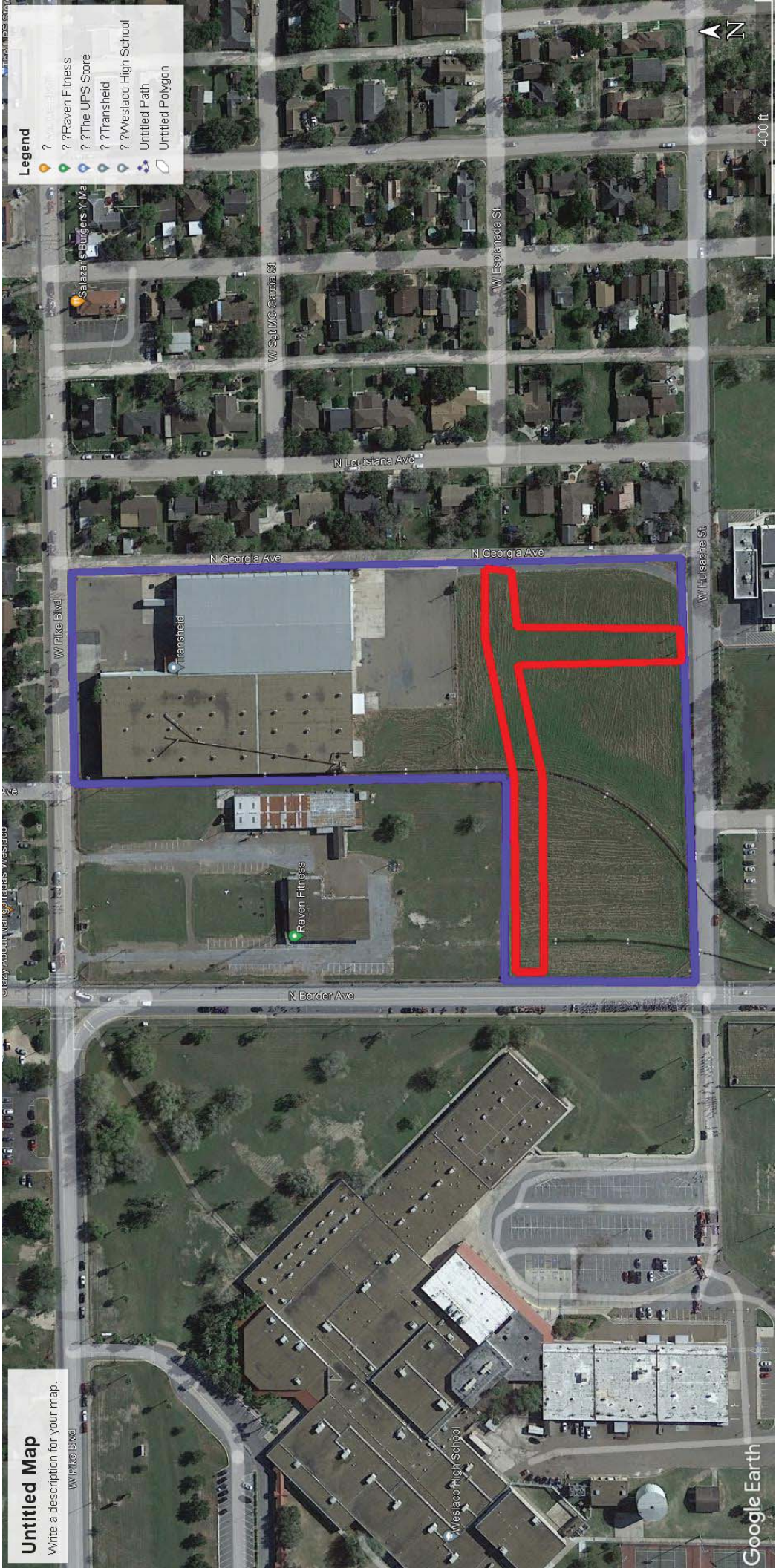
We thank you in advance for your consideration of this request.

Very truly yours,

JONES, GALLIGAN, KEY & LOZANO, L.L.P.

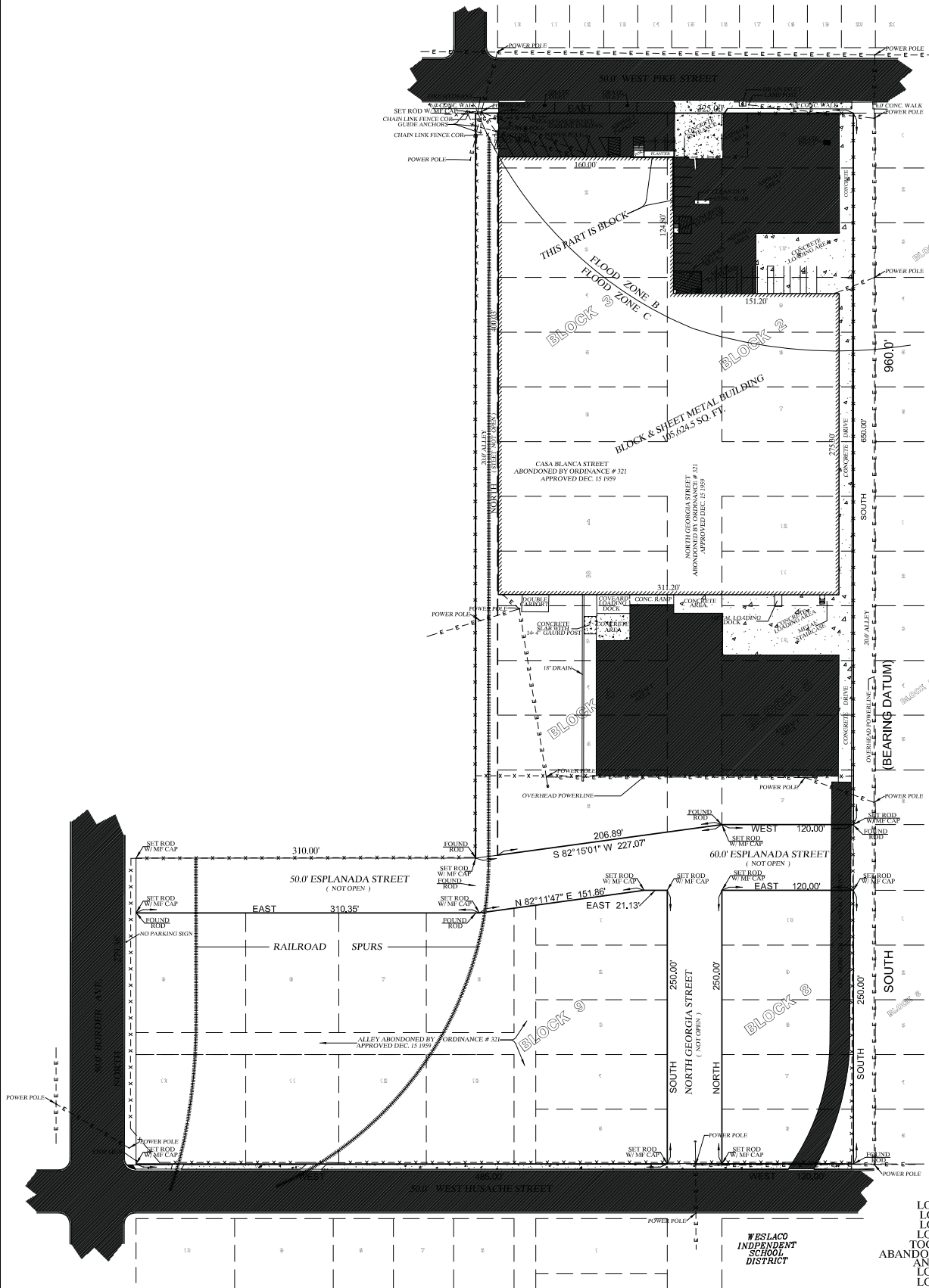
BY: _____

DAVID LOZANO



Untitled Map

Write a description for your map.



MAP OF

LOTS 7, THRU 12, BLOCK 2,
LOTS 1, THRU 6, BLOCK 3,
LOTS 1, THRU 6, BLOCK 4,
LOTS 7, THRU 12, BLOCK 5,
TOGETHER WITH ADJACENT
ABANDONED NORTH GEORGIA STREET
AND CASA BLANCA STREET
LOTS 6, THRU 10, BLOCK 8,
LOTS 1, THRU 13, BLOCK 9,
TOGETHER WITH ADJACENT ABANDONED
ALLEY IN SAID BLOCK
ALL IN THE PIKE-SNEAD ADDITION
CITY OF WESLACO
HIDALGO COUNTY TEXAS

PREPARED BY
MICHAEL FABIAN SURVEYING, INC.
Land Surveying & Consultants
320 North 15th Street
McAllen, Texas

Phone: (956) 630-1432 Fax: (956) 687-4660

Right-of-Way, Topographic, Construction Stakeout, Subdivision,
Coordination, Well Locations, Mortgage Surveys
MICHAEL FABIAN, R. P. L. S.

WO#: 02855 CRD: W02555

SCALE: 1"=60' DATE: 6-01-2012

I, MICHAEL FABIAN, A REGISTERED PROFESSIONAL
LAND SURVEYOR, DO HEREBY CERTIFY THE
FOREGOING MAP IS A REPRESENTATION OF SURVEY
MADE ON THE GROUND UNDER MY SUPERVISION
AND THAT THERE ARE NO VISIBLE DISCREPANCIES,
CONFLICTS, OR SHORTAGES IN AREA OR BOUNDARY
LINES, OR ANY ENCROACHMENTS OR OVERLAPPING
OF IMPROVEMENTS EXCEPT AS SHOWN ON THIS
PLAN. THIS PROPERTY IS IN ZONE "S" & "C" OF THE
FLOOD INSURANCE RATE MAPS.

COPY

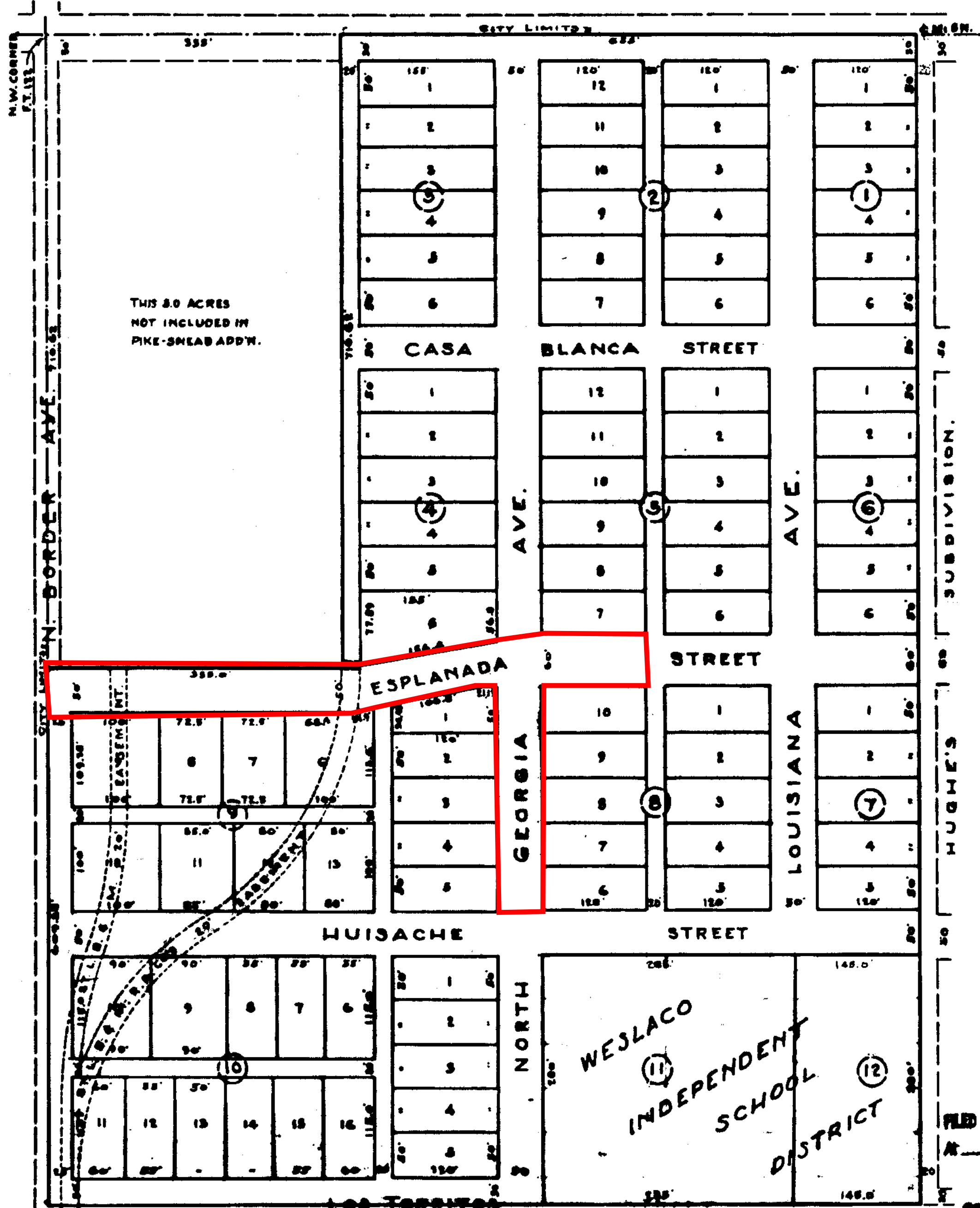
MICHAEL FABIAN
REGISTERED PROFESSIONAL LAND SURVEYOR
MULLEN, TEXAS

NOTE:
SURVEY DONE WITHOUT THE BENEFIT OF
A TITLE REPORT OR TITLE COMMITMENT.

**MAP OF
THE PIKE-SNEAD ADDITION
WESLACO, TEXAS.**

SCALE: 1"=100'
MARCH, 1956.

H. E. BENNETT, C.E.
WESLACO, TEXAS.



FILED FOR RECORD THIS DATE
At 11:20 AM
MAR 5 1956
GEO. L. ANDERSON
County Clerk, Hidalgo County, Texas
By *Editha* Deputy

STATE OF TEXAS:
COUNTY HIDALGO:

KNOW ALL MEN BY THESE PRESENTS, THAT WE, HERBERT M. PIKE AND TED R. SNEAD, OWNERS OF 25 ACRES OUT OF THE WEST 30 ACRES OF FARM TRACT 122, BLOCK 163, WEST TRACT SUBDIVISION, HIDALGO COUNTY, TEXAS, HAVE CAUSED THE SAME TO BE SUBDIVIDED AND PLATTED AS SHOWN ON THE ACCOMPANYING MAP, TO BE KNOWN AS "THE PIKE-SNEAD ADDITION", WESLACO, TEXAS, AND WE DO HEREBY DEDICATE THE AVENUES, STREETS AND ALLEYS AS SHOWN, TO THE USE OF THE PUBLIC FOREVER.

EXECUTED THIS 2ND DAY OF MAY - A.D. 1956.

Herbert M. Pike
Ted R. Snead

STATE OF TEXAS:
COUNTY HIDALGO:

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR HIDALGO COUNTY, TEXAS, ON THIS DAY PERSONALLY APPEARED HERBERT M. PIKE AND TED R. SNEAD, KNOWN TO ME TO BE THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND EACH ACKNOWLEDGED TO ME THAT THEY SIGNED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 2ND DAY OF MAY A.D. 1956

Garland F. Smith
GARLAND F. SMITH
NOTARY PUBLIC in and for
HIDALGO CO, TEXAS.

STATE OF TEXAS:
COUNTY HIDALGO:

THIS IS TO CERTIFY THAT THE FOREGOING MAP OF "THE PIKE-SNEAD ADDITION, WESLACO, TEXAS" IS TO THE BEST OF MY KNOWLEDGE, A FULL, TRUE AND COMPLETE REPRESENTATION OF THE ABOVE ADDITION, AS SUBDIVIDED INTO LOTS, BLOCKS, STREETS AND ALLEYS, AS PLATTED HEREON BY ME.

WITNESS MY HAND AND SEAL THIS THE 19TH DAY OF MARCH A.D. 1956

H. E. Bennett
H. E. BENNETT.
REGISTERED PROFESSIONAL ENG'R.

STATE OF TEXAS:
COUNTY HIDALGO:

SWORN AND SUBSCRIBED TO BEFORE ME THIS 19TH DAY OF March A.D. 1956

Garland F. Smith
GARLAND F. SMITH
NOTARY PUBLIC in and for
HIDALGO CO, TEXAS.

APPROVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS, AT ITS REGULAR MEETING ON THE 20TH DAY OF May, 1956.

ATTEST: *V. S. Thompson*
V. S. Thompson, City Secretary.

Chas M. Hearre
CHAS M. HEARRE, Mayor.

ORDINANCE NO. 2021-43

AN ORDINANCE ABANDONING 636.89 FEET OF ESPLANADA STREET ALSO BEING 50' RIGHT-OF-WAY LOCATED BETWEEN N. GEORGIA AVE AND N. BORDER AVE AND 250.00 FEET OF N. GEORGIA STREET FROM ESPLANADA ST. TO HUISACHE STREET, AS DEDICATED BY PIKE SNEAD SUBDIVISION, IN HIDALGO COUNTY, WESLCO, TEXAS AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREIN.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS, that:

WHEREAS, 636.89 feet of Esplanada Street also being 50' right-of-way located between N. Georgia Ave. and N. Border Ave and 250.00 feet of N. Georgia Street from Esplanada Street to Huisache Street, in Hidalgo County, Texas which is more particularly described in Exhibit "A" & "B", which is attached hereto and incorporated by reference herein; and

WHEREAS, said dedicated ROW was recorded in Vol 12 Page 17 of the Map Records of Hidalgo County, Texas; and

WHEREAS, the City does not require the dedication of the continuation of these rights-of-way as indicated in Exhibit "A" & "B"; and

WHEREAS, it is the opinion of the Weslaco City Commission of the City of Weslaco that it is in the best interest of the City of Weslaco that said 50' Rights-of-Way be abandoned.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, HIDALGO COUNTY, TEXAS:

The 50' Rights-of-Way described in Exhibit "A", shall be and the same is hereby abandoned.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 19th day of October 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 2nd day of November 2021.

CITY OF WESLACO

David Suarez, MAYOR

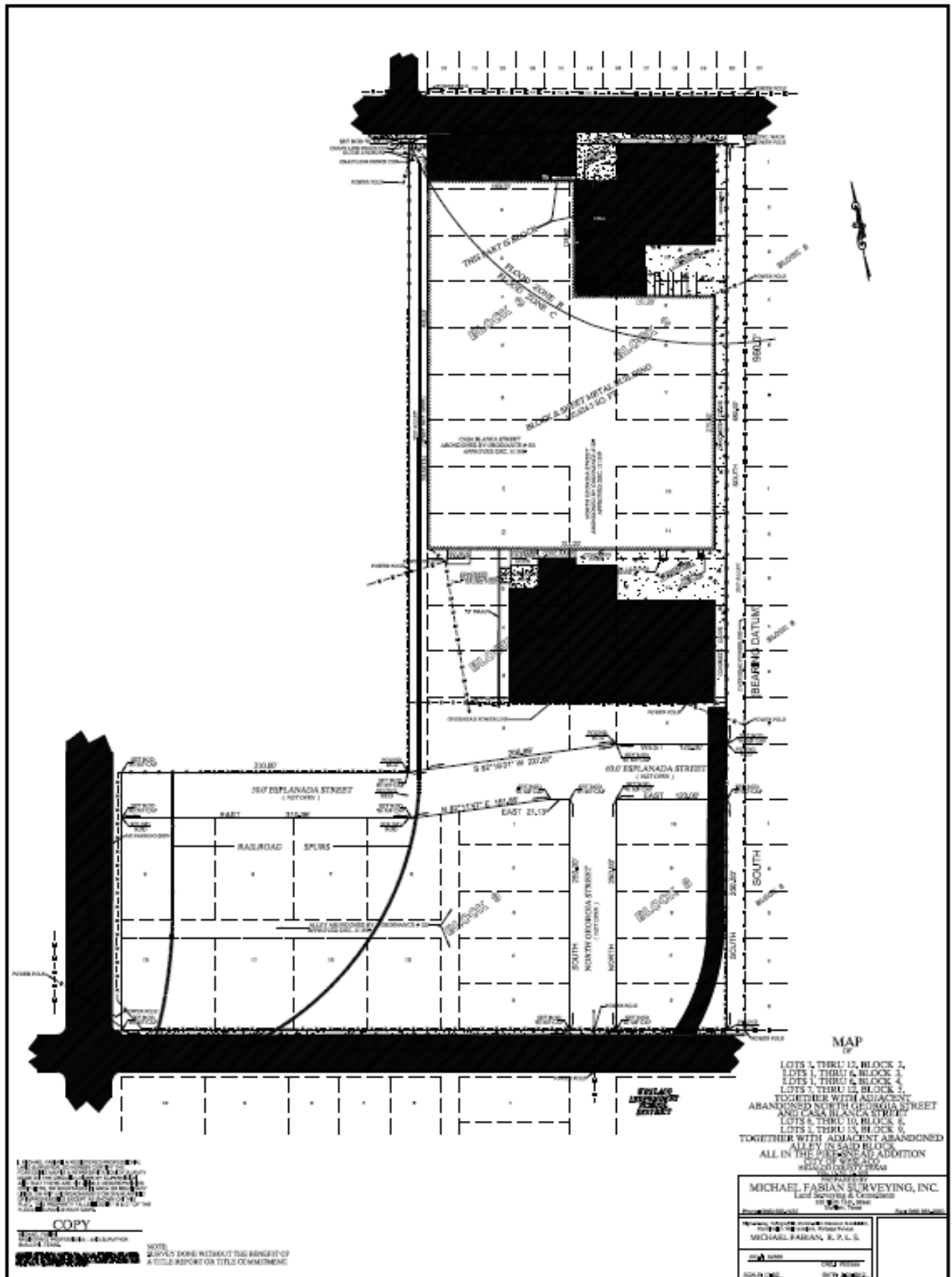
ATTEST:

Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY

Exhibit "A"



3591

**MAP OF
THE PIKE-SNEAD ADDITION
WESLACO, TEXAS.**

SCALE 1"=100'
MARCH 1936

H. E. BENNETT
WESLACO, TEXAS

THE 20 ACRES
NOT INCLUDED IN
PIKE-SNEAD ADDITION.

WESLACO INDEPENDENT SCHOOL DISTRICT

FILED FOR RECORD THIS DATE
MAR 5 1936
COUNTY CLERK, HIDALGO COUNTY, TEXAS
By *[Signature]* Deputy

STATE OF TEXAS
COUNTY HIDALGO

KNOW ALL MEN BY THESE PRESENTS, THAT WE, EDWARD M. PIKE AND THE S. SNEAD, OWNERS OF 24 ACRES OUT OF THE
WEST 30 ACRES OF FARM TRACT 122, BLOCK 163, WEST TRACT SUBDIVISION, HIDALGO COUNTY, TEXAS, HAVE CAUSED THE SAME TO BE
SUBDIVIDED AND PLATTED AS SHOWN ON THE ACCOMPANYING MAP, TO BE KNOWN AS "THE PIKE-SNEAD ADDITION", WESLACO, TEXAS, AND WE
DO HEREBY DELEGATE THE ATTORNEYS, AGENTS AND ALIENS AS SEEN, TO THE USE OF THE PUBLIC POWER.

EXECUTED THIS 27th DAY OF MAY - A.D. 1936.

Edward M. Pike
The S. Snead

STATE OF TEXAS
COUNTY HIDALGO

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR HIDALGO COUNTY, TEXAS, ON THIS DAY PER-
SONALLY APPEARED EDWARD M. PIKE AND THE S. SNEAD, KNOWN TO ME TO BE THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FORGON-
ING INSTRUMENT, AND EACH ACKNOWLEDGED TO ME THAT THEY SIGNED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 27th DAY OF MAY A.D. 1936

Harold F. Smith
HAROLD F. SMITH
NOTARY PUBLIC IN and for
HIDALGO CO., TEXAS.

STATE OF TEXAS
COUNTY HIDALGO

THIS IS TO CERTIFY THAT THE FOREGOING MAP OF "THE PIKE-SNEAD ADDITION, WESLACO, TEXAS" IS TO THE BEST OF
MY KNOWLEDGE, A TRUE, FULL AND COMPLETE REPRESENTATION OF THE ABOVE ADDITION, AS SUBDIVIDED INTO LOTS, BLOCKS, STREETS AND
ALIENS, AS PLATTED HEREIN BY ME.

WITNESS MY HAND AND SEAL THIS 27th DAY OF MARCH A.D. 1936

H. E. Bennett
H. E. BENNETT
REGISTERED PROFESSIONAL ENGINEER.

STATE OF TEXAS
COUNTY HIDALGO

SWORN AND SUBSCRIBED TO BEFORE ME THIS 17th DAY OF March A.D. 1936

Harold F. Smith
HAROLD F. SMITH
NOTARY PUBLIC IN and for
HIDALGO CO., TEXAS.

APPROVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS, AT ITS REGULAR MEETING ON THE 20th DAY OF May 1936.

Chas. M. Leake
CHAS. M. LEAKE, Mayor.

ATTEST: *W. G. Thompson*
W. G. Thompson, City Secretary.

9-1702



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4718	
From:			
Subject: Approval on Ordinance 2021-44 granting Freeport Tax Exemption in the City of Weslaco and authorize the Mayor to execute any related documents. (First reading held October 19, 2021; staffed by City Manager.)			
Background:			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Ordinance - First Reading Ordinance - Final Reading			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU Mike Perez		Created	
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: O2021-44 Freeport exemption			
Responsibilities upon Approval:			

ORDINANCE 2021-44

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS RESCINDING ANY PREVIOUS ORDINANCE, RESOLUTION, ORDER, OR DECREE THAT AUTHORIZED THE TAXATION OF FREEPORT GOODS AND GRANTING FREEPORT TAX EXEMPTION; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE, AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

WHEREAS, Texas Code § 11.251 and Texas Constitution Article VIII, Section 1-j provide for the exemption of certain tangible personal property from ad valorem taxation: and

WHEREAS, “Freeport Goods” as referred to herein shall mean that property as defined by Texas Tax Code §11.251 and Texas Constitution Article VIII, Section 1-j; and

WHEREAS, the City of Weslaco, opted to continue taxing Freeport Goods; and

WHEREAS, Texas Constitution Article VIII, Section 1-j(b) provide that (1) the City may subsequently exempt Freeport Goods from taxation by rescinding its action to tax Freeport Goods: (2) the exemption applies to each tax year that begins after the date of action is taken and applies to the tax year in which the action is taken if the governing body so provides; and (3) the city may not take action to tax such Freeport Goods after the rescission; and

WHEREAS, the City Commission of the City of Weslaco, Texas finds that rescinding its prior action to tax Freeport Goods is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT:

SECTION 1. The recitals contained in the preamble of this ordinance are determined to be true and correct and are hereby adopted as part of the ordinance.

SECTION 2. The City of Weslaco, Texas hereby rescinds all prior actions to tax Freeport Goods I accordance with the Texas Constitution Article VIII, Section 1-j (b).

SECTION 3. The City of Weslaco, Texas hereby exercises its authority under Texas Constitution Article VIII, Section 1-j (b) and exempts Freeport Goods from ad valorem taxation.

SECTION 4. The City of Weslaco, Texas does hereby make the tax-exempt status of qualified Freeport Goods effective as of November 02, 2021.

SECTION 5. SEVERABILITY CLAUSE. It is hereby declared that the section, sentence, paragraph, clauses and phrases of this Ordinance are severable and, if any phrase clause sentence, paragraphs, and section of this ordinance shall be declared unconstitutional or invalid by the

valid judgement or decree of any court of competent jurisdiction , such unconstitutionality or invalidity shall not affect any remaining phrases, clauses, sentences, paragraphs, and section of this ordinance, because the same would have been enacted by the City Commission without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 6. All ordinances and parts thereof in conflict herewith are hereby expressly repealed insofar as the conflict herewith.

SECTION 7. The City Commission hereby directs the City Secretary to publish this ordinance, if necessary, in accordance with the Texas Local Government Code.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 19th day of October 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 2nd day of November 2021.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4791
From:		
Subject: Approval on amendments and extension from November 7, 2021 to December 7, 2021 for Disaster Declaration (COVID-19) and any reports related to such executive orders and authorize the Mayor to execute any related documents. (Staffed by City Manager.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
NORMA CANTU Mike Perez		Created
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any:		
Responsibilities upon Approval:		



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4724	
From:			
Subject: Approval to submit an application renewing the E-Rate 2022-2023 within the confines of the Schools and Libraries Program of the Universal Service Administrative Fund, accept funds upon award, accept to advertise and solicit prospective vendors to submit Request for Proposals (RFPs) for basic maintenance of internal connections, accept additional funding if awarded during the grant year, and authorize the Mayor to execute any related documents. (Staffed by Library Department.)			
Background: The Schools and Libraries Program of the Universal Service Fund (ERate) makes discounts available to eligible schools and libraries for internet access, maintenance, and equipment. The program is intended to ensure that schools and libraries have access to affordable bandwidth and computing infrastructure. The program provides up to an 80% discount and has saved the city hundreds of thousands of dollars in years past. The library would like to continue participation and seeks permission to do so.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission: NA			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: None at this time			
Advisory Review, if any (name of board/committee, date of action, recommendation): None at this time			
MARTIN MATA ARNOLDO BECHO J. Martin Vela VIDAL ROMAN Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval			
Attachments, if any: Memo - E-Rate Approval 2022-2023, Erate Overview 2021.docx, application-process-			

flow-chart-1

Responsibilities upon Approval:

The Library will begin the application process and return for Commission approval of Request for Proposal results as required by the grant and City protocol.

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

October 5, 2021

To: David Suarez, Mayor; Leo Muñoz, Mayor Pro-Tem; Greg Kerr, Commissioner; Jose "JP" Rodriguez, Commissioner; Adrian Farias, Commissioner; Letty Lopez, Commissioner; Josh Pedraza, Commissioner; Mike Perez, City Manager
CC: Martin J. Mata, Vidal Roman, Sonia Flores, J. Martin Vela
Fr: Arnoldo Becho, Library Director
Re: Request to approve application to the ERate 2022-2023 program

The Library would like to continue participation within the Schools and Libraries (E-rate) Program and is requesting for permission to apply to the next fiscal year of program funding. The library has participated in ERate for greater than 10 years and the program has provided millions of dollars in savings to the city.

The ERate program provides discounts on computing infrastructure, computer maintenance, internet access, and other services. ERate allows the library to maintain its computer infrastructure and access the internet at a discounted price. The amount of the discount depends on the level of poverty and location receiving service. Recently, the library has qualified from 80% to 90% discount.

This agenda item has been budgeted within the 2021-2022 fiscal year. The library is not able to provide information regarding total funding and the city's matching responsibility at this point because those numbers are calculated later during the ERate process. Any funding granted and matching responsibility required will be brought to commission at a later time. There will be an opportunity to review and accept or deny those amounts at that time. From past experience, a rough estimate of \$35,000 in granted funds and \$15,000 of matching funds is logical, but it is very likely that both of those numbers change significantly.

Library staff strongly supports the request as it provides necessary services and equipment and a much lower than market cost. Please feel free to contact me with any questions, I will be happy to provide additional information. Thank you for the time.

Arnoldo Becho
Library Director, City of Weslaco
Phone: 956.973.3144
Email: abecho@weslacopl.us

What is E-rate

The E-rate program provides discounts on certain services and products that are essential for classrooms and libraries to receive voice, video, and data communications. The amount of the discount depends on the level of poverty and location of the school or library receiving service. The discount ranges from 20% to 90% of the cost of eligible services.

To be eligible to receive discounts, a school or library must meet certain eligibility criteria. In general elementary and secondary schools are eligible to receive discounts--including many private schools and religious schools. Public libraries and library systems can receive E-rate discounts, provided they meet the eligibility requirements of libraries.

The E-rate process

Develop a Technology Plan - applicant develops a plan for technology implementation.

Procure Services - based on the technology plan, the applicant files the FCC Form 470 to announce that they are seeking E-rate support to purchase eligible goods and services. When the Form 470 is posted to the SLD's website, a 28-day period begins in which interested service providers may submit proposals and bids to provide service to the applicant. After the 28 day posting period, the applicant reviews the bids and proposals, selects a service provider, and signs a contract or service agreement.

Apply For Funding - the applicant submits the FCC Form 471 which tells the SLD which service provider was selected, the goods and services for which the applicant will be requesting E-rate support, and the costs of those goods and services.

Application Review - SLD will review the application to substantiate that the requests are for eligible services that will be delivered to eligible locations and students/patrons.

Receive Services - applicants receive services during the "Funding Year" (July 1 - June 30). They submit the Form 486 to the SLD to signify that the approved services are being delivered.

Realizing Discounts - the applicant has two means of realizing the benefit of the E-rate program. The first, is to receive discounted billing from the approved service provider (the service provider then bills the SLD for the committed portion of the delivered services. The second is to pay the service provider in full and then apply for reimbursement directly to the SLD.

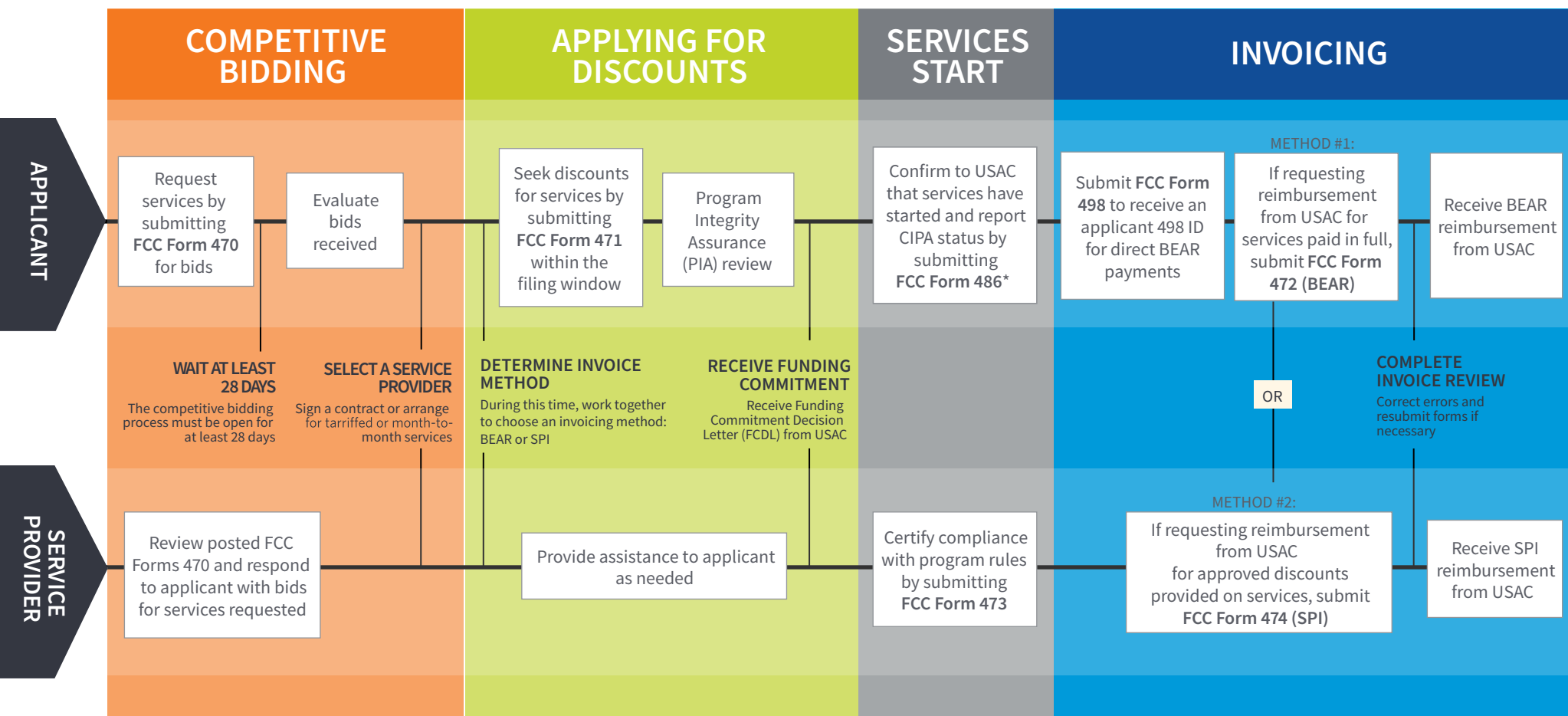
Schools and Libraries (E-rate) Program

APPLICATION PROCESS

BEFORE YOU BEGIN:

APPLICANTS: Applicants must first have an entity number and an E-rate Productivity Center (EPC) account.

SERVICE PROVIDERS: Service providers must first obtain a Service Provider Identification Number (SPIN /service provider 498 ID) by submitting FCC Form 498.



FOR MORE INFORMATION:

- Website: The application process is broken down in detail for both applicants and service providers on the Schools and Libraries Program website (www.usac.org/sl).
- Glossary of Terms: Definitions for program terms and acronyms.
- *Consortium members report their CIPA status by submitting the FCC Form 479 to their consortium leader. The consortium leader then files the FCC Form 486.
- To adjust funding commitments and/or modify the dates for receipt of services after the FCDL is issued, file the FCC Form 500.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4767
From:		
Subject: Approval of the purchase of nine (9) Tiat TP 9600 Portable Radios for an amount not to exceed \$25,435.81 and authorize the Mayor to execute any related documents. (Staffed by Planning & Code Enforcement Department).		
Background: Tri County Communication is the sole vendor for Tait Mobile Radios. Radios were previously approved by City Counsel during our budget process.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
REBEKAH DE LA FUENTE REBEKAH DE LA FUENTE Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: TAIT TP9600 PORTABLES- NO AES ENCRYP		
Responsibilities upon Approval:		

TRI-COUNTY COMMUNICATIONS, LTD

**1421 East Pike Blvd, Weslaco, TX 78596
956-447-8440**

Company	City of Weslaco Code Enforcement	Date:	10/14/2021
Address:	255. S. Kansas Ave	Sales Rep:	Jada Valdez
City/St/Zip	Weslaco, Texas 78596	Phone:	956-821-6538
Attn:	Joe Pedraza	Email:	jpedraza@weslacotx.gov

Qty	Description	Unit Price	Total
	BuyBoard Contract #'s 603-20/604-20		\$ -
	P25 Trunking 7/800 Portable Radios		\$ -
			\$ -
5	TCC-P25P P25 PORTABLE TP9600 7/800MHz, P25 Trunking, Phase II, Scan TP9655K5DC-T PORTABLE P25 4Key 762-870MHz Body Only YELLOW	\$ 2,440.00	\$ 12,200.00
2	TCC-P25P P25 PORTABLE TP9600 7/800MHz, P25 Trunking, Phase II, Scan TP9655K5EC-T P25 4Key 762-870MHz Body Only ORANGE	\$ 2,440.00	\$ 4,880.00
1	TCC-P25P P25 PORTABLE TP9600 7/800MHz, P25 Trunking, Phase II, Scan TP9655K5CC-T P25 4Key 762-870MHz Body Only RED	\$ 2,440.00	\$ 2,440.00
1	TCC-P25P P25 PORTABLE TP9600 7/800MHz, P25 Trunking, Phase II, Scan TP9655K5BC-T PORTABLE P25 4Key 762-870MHz Body Only BLACK	\$ 2,390.00	\$ 2,390.00
	TPA-AN-028- ANTENNA, 762-870MHZ,Ant 762-870MHz Helical		\$ -
	T03-00011-EAAA-Battery High Capacity Li-Ion 3300mAh		\$ -
	T03-00012-AEFA- CHARGER, SINGLE BAY, LI-ION W/ PLUG PACK		\$ -
	TPA-CA-201 Belt Clip 55mm		
	TPAS152- P25 Trunking Services Combo		\$ -
	2 YR WARRANTY		
	SRVADV-P25-TWW-3 Tait Assurance P25 3 Yr Terminal w/warranty		\$ -
	Total of 5 year warranty- No physical or water damage		
	*** Radios do not include AES Encryption Software***		\$ -
			\$ -
3	Complete PM Check of radios. Calibarated, upgraded, reprogrammed with upgraded regional channels. Replace front covers and test for proper operation.	\$ 85.00	\$ 255.00
			\$ -
			\$ -
3	TCC-PBATT PORTABLE BATTERY Harris XG-25	\$ 183.00	\$ 549.00
3	XG-25 REPLACEMENT FRONT COVER	\$ 260.27	\$ 780.81
			\$ -
			\$ -
9	Programming	\$ 45.00	\$ 405.00
9	TCC-RSM REMOTE SPEAKER MIC- SpkMic TSM3e IP67 F-bttn-org 3.5	\$ 99.00	\$ 891.00
9	TCC-PORTCASE PORTABLE CASE Heavy Duty Leather 4 D-Stud Belt Loop	\$ 65.00	\$ 585.00
1	Shipping	\$ 60.00	\$ 60.00
	Subtotal:		\$ 25,435.81
	Sales Tax:		
	Total		\$ 25,435.81

Quotation good for 30 days

A 25% Re-stocking fee will apply for canceled orders.

**SALES * SERVICE * WARRANTY
HARRIS * TAIT * MOTOROLA SOLUTIONS**

Signature of Accepting Official

Date

This Proposal contains confidential information intended for a specific individual and purpose and is protected by law. If you are not the intended recipient, please contact sender immediately at 956-447-8440 and destroy all copies. You are hereby notified that any disclosure, copying, or distribution of this message is strictly prohibited.

05/16/2014



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4751	
From: Joel Rivera			
Subject: Approval on renewal of an agreement with the Drug Enforcement Administration of State and Local HIDTA Task Force cooperation for Fiscal Year 2021-2022 and authorize Police Chief Joel Rivera to execute any related documents. (Staffed by Police Department.)			
Background: To authorize the Police Chief, City Secretary, and City Attorney to sign the renewal and continue the cooperative agreement between the City of Weslaco Police Department and the Drug Enforcement Administration (McAllen HIDTA Task Force). The Weslaco Police Department will continue to assign one (1) experienced officer to the McAllen Task Force for a period not less than two (2) years. The term of this agreement is renewed annually.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission: Approved on August 21, 2019, Agenda Item No.: 2018-1892 and also Approved on September 1, 2020, Agenda Item No.: 2020-3561			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ROXANNE SAAVEDRA		Created/Initiated	
ROBERT LOPEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval to continue with the agreement from Mcallen HIDTA Task Force(TF)			
Attachments, if any: HIDTA Agreement - Weslaco PD (2), Weslaco PD Letter			
Responsibilities upon Approval:			

Upon approval and signatures acquired on the original agreements, our department will file and proceed accordingly.

HIDTA STATE AND LOCAL TASK FORCE AGREEMENT

This agreement is made this 1st day of October 2021, between the United States Department of Justice, Drug Enforcement Administration (hereinafter "DEA"), and the Weslaco Police Department (hereinafter "WPD"), ORI Number TX1081400. The DEA is authorized to enter into this cooperative agreement concerning the use and abuse of controlled substances under the provisions of 21 U.S.C. § 873.

Whereas there is evidence that trafficking in narcotics and dangerous drugs exists in the McAllen, Texas, area and that such illegal activity has a substantial and detrimental effect on the health and general welfare of the people of Texas, the parties hereto agree to the following:

1. The McAllen Task Force will perform the activities and duties described below:
 - a. disrupt the illicit drug traffic in the McAllen, Texas, area by immobilizing targeted violators and trafficking organizations;
 - b. gather and report intelligence data relating to trafficking in narcotics and dangerous drugs; and
 - c. conduct undercover operations where appropriate and engage in other traditional methods of investigation in order that the Task Force's activities will result in effective prosecution before the courts of the United States and the State of Texas.
2. To accomplish the objectives of the McAllen Task Force, the WPD agrees to detail one experienced officer(s) to the McAllen Task Force for a period of not less than two years. During this period of assignment, the assigned WPD officer(s) will be under the direct supervision and control of DEA supervisory personnel assigned to the Task Force.
3. The WPD officer(s) assigned to the Task Force shall adhere to all DEA policies and procedures. Failure to adhere to DEA policies and procedures shall be grounds for dismissal from the Task Force.
4. The WPD officer(s) assigned to the Task Force shall be deputized as Task Force Officer(s) of DEA pursuant to 21 USC 878.
5. To accomplish the objectives of the McAllen Task Force, DEA will assign 39 Special Agents to the Task Force. HIDTA will also, subject to the availability of annually appropriated funds or any continuing resolution thereof, provide necessary funds and equipment to support the activities of the DEA Special Agents and WPD officer(s) to the Task Force. This support will include: office space, office supplies, travel funds, funds for the purchase of evidence and information, investigative equipment, training and other support items.
6. During the period of assignment to the McAllen Task Force, the WPD will remain responsible for establishing the salary and benefits, including overtime, of the officer(s) assigned to the Task Force and for making all payments due them. HIDTA will, subject to availability of funds,

reimburse the WPD for overtime payment. Annual overtime for each State or Local Law Enforcement officer is capped at the equivalent of 25% of a GS-12, Step 1, of the General Pay Scale for the Rest of United States. Reimbursement for all types of qualified expenses shall be contingent upon availability of funds and the submission of a proper request for reimbursement which shall be submitted **monthly or quarterly** on a fiscal year basis, and which provides the names of the investigators who incurred overtime for DEA during the invoiced period, the number of overtime hours incurred, the hourly regular and overtime rates in effect for each investigator, and the total cost for the invoiced period. Invoices must be submitted at least quarterly within 10 business days of the end of the invoiced period. **Note: Task Force Officer's overtime "shall not include any costs for benefits, such as retirement, FICA, and other expenses."**

7. In no event will the WPD charge any indirect cost rate to DEA for the administration or implementation of this agreement.

8. The WPD shall maintain on a current basis complete and accurate records and accounts of all obligations and expenditures of funds under this agreement in accordance with generally accepted accounting principles and instructions provided by DEA to facilitate on-site inspection and auditing of such records and accounts.

9. The WPD shall permit and have readily available for examination and auditing by DEA, the United States Department of Justice, the Comptroller General of the United States and any of their duly authorized agents and representatives, any and all records, documents, accounts, invoices, receipts or expenditures relating to this agreement. The WPD shall maintain all such reports and records until all litigation, claim, audits, and examinations are completed and resolved or for a period of six (6) years after termination of this agreement, whichever is sooner.

10. The WPD shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, as amended, and all requirements imposed by or pursuant to the regulations of the United States Department of Justice implementing those laws, 28 C.F.R. Part 42, Subparts C, F, G, H and I.

11. The WPD agrees that an authorized officer(s) or employee will execute and return to DEA the attached OJP Form 4061/6, Certification Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements. The WPD acknowledges that this agreement will not take effect and no federal funds will be awarded to the WPD by DEA until the completed certification is received.

12. When issuing statements, press releases requests for proposals, bid solicitations and other documents describing programs or projects funded in whole or part with federal money, the WPD shall clearly state: (1) percentage of the total cost of the program or project which will be financed with federal money and (2) the dollar amount of federal funds for the program or project.

13. The term of this agreement shall be effective from the date in paragraph number one until September 30, 2022. This agreement may be terminated by either party on 30 days advance written notice. Billing for all outstanding obligations must be received by DEA within 90 days of the date

of termination of this agreement. HIDTA will be responsible only for obligations incurred by WPD during the term of this agreement.

For the Drug Enforcement Administration:

Daniel C. Comeaux
Special Agent in Charge

Date:_____

For the Weslaco Police Department:

Joel Rivera
Chief of Police

Date:_____



U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
OFFICE OF THE COMPTROLLER

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 28 CFR Part 69, "New Restrictions on Lobbying" and 28 CFR Part 67, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Justice determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECIPIENT)

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510—

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a

public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67 Sections 67.615 and 67.620—

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about—

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted—

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check ☐ if there are workplaces on file that are not identified here.

Section 67, 630 of the regulations provides that a grantee that is a State may elect to make one certification in each Federal fiscal year. A copy of which should be included with each application for Department of Justice funding. States and State agencies may elect to use OJP Form 4061/7.

Check ☐ if the State has elected to complete OJP Form 4061/7.

DRUG-FREE WORKPLACE (GRANTEES WHO ARE INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67; Sections 67.615 and 67.620—

A. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 810 Seventh Street NW., Washington, DC 20531.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

1. Grantee Name and Address: (State and Local Agency Name and Address)

2. Application Number and/or Project Name

N/A

3. Grantee IRS/Vendor Number

N/A

4. Typed Name and Title of Authorized Representative

5. Signature

6. Date



U. S. Department of Justice
Drug Enforcement Administration
Houston Division
1433 West Loop South, Suite 600
Houston, Texas 77027

www.dea.gov

August 23, 2021

Joel Rivera
Chief of Police
Weslaco Police Department
901 N. Airport Drive
Weslaco, Texas 78596

Dear Chief Rivera:

Enclosed for your review and signature is the Task Force Agreement and OJP Form 4061/6 for Fiscal Year 2022. I respectfully request that the documents be digitally signed and returned via email by September 27, 2021, to Myrna.GarciaRobles@dea.gov. Once all signatures are obtained, a courtesy copy will be emailed to your office.

Thank you for your continued support to the Drug Enforcement Administration (DEA), Houston Division. Your unwavering commitment to provide investigative resources is vital and important. We look forward to continuing to our continued partnership with the Weslaco Police Department.

If you have any questions, please contact Program Support Specialist Myrna Garcia Robles at 571-324-8327 or by email above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel C. Comeaux".

Daniel C. Comeaux
Special Agent in Charge

Enclosures



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4760	
From: Joel Rivera			
Subject: Approval to accept FY22 Juvenile Justice & Truancy Prevention Grant #4003402 in the amount of \$69,640.89 with NO MATCH and RECURRING FEES to be used for salary, training and equipment for the First Offender Program and authorize the Mayor to execute any related documents. (Staffed by Police Department.)			
Background: The purpose of this funding is to support projects that prevent violence in and around schools; and to improve the juvenile justice system and develop effective education, training, prevention, diversion, treatment, and rehabilitation programs.			
Funding Source (budget code, if applicable): SF-State Criminal Justice Planning (421) Fund			
Amount: \$69,640.89	Term of Impact: 12 months	Identified in Current Budget: No	
Additional Action Prompted: Mayor's Signature Budget Amendment Resolution			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ROBERT LOPEZ ROBERT LOPEZ Mike Perez Joel Rivera		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends Approval			
Attachments, if any: FY22 Juvenile Justice & Truancy Prevention Grant Program Grant #4003402 Resolution (1), CJD-SOGA_CongratulatoryLetter_2019-11-26 (8), Statement Of Grant Award First Offender Program #4003402			
Responsibilities upon Approval:			

Finance files FSR. Police files Progress Reports.

RESOLUTION NO. 2021-10

WHEREAS, The City of Weslaco finds it in the best interest of the citizens of Weslaco, Hidalgo County, Texas, that the Office of the Governor Juvenile Justice & Truancy Prevention Grant Program be operated for the fiscal year 2021 to 2022; and

WHEREAS, The City of Weslaco agrees to provide required matching funds for the said project as required by the Office of the Governor Juvenile Justice & Truancy Prevention Grant Program; and

WHEREAS, The City of Weslaco agrees that in the event of loss or misuse of the Office of the Governor funds, The City of Weslaco assures that the funds will be returned to the Office of the Governor in full.

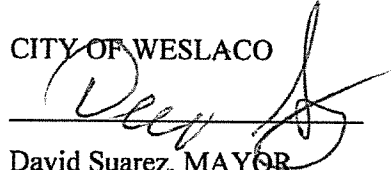
WHEREAS, The City of Weslaco designates Mayor David Suarez as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that The City of Weslaco approves submission of the grant application for the Office of the Governor Juvenile Justice & Truancy Prevention Grant Program to the Office of the Governor.

Grant Number: 4003402

Passed and Approved this 2nd of February 2021.

CITY OF WESLACO


David Suarez, MAYOR

ATTEST:



Norma A. Cantu, City Secretary

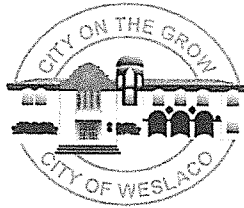
APPROVED AT TO FORM:



Juan E. Gonzalez, CITY ATTORNEY

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

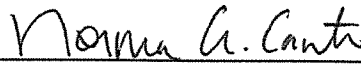
CERTIFICATE

I, Norma A. Cantu, City Secretary of the City of Weslaco, Texas, I hereby certify that the Weslaco City Commission at their Regular Meeting of February 02, 2021 approved item(s) as follows under **III. CONSENT AGENDA:**

- H. Approval on Resolution 2021-10 to apply to the Criminal Justice Division Juvenile Justice and Truancy Prevention Grant Program and authorize the Mayor to execute any related documents.

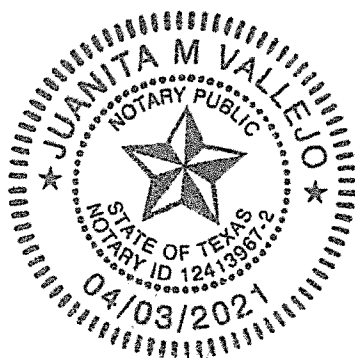
DATED this 4th day of February 2021.

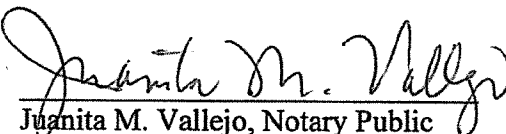
CITY OF WESLACO


Norma A. Cantu, City Secretary

NOTARY

SWORN AND SUBSCRIBED before me, this 4th day of February 2021 and that the above facts are true and correct to the best of her knowledge.




Juanita M. Vallejo, Notary Public
My Commission Expires: 04/03/2021

STATE OF TEXAS



GOVERNOR GREG ABBOTT

Dear Grantee:

Congratulations on your award! To activate your agency's grant, the Authorized Official must log on to eGrants at <https://eGrants.gov.texas.gov> and go to the 'My Home' tab. In the 'Pending Applications' section, locate the application with a 'Current Status' of "Pending AO Acceptance of Award". Click on the grant number and proceed to the 'Accept Award' tab. From this tab, click on the 'Accept' button. Grants must be accepted within 45 calendar days of the date the award was issued.

Be sure to review the Grantee Conditions and Responsibilities Memo for a quick overview of general items every grantee should be aware of. You can also find more detailed information on the eGrants website including helpful resources, links, and tools needed to properly administer CJD grants. The Guide to Grants, also on the website, contains answers to questions frequently asked by grantees.

If you have any questions regarding this award, feel free to contact your grant manager, whose name is referenced in the Statement of Grant Award or you may always contact our office via the eGrants Help Desk at eGrants@gov.texas.gov.

We look forward to working with you to ensure the success of your program.

A handwritten signature in blue ink that reads "Aimee Snoddy".

Aimee Snoddy
Executive Director
Public Safety Office
Criminal Justice Division

Statement of Grant Award (SOGA)

The Statement of Grant Award is the official notice of award from the Office of the Governor (OOG). This Grant Agreement and all terms, conditions, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and all other State of Texas agencies and any other agencies, departments, divisions, governmental entities, public corporations, and other entities which shall be successors to each of the Parties or which shall succeed to or become obligated to perform or become bound by any of the covenants, agreements or obligations hereunder of each of the Parties hereto.

The approved project narrative and budget for this award are reflected in eGrants on the 'Narrative' and 'Budget/Details' tabs. By accepting the Grant Award in eGrants, the Grantee agrees to strictly comply with the requirements and obligations of this Grant Agreement including any and all applicable federal and state statutes, regulations, policies, guidelines and requirements. In instances where conflicting requirements apply to a Grantee, the more restrictive requirement applies.

The Grant Agreement includes the Statement of Grant Award; the OOG Grantee Conditions and Responsibilities; the Grant Application in eGrants; and the other identified documents in the Grant Application and Grant Award, including but not limited to: 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Chapter 783 of the Texas Government Code, Title 34, Part 1, Chapter 20, Subchapter E, Division 4 of the Texas Administrative Code, and the Uniform Grant Management Standards (UGMS) developed by the Comptroller of Public Accounts; the state Funding Announcement or Solicitation under which the grant application was made, and for federal funding, the Funding Announcement or Solicitation under which the OOG was awarded funds; and any applicable documents referenced in the documents listed above. For grants awarded from the U.S. Department of Justice, the current applicable version of the Department of Justice Grants Financial Guide and any applicable provisions in Title 28 of the CFR apply. For grants awarded from the Federal Emergency Management Agency (FEMA), all Information Bulletins and Policies published by the FEMA Grants Program Directorate apply. The OOG reserves the right to add additional responsibilities and requirements, with or without advance notice to the Grantee.

By clicking on the 'Accept' button within the 'Accept Award' tab, the Grantee accepts the

responsibility for the grant project, agrees and certifies compliance with the requirements outlined in the Grant Agreement, including all provisions incorporated herein, and agrees with the following conditions of grant funding. The grantee's funds will not be released until the grantee has satisfied the requirements of the following Condition(s) of Funding and Other Fund-Specific Requirement(s), if any, cited below:

Grant Number:	4003402	Award Amount:	\$69,640.89
Date Awarded:	10/12/2021	Grantee Cash Match:	\$0.00
Grant Period:	09/01/2021 - 08/31/2022	Grantee In Kind Match:	\$0.00
Liquidation Date:	11/29/2022	Total Project Cost:	\$69,640.89
Program Fund:	SF-State Criminal Justice Planning (421) Fund		
Grantee Name:	Weslaco, City of		
Project Title:	First Offender Program		
Grant Manager:	Matt McDaniel		
DUNS Number:	036562767		
CFDA:	N/A		
Federal Awarding Agency:	N/A - State Funds		
Federal Award Date:	N/A - State Funds		
Federal/State Award ID Number:	2022-SF-ST-0015		
Total Federal Award/State Funds Appropriated:	\$25,000,000.00		
Pass Thru Entity Name:	Texas Office of the Governor – Criminal Justice Division (CJD)		
Is the Award R&D:	No		

Federal/State Award Description: The purpose of this program is to reduce crime and improve the criminal justice system.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4771	
From: ROBERT LOPEZ			
Subject: Approval to accept BJA FY21 Edward Byrne Memorial Justice Assistance Grant Program Award in the amount of \$12,010 with NO MATCH AND RECURRING FEES to purchase policy-making software and authorize the Mayor to execute any related documents. (Staffed by Police Department.)			
Background: The Edward Byrne Memorial Justice Assistance Grant (JAG) Program allows states and units of local government, including tribes, to support a broad range of activities to prevent and control crime based on their own state and local needs and conditions. Grant funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, including for any one or more of the following program areas: 1) law enforcement programs; 2) prosecution and court programs; 3) prevention and education programs; 4) corrections and community corrections programs; 5) drug treatment and enforcement programs; 6) planning, evaluation, and technology improvement programs; and 7) crime victim and witness programs (other than compensation) and 8) mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams.			
Funding Source (budget code, if applicable): 2021 BJA FY 21 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation			
Amount: \$12,010		Term of Impact: 12 months	Identified in Current Budget: No
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ROBERT LOPEZ ROBERT LOPEZ Joel Rivera Mike Perez		Created/Initiated Approved New	

City Manager Comments:

Approve.

Staff Recommendation:

Attachments, if any:

Responsibilities upon Approval:



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4774	
From: Joel Rivera			
Subject: Approval to accept FY2021 General Victim Assistance Grant #3814603 in the amount of \$45,237.75 with a 20% match and no recurring fees and authorize the Mayor to execute any related documents. (Staffed by Police Department.)			
Background: The purpose of this program is to provide services and assistance directly to victims of crime to speed their recovery and aid them through the criminal justice process.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ROBERT LOPEZ		Created/Initiated	
ROBERT LOPEZ		Approved	
Joel Rivera		New	
Mike Perez			
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: CJD-SOGA_CongratulatoryLetter_2019-11-26 (9)			
Responsibilities upon Approval:			



GOVERNOR GREG ABBOTT

Dear Grantee:

Congratulations on your award! To activate your agency's grant, the Authorized Official must log on to eGrants at <https://eGrants.gov.texas.gov> and go to the 'My Home' tab. In the 'Pending Applications' section, locate the application with a 'Current Status' of "Pending AO Acceptance of Award". Click on the grant number and proceed to the 'Accept Award' tab. From this tab, click on the 'Accept' button. Grants must be accepted within 45 calendar days of the date the award was issued.

Be sure to review the Grantee Conditions and Responsibilities Memo for a quick overview of general items every grantee should be aware of. You can also find more detailed information on the eGrants website including helpful resources, links, and tools needed to properly administer CJD grants. The Guide to Grants, also on the website, contains answers to questions frequently asked by grantees.

If you have any questions regarding this award, feel free to contact your grant manager, whose name is referenced in the Statement of Grant Award or you may always contact our office via the eGrants Help Desk at eGrants@gov.texas.gov.

We look forward to working with you to ensure the success of your program.

A handwritten signature in blue ink that reads "Aimee Snoddy".

Aimee Snoddy
Executive Director
Public Safety Office
Criminal Justice Division



Standardized Agenda Request Form

Date of Meeting: November 2, 2021	Agenda Item No. (to be assigned by CSO): 2021-4775	
From: Joel Rivera		
Subject: Approval to accept FY2022 Project Safe Neighborhoods Grant #4271601 in the amount of \$23,257.05 with NO MATCH REQUIRED and no RECURRING FEES to pay for overtime and to purchase surveillance equipment and authorize the Mayor to execute any related documents. (Staffed by Police Department.)		
Background: The purpose of this announcement is to solicit applications for projects that are designed to create and foster safer neighborhoods through a sustained reduction in violent crime, including, but not limited to, addressing criminal gangs and felonious possession and use of firearms.		
Funding Source (budget code, if applicable): CFDA: 16.609 PS-Project Safe Neighborhoods Program (South)		
Amount: \$23,257.05	Term of Impact: 12 months	Identified in Current Budget: No
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ROBERT LOPEZ ROBERT LOPEZ Joel Rivera Mike Perez	Created/Initiated Approved New	
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: CJD-SOGA_CongratulatoryLetter_2019-11-26 (10)		
Responsibilities upon Approval:		



GOVERNOR GREG ABBOTT

Dear Grantee:

Congratulations on your award! To activate your agency's grant, the Authorized Official must log on to eGrants at <https://eGrants.gov.texas.gov> and go to the 'My Home' tab. In the 'Pending Applications' section, locate the application with a 'Current Status' of "Pending AO Acceptance of Award". Click on the grant number and proceed to the 'Accept Award' tab. From this tab, click on the 'Accept' button. Grants must be accepted within 45 calendar days of the date the award was issued.

Be sure to review the Grantee Conditions and Responsibilities Memo for a quick overview of general items every grantee should be aware of. You can also find more detailed information on the eGrants website including helpful resources, links, and tools needed to properly administer CJD grants. The Guide to Grants, also on the website, contains answers to questions frequently asked by grantees.

If you have any questions regarding this award, feel free to contact your grant manager, whose name is referenced in the Statement of Grant Award or you may always contact our office via the eGrants Help Desk at eGrants@gov.texas.gov.

We look forward to working with you to ensure the success of your program.

A handwritten signature in blue ink that reads "Aimee Snoddy".

Aimee Snoddy
Executive Director
Public Safety Office
Criminal Justice Division



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4778	
From:			
Subject: Approval to terminate a Weslaco Mid Valley Airport Ground Lease Agreement with tenant Don Ed Holmes for Hangar E-25 and approval of a Weslaco Mid Valley Airport Ground Lease Agreement with Tenant Nowell Willis Borders for Hangar E-25, and authorize the Mayor to execute any related documents. (Staffed by Airport Department.)			
Background: Don Ed Holmes sold hangar E-25 to Nowell Willis Borders. The hangar is located on the east side of the airport. The ground lease agreement is for a base ten year with a ten year renewal option.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
JOANNA FERNANDEZ		Created/Initiated	
ANDREW MUNOZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval			
Attachments, if any: LEASE AGREEMENT NOWELL BORDERS, BILL OF SALE			
Responsibilities upon Approval:			

Lease Agreement

STATE OF TEXAS)
CITY OF WESLACO) **KNOW ALL PERSONS BY THESE PRESENTS:**
HIDALGO COUNTY)

This lease is entered into this ____ day of _____, 2021, between the City of Weslaco, a home ruled municipal corporation with its principal place of business at 255 S. Kansas Avenue, Weslaco, Hidalgo County, Texas, hereinafter referred to as the "Lessor" and the owner of the Weslaco Mid Valley Airport, hereinafter referred to as "Airport" and Nowell Willis Borders, hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor owns and operates the Airport and all grounds within the area designated as the Weslaco Mid Valley Airport for aeronautical and non-aeronautical purposes to include landings, takeoffs, storage of aircraft and sales of fuel; and

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

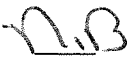
NOW THEREFORE, in consideration of the terms, premises, and mutual covenants contained herein and other good and valuable considerations, the sufficiency of which is hereby acknowledged, Lessor and Lessee covenant and agree as follows:

Section 1. Lease Premises

- A) Lessor does hereby lease to Lessee approximately 8,250 sq. ft. (E25) of land more particularly described as set forth in Exhibit "A" which is attached and incorporated by reference, hereinafter referred to as the lease premises.
- B) Lessor shall have use, access, ingress/egress within the airport, airport facilities and airport infrastructure as permitted by federal, state and local policies, laws, rules and regulations as it pertains to this lease agreement.

Section 2. Term

- A) This lease shall be for the term of 10 years. Thereafter, this lease may be renewed for a subsequent 10-year extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding year lease term and upon mutual and written agreement by Lessor as


Lessee Initials

provided for in this lease. Lessee, upon giving written notice to Lessor, may request additional renewal options prior to the expiration of this lease.

B) **Surrender and Holding Over.** Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Premises and the Lessor shall have the option to require Lessee to remove any Improvement (or a portion thereof) and restore the Premises and surrounding areas to the condition existing immediately prior to the construction of such Improvement. Thereafter, the Lessor shall have the right to enter and take possession of the Premises, with or without process of law and without liability for trespass. Holding over or failure to vacate the Premises at the end of the Term or extension shall not be construed to be the granting or exercise of any extension.

Section 3. Consideration

A) In consideration for the lease of the Land/Hangar/Building/Office referenced herein Lessee hereby agrees to pay yearly the sum of \$ 2,227.50 The first year's payment is to be made at lease execution. Thereafter, all future payments shall be made on or before the first working day of the year due for the term of this contract plus any extensions thereto.

Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at three (3) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustment to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI). The adjusted lease fee shall be calculated on the third (3rd) year anniversary of this lease and recalculated at subsequent three (3) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next three-year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Building/Office shall not be decreased, but shall remain at the same level as was charged during the preceding three (3) year period.

B) All lease payments shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City of Weslaco, Hidalgo County, Texas by mail or delivery as specified in Section 13. Notice Requirements of this agreement.

C) In the event Lessee fails to remit any payments when the same are due, interest at the rate of 10 % shall be charged by Lessor beginning on the tenth (10) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor.

D) Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property


Lessee Initials

located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property located in or on the Land/Hangar/Building/Office and is required herein to provide business liability insurance in an amount of \$1,000,000.00 per occurrence. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times and Lessor shall be listed as an additional insured with the condition that said insurance shall provide Lessor notice of any cancellation of said insurance. Any changes in those certificates must have prior written approval of Lessor.

- E) Any sum that Lessee is obligated to pay to Lessor arising from or relating to this agreement or Lessee's use, occupancy or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by Lessor), fines, civil penalties, damages, claims, interest, charges and utility charges.
- F) Lessee shall pay all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operation at the lease premises or the Airport and all other obligations for which a lien may be created relating thereto. Within thirty (30) days Lessee shall remove any such lien that may be created or commence a protest of such lien by depositing with Lessor cash or other security acceptable to Lessor in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the lease premises, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against Lessor's real property or any interest therein.

Section 4. Use of Lease Premises

- A) Lessee and Lessee's associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulation that are applicable to Lessee's use, occupancy, or operations at the lease premises or the Airport, which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law and other pronouncements of any kind having the effect of law including, but not limited, to the Airport Rules and Regulations, City of Weslaco master plans and zoning codes, and all laws and regulations pertaining to the environment, any and all plans and programs developed in compliance with such requirements and all lawful, reasonable, and nondiscriminatory airport policies and other requirements.
- B) Lessee agrees that the leased Land/Hangar/Building/Office may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- C) Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.


Lessee Initials

- D) Lessee may store containers of aviation oil, in accordance with the Airport Rules and Regulations, inside the Hangar for aircraft use so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under local fire codes.
- E) Lessee agrees that he will at all times keep the premises of the Land/Hangar/Building/Office, including the inside and the outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Land/Hangar/Building/Office clean and free of hazards, Lessor may, after thirty (30) days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
- F) Lessee agrees that the usage of the Land/Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Land/Hangar except in approved automobile parking areas and as agreed upon by Lessor.
- G) Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sight-seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.
- H) Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Land/Hangar/Building/Office except as authorized in this agreement without the written consent of Lessor.
- I) Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- J) Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar/Building/Office. Such fire extinguisher(s) shall be readily accessible in the event of a fire.



Lessee Initials

- K) Lessee agrees that he will not operate any non-aviation related business or activity on/in the Land/Hangar/Building/Office without the expressed written consent of Lessor. Any such non-aviation related business or activity must be so established by a separate contract.
- L) Lessee agrees that none of the leased premises shall be used for residential purposes or any other purpose prohibited by any federal, state or municipal law, statute, regulation or ordinance

Section 5. Sublease, Assignment, or Sale

- A) The Lessee shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, to immediately terminate this lease agreement. Lessor shall have the right, in Lessor's sole discretion, to assign any of its rights under this agreement and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this agreement in favor of such assignee.

Section 6. Termination

- A) This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Lessee shall have no more than fifteen (15) days upon notification to resolve said violation(s). Should Lessee be declared bankrupt or incompetent, this contract agreement shall immediately terminate. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for thirty (30) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.
- B) Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Land/Hangar/Building/Office would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.
- C) This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their


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resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.

- D) At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.
- E) Upon any expiration or termination of this Agreement, Lessee, at Lessee's sole cost, shall (i) promptly and peaceably surrender to Lessor the lease premises "broom clean", free of debris, and in good order and condition: (ii) repair in a good and workmanlike manner any damage to the lease premises or the Airport that arises from or relates to Lessee's use, occupancy, or operations under this Agreement (iii) deliver to Lessor all keys and access credentials relating to the Airport (iv) perform Lessee's environmental obligations as provided in this Agreement; and (v) remove all movable personal property and trade fixtures that are not owned by Lessor. All property that Lessee leaves on the lease premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to and without any obligation to account to Lessee or any other person. Lessee shall pay to Lessor all expenses incurred in connection with the disposition of such property in excess of any amount received by Lessor from such disposition. Lessee shall not be released from Lessee's obligations under this Agreement in connection with surrender of the lease premises until lessor has inspected the lease premises and delivered to Lessee a written acceptance of such surrender.

Section 7. Hold Harmless

- A) Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees.

Section 8. Maintenance of Landing Area

- A) Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport.


Lessee Initials

Section 9. Non-Discrimination

- A) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.
- B) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sub-leases or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

Section 10. Exclusions

- A) Nothing in this Agreement shall be construed to grant to Lessee any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Lessee's exclusive use as provided herein).
- B) This Agreement shall be interpreted to preserve Lessor's rights and powers to comply with Lessor's Federal and other governmental obligations.
- C) This Agreement is subordinate to the provisions of any agreement between Lessor and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of Lessor entering any agreement or participating in any


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program applicable to the Airport (including, but not limited to, those providing funding), Lessee agrees to consent to any such modification. If a governmental authority determines that any act or omission of Lessee or Lessee's Associates has caused or will cause Lessor to be noncompliant with any of Lessor's government commitments (including, but not limited to, any assurances or covenants required of Lessor or obligations imposed by law), Lessee shall immediately take all actions that may be necessary to preserve Lessor's compliance with the same. Without liability to Lessor, Lessor shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Lessee by such authority.

Section 11. Force Majeure

- A) No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

Section 12. Rights and Remedies

- A) Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

Section 13. Notice Requirements

- A) **This Agreement has specific and strict notice requirements. All payments by Lessee are to be made to Lessor through the Aviation Director at Weslaco Mid-Valley Airport, 1909 Joe Stephens, Weslaco, TX 78596.**

All notices between the Lessor and Lessee shall be sent to the following addresses for Lessor in paragraph B and for Lessee in paragraph C. All notices shall be sent regular mail and certified mail return receipt


Lessee Initials

requested. No other form of payment or notice will be accepted. Notice by email is not accepted.

B) Notice to Lessor is to be sent to:

Aviation Director
Weslaco Mid-Valley Airport
1909 Joe Stephens
Weslaco, TX 78596

with a required, simultaneous copy to:

City Attorney
255 South Kansas Street
Weslaco, TX 78596


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C) Notice to Lessee to be sent to:

Lessee Name: Nowell Willis Borders
Address: 601 West Monte Christo Rd.
Edinburg, TX 78541


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D) Either Lessor or Lessee may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

Section 14. Miscellaneous

A) This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of Texas. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the District Court for the State of Texas sitting in Hidalgo County, Texas so long as one of such courts shall have subject matter

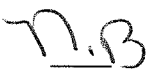

Lessee Initials

jurisdiction over such action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. LESSOR AND LESSEE EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS LEASE OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this agreement shall survive any expiration or termination of this Agreement.

- B) No amendment to this Agreement shall be binding on Lessor or Lessee unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- C) If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates is not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.
- D) This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.
- E) Lessee acknowledges that Lessor is subject to legal requirements regarding the public disclosure of records. Lessee shall comply with such laws in connection with making any request that Lessor maintain a record confidentially, and if Lessee complies with the same Lessee shall have the right to defend any such request for confidentiality at Lessee's expense.
- F) This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.
- G) Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.


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- H) The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Lessee shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. If Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.
- I) Lessee is not authorized to install or operate any signage outside of enclosed structures on the lease premises or at the Airport, except with the prior written approval of Lessor, which may be given or withheld in Lessor's sole discretion. Any approved signage shall be at Lessee's expense and shall comply with local, state or federal laws and regulation. Lessee shall not advertise or permit other to advertise at the Airport by any means, whether or not such advertising is for profit.
- J) Lessor and its associates, agents or employees reserve the right to enter the lease premises at any time and the same does not constitute a trespass on the lease premises or a violation of any of Lessee's rights.
- K) Lessee warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this agreement as a legal, valid, and binding obligation of Lessee.
- L) Time is of the essence of this Agreement.


Lessee Initials

EXECUTED this _____ day of _____, 2021.

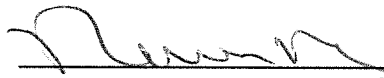
City of Weslaco, Hidalgo County, Texas

Mayor

Approved as to Form:

City Attorney

Attest: _____
City Secretary



Lessee


Lessee Initials

“EXHIBIT A”

HANGAR E-25
75 X 110



Bill of Sale

Date: **September 13, 2021**

Seller: **THE ONION HOUSE, L.L.C., a Texas limited liability company**

Seller's Mailing Address: **P. O. Box 170, Weslaco, Hidalgo County, Texas 78599**

Buyer: **NOWELL WILLIS BORDERS**

Buyer's Mailing Address: **601 West Monte Christo Rd., Edinburg, Hidalgo County, Texas 78541**

Consideration: **TEN AND NO/100THS DOLLARS (\$10.00) including other good and valuable consideration.**

Transferred Properties: **Hangar #E25 located at the Weslaco Mid Valley Airport, Hidalgo County, Texas.**

Reservations from Transfer: **NONE**

Exceptions to Transfer and Warranty: **All of record.**

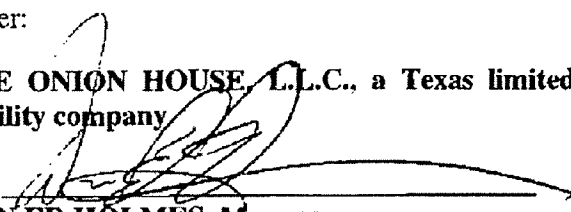
Seller, for the Consideration and subject to the Reservations from Transfer and the Exceptions to Transfer and Warranty, sells, transfers, and delivers the Transferred Properties to Buyer, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Buyer and Buyer's heirs, successors, and assigns forever. Seller binds Seller and Seller's heirs and successors to warrant and forever defend all and singular the Transferred Properties to Buyer and Buyer's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Seller but not otherwise, except as to the Reservations from Transfer and the Exceptions to Transfer and Warranty.

As a material part of the Consideration for this sale, Seller and Buyer agree that Buyer is taking the Transferred Properties "AS IS" and that there are no representations, disclosures, or express or implied warranties except those contained in the purchase contract and this bill of sale. Buyer has not relied on any information other than Buyer's inspection and the representations and warranties expressly contained in the purchase contract and this bill of sale.

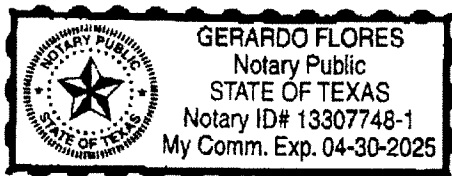
When the context requires, singular nouns and pronouns include the plural.

Seller:

THE ONION HOUSE, L.L.C., a Texas limited liability company

BY: 

DON ED HOLMES, Manager



BY: SAN JUANITA HOLMES, Manager

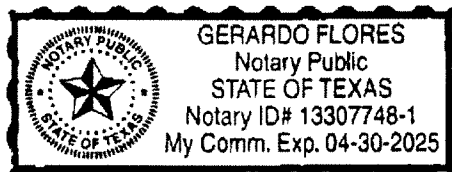
Buyer:

NOWELL WILLIS BORDERS

(Acknowledgment)

State of Texas
County of Hidalgo

This instrument was acknowledged before me on the 15 day of **SEPTEMBER, 2021**, by **DON ED HOLMES, Manager of THE UNION HOUSE, L.L.C., a Texas limited liability company**, on behalf of said company.



Notary Public, State of Texas

(Acknowledgment)

State of Texas
County of Hidalgo

This instrument was acknowledged before me on the 15 day of **SEPTEMBER, 2021**, by **SAN JUANITA HOLMES, Manager of THE ONION HOUSE, L.L.C.**, a Texas limited liability company, on behalf of said company.

Notary Public, State of Texas

(Acknowledgment)

State of Texas
County of Hidalgo

This instrument was acknowledged before me on the _____ day of **SEPTEMBER, 2021**, by **NOWELL WILLIS BORDERS**.

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

PREPARED IN THE LAW OFFICE OF:

SARA L. TIPPIT
THE TIPPIT LAW FIRM, LLP
820 W. Nolana, Ste. C
McAllen, Texas 78504

SAME

BY: _____
SAN JUANITA HOLMES, Manager

Buyer:



NOWELL WILLIS BORDERS

(Acknowledgment)

State of Texas
County of Hidalgo

This instrument was acknowledged before me on the ____ day of **SEPTEMBER, 2021**, by **DON ED HOLMES, Manager of THE ONION HOUSE, L.L.C., a Texas limited liability company**, on behalf of said company.

Notary Public, State of Texas

(Acknowledgment)

State of Texas
County of Hidalgo

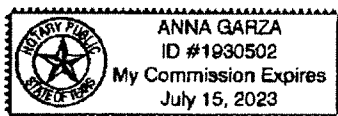
This instrument was acknowledged before me on the ____ day of **SEPTEMBER, 2021**, by **SAN JUANITA HOLMES, Manager of THE ONION HOUSE, L.L.C., a Texas limited liability company**, on behalf of said company.

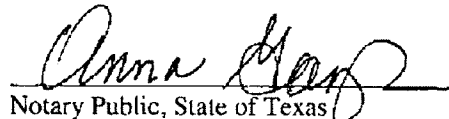
Notary Public, State of Texas

(Acknowledgment)

State of Texas
County of Hidalgo

This instrument was acknowledged before me on the 16th day of **SEPTEMBER, 2021**, by **NOWELL WILLIS BORDERS.**





Notary Public, State of Texas

AFTER RECORDING RETURN TO:

SARA L. TIPPIT
THE TIPPIT LAW FIRM, LLP
820 W. Nolana, Ste. C
McAllen, Texas 78504

PREPARED IN THE LAW OFFICE OF:

SAME



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4779
From:		
Subject: Approval of a Weslaco Mid Valley Airport Ground Lease Agreement with tenant Armando Martinez D/B/A M-5 Texas Enterprises, LLC. and authorize the Mayor to execute any related documents. (Staffed by Airport Department.)		
Background: This a ten-year base lease with one ten-year option. CPI is capped at 3% over a three-year review period. The new building will be on the east side of the airport.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation): The airport advisory board does not participate in lease negotiations.		
JOANNA FERNANDEZ ANDREW MUNOZ Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any: LEASE AGREEMENT ARMANDO MARTINEZ		
Responsibilities upon Approval:		

Lease Agreement

STATE OF TEXAS)
CITY OF WESLACO) **KNOW ALL PERSONS BY THESE PRESENTS:**
HIDALGO COUNTY)

This lease is entered into this 13th day of October, 2021, between the City of Weslaco, a home ruled municipal corporation with its principal place of business at 255 S. Kansas Avenue, Weslaco, Hidalgo County, Texas, hereinafter referred to as the "Lessor" and the owner of the Weslaco Mid Valley Airport, hereinafter referred to as "Airport" and Armando Martinez dba M-5 Texas Enterprises, LLC, hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor owns and operates the Airport and all grounds within the area designated as the Weslaco Mid Valley Airport for aeronautical and non-aeronautical purposes to include landings, takeoffs, storage of aircraft and sales of fuel; and

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in consideration of the terms, premises, and mutual covenants contained herein and other good and valuable considerations, the sufficiency of which is hereby acknowledged, Lessor and Lessee covenant and agree as follows:

Section 1. Lease Premises

- A) Lessor does hereby lease to Lessee approximately **8,000 sq. ft.** (E23) of land more particularly described as set forth in Exhibit "A" which is attached and incorporated by reference, hereinafter referred to as the lease premises.
- B) Lessor shall have use, access, ingress/egress within the airport, airport facilities and airport infrastructure as permitted by federal, state and local policies, laws, rules and regulations as it pertains to this lease agreement.

Section 2. Term

- A) This lease shall be for the term of **10 years**. Thereafter, this lease may be renewed for a subsequent **10-year** extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding year lease term and upon mutual and written agreement by Lessor as

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provided for in this lease. Lessee, upon giving written notice to Lessor, may request additional renewal options prior to the expiration of this lease.

B) Surrender and Holding Over. Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Premises and the Lessor shall have the option to require Lessee to remove any Improvement (or a portion thereof) and restore the Premises and surrounding areas to the condition existing immediately prior to the construction of such Improvement. Thereafter, the Lessor shall have the right to enter and take possession of the Premises, with or without process of law and without liability for trespass. Holding over or failure to vacate the Premises at the end of the Term or extension shall not be construed to be the granting or exercise of any extension.

Section 3. Consideration

A) In consideration for the lease of the Land/Hangar/Building/Office referenced herein Lessee hereby agrees to pay yearly the sum of \$ 2,160.00. The first year's payment is to be made at lease execution. Thereafter, all future payments shall be made on or before the first working day of the year due for the term of this contract plus any extensions thereto.

Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at three (3) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustment to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI). The adjusted lease fee shall be calculated on the third (3rd) year anniversary of this lease and recalculated at subsequent three (3) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next three-year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Building/Office shall not be decreased, but shall remain at the same level as was charged during the preceding three (3) year period.

B) All lease payments shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City of Weslaco, Hidalgo County, Texas by mail or delivery as specified in Section 13. Notice Requirements of this agreement.

C) In the event Lessee fails to remit any payments when the same are due, interest at the rate of 10 % shall be charged by Lessor beginning on the tenth (10) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor.

D) Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property

located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property located in or on the Land/Hangar/Building/Office and is required herein to provide business liability insurance in an amount of \$1,000,000.00 per occurrence. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times and Lessor shall be listed as an additional insured with the condition that said insurance shall provide Lessor notice of any cancellation of said insurance. Any changes in those certificates must have prior written approval of Lessor.

- E) Any sum that Lessee is obligated to pay to Lessor arising from or relating to this agreement or Lessee's use, occupancy or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by Lessor), fines, civil penalties, damages, claims, interest, charges and utility charges.
- F) Lessee shall pay all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operation at the lease premises or the Airport and all other obligations for which a lien may be created relating thereto. Within thirty (30) days Lessee shall remove any such lien that may be created or commence a protest of such lien by depositing with Lessor cash or other security acceptable to Lessor in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the lease premises, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against Lessor's real property or any interest therein.

Section 4. Use of Lease Premises

- A) Lessee and Lessee's associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulation that are applicable to Lessee's use, occupancy, or operations at the lease premises or the Airport, which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law and other pronouncements of any kind having the effect of law including, but not limited, to the Airport Rules and Regulations, City of Weslaco master plans and zoning codes, and all laws and regulations pertaining to the environment, any and all plans and programs developed in compliance with such requirements and all lawful, reasonable, and nondiscriminatory airport policies and other requirements.
- B) Lessee agrees that the leased Land/Hangar/Building/Office may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- C) Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.

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- D) Lessee may store containers of aviation oil, in accordance with the Airport Rules and Regulations, inside the Hangar for aircraft use so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under local fire codes.
- E) Lessee agrees that he will at all times keep the premises of the Land/Hangar/Building/Office, including the inside and the outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Land/Hangar/Building/Office clean and free of hazards, Lessor may, after thirty (30) days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
- F) Lessee agrees that the usage of the Land/Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Land/Hangar except in approved automobile parking areas and as agreed upon by Lessor.
- G) Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sight-seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.
- H) Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Land/Hangar/Building/Office except as authorized in this agreement without the written consent of Lessor.
- I) Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- J) Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar/Building/Office. Such fire extinguisher(s) shall be readily accessible in the event of a fire.

- K) Lessee agrees that he will not operate any non-aviation related business or activity on/in the Land/Hangar/Building/Office without the expressed written consent of Lessor. Any such non-aviation related business or activity must be so established by a separate contract.
- L) Lessee agrees that none of the leased premises shall be used for residential purposes or any other purpose prohibited by any federal, state or municipal law, statute, regulation or ordinance

Section 5. Sublease, Assignment, or Sale

- A) The Lessee shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, to immediately terminate this lease agreement. Lessor shall have the right, in Lessor's sole discretion, to assign any of its rights under this agreement and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this agreement in favor of such assignee.

Section 6. Termination

- A) This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Lessee shall have no more than fifteen (15) days upon notification to resolve said violation(s). Should Lessee be declared bankrupt or incompetent, this contract agreement shall immediately terminate. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for thirty (30) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.
- B) Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Land/Hangar/Building/Office would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.
- C) This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their

resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.

- D) At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.
- E) Upon any expiration or termination of this Agreement, Lessee, at Lessee's sole cost, shall (i) promptly and peaceably surrender to Lessor the lease premises "broom clean", free of debris, and in good order and condition; (ii) repair in a good and workmanlike manner any damage to the lease premises or the Airport that arises from or relates to Lessee's use, occupancy, or operations under this Agreement (iii) deliver to Lessor all keys and access credentials relating to the Airport (iv) perform Lessee's environmental obligations as provided in this Agreement; and (v) remove all movable personal property and trade fixtures that are not owned by Lessor. All property that Lessee leaves on the lease premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to and without any obligation to account to Lessee or any other person. Lessee shall pay to Lessor all expenses incurred in connection with the disposition of such property in excess of any amount received by Lessor from such disposition. Lessee shall not be released from Lessee's obligations under this Agreement in connection with surrender of the lease premises until lessor has inspected the lease premises and delivered to Lessee a written acceptance of such surrender.

Section 7. Hold Harmless

- A) Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees.

Section 8. Maintenance of Landing Area

- A) Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport.

Section 9. Non-Discrimination

- A) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.
- B) Lessee for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sub-leases or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

Section 10. Exclusions

- A) Nothing in this Agreement shall be construed to grant to Lessee any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Lessee's exclusive use as provided herein).
- B) This Agreement shall be interpreted to preserve Lessor's rights and powers to comply with Lessor's Federal and other governmental obligations.
- C) This Agreement is subordinate to the provisions of any agreement between Lessor and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of Lessor entering any agreement or participating in any

program applicable to the Airport (including, but not limited to, those providing funding), Lessee agrees to consent to any such modification. If a governmental authority determines that any act or omission of Lessee or Lessee's Associates has caused or will cause Lessor to be noncompliant with any of Lessor's government commitments (including, but not limited to, any assurances or covenants required of Lessor or obligations imposed by law), Lessee shall immediately take all actions that may be necessary to preserve Lessor's compliance with the same. Without liability to Lessor, Lessor shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Lessee by such authority.

Section 11. Force Majeure

- A) No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

Section 12. Rights and Remedies

- A) Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

Section 13. Notice Requirements

- A) This Agreement has specific and strict notice requirements. All payments by Lessee are to be made to Lessor through the Aviation Director at Weslaco Mid-Valley Airport, 1909 Joe Stephens, Weslaco, TX 78596.**

All notices between the Lessor and Lessee shall be sent to the following addresses for Lessor in paragraph B and for Lessee in paragraph C. All notices shall be sent regular mail and certified mail return receipt

requested. No other form of payment or notice will be accepted. Notice by email is not accepted.

B) Notice to Lessor is to be sent to:

Aviation Director
Weslaco Mid-Valley Airport
1909 Joe Stephens
Weslaco, TX 78596

with a required, simultaneous copy to:

City Attorney
255 South Kansas Street
Weslaco, TX 78596

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C) Notice to Lessee to be sent to:

Lessee Name: Armando Martinez dba M-5 Texas Enterprise, LLC
Address: 2107 Reginald Dr.
Weslaco, Texas 78596

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D) Either Lessor or Lessee may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

Section 14. Miscellaneous

A) This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of Texas. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the District Court for the State of Texas sitting in Hidalgo County, Texas so long as one of such courts shall have subject matter

AAM
Lessee Initials

jurisdiction over such action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. LESSOR AND LESSEE EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS LEASE OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this agreement shall survive any expiration or termination of this Agreement.

- B) No amendment to this Agreement shall be binding on Lessor or Lessee unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- C) If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates is not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.
- D) This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.
- E) Lessee acknowledges that Lessor is subject to legal requirements regarding the public disclosure of records. Lessee shall comply with such laws in connection with making any request that Lessor maintain a record confidentially, and if Lessee complies with the same Lessee shall have the right to defend any such request for confidentiality at Lessee's expense.
- F) This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.
- G) Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

- H) The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Lessee shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. If Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.
- I) Lessee is not authorized to install or operate any signage outside of enclosed structures on the lease premises or at the Airport, except with the prior written approval of Lessor, which may be given or withheld in Lessor's sole discretion. Any approved signage shall be at Lessee's expense and shall comply with local, state or federal laws and regulation. Lessee shall not advertise or permit other to advertise at the Airport by any means, whether or not such advertising is for profit.
- J) Lessor and its associates, agents or employees reserve the right to enter the lease premises at any time and the same does not constitute a trespass on the lease premises or a violation of any of Lessee's rights.
- K) Lessee warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this agreement as a legal, valid, and binding obligation of Lessee.
- L) Time is of the essence of this Agreement.

EXECUTED this _____ day of _____, 2021.

City of Weslaco, Hidalgo County, Texas

Mayor

Approved as to Form:

City Attorney

Attest: _____
City Secretary

J. Q. X. G.
Lessee

AM
Lessee Initials

“EXHIBIT A”

HANGAR E-23





Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4780	
From:			
Subject: Approval for software maintenance and support renewal agreement for Tyler Technologies Incode system with Financial, Billing, Utility and Payroll software applications in the amount of \$54,084.05, and authorize the Mayor to execute any related documents. (Staffed by Information Technology Department.)			
Background: Tyler Technologies Incode System is used to run Financials, Billing, Utility and Payroll processes by the city departments.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
J. Martin Vela J. Martin Vela Mike Perez		Created	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval to renew software maintenance and support.			
Attachments, if any: incode fy 21-22 invoice			
Responsibilities upon Approval:			



Remittance:
Tyler Technologies, Inc
(FEIN 75-2303920)
P.O. Box 203556
Dallas, TX 75320-3556

INVOICE

Invoice No	Date	Page
025-346040	09/01/2021	1 of 2

Questions:

Tyler Technologies- Local Government
Phone: 1-800-772-2260 Press 2, then 2
Email: ar@tylertech.com



Bill To: City of Weslaco
255 S. Kansas
Weslaco, TX 78596

Ship To: City of Weslaco
255 S. Kansas
Weslaco, TX 78596

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
45019 - MAIN - MAIN	150503		USD	NET30	10/01/2021

Date	Description	Units	Rate	Extended Price
Contract No.: Weslaco, City of				
	Easy Pay - Online Component v10	1	0.00	0.00
Maintenance Start: 01/Oct/2021, End: 30/Sep/2022				
Maintenance: Start: 01/Oct/2021, End: 30/Sep/2022				
Incode CIS/CRM Annual Fees				
	Badger Utility Handheld Meter-Reader Interface	1		\$18,525.82
	Utility Payment Import			
	Business License			
	Central Cash Collection			
	Permits & Inspections			
	Utility CIS System			
	Service Order Management			
Incode Court Annual Fees				
	Collection Agency Export Interface	1		\$1,235.54
Incode Financials Annual Fees				
	Accounts Payable	1		\$33,620.45
	Accounts Receivable			
	Fixed Assets			
	General Ledger			
	Payroll/Personnel			
	Purchase Orders - Maintenance			
	Project Accounting			
	Secure Signatures			
	HR Base Package			
	Position Control/Budgeting			
	GASB Module			
	21 Combining Statements - Maintenance			
	One Time Charge Import Utility			
	Incode Personnel Management Suite - Payroll - Electronic Time Clock Import Maintenance			
Third Party System Software				
	AcuCorp AcuServer	1		\$702.24

RECEIVED

SEP 15 2021

ACCOUNTS PAYABLE
CITY OF WESLACO



Remittance:
Tyler Technologies, Inc
(FEIN 75-2303920)
P.O. Box 203556
Dallas, TX 75320-3556

Invoice No	Date	Page
025-346040	09/01/2021	2 of 2

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Tyler Technologies- Local Government
Phone: 1-800-772-2260 Press 2, then 2
Email: ar@tylertech.com

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Weslaco, TX 78596

Ship To: City of Weslaco
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Weslaco, TX 78596

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
45019 - MAIN - MAIN	150503		USD	NET30	10/01/2021

Date	Description	Units	Rate	Extended Price
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****ATTENTION****

Order your checks and forms from
Tyler Business Forms at 877-749-2090 or
tylerbusinessforms.com to guarantee
100% compliance with your software.

Subtotal	54,084.05
Sales Tax	0.00
Invoice Total	54,084.05



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4781	
From:			
Subject: Approval of a request from the Valley Nature Center to close Gibson Park to the public on November 13th for the Brew in the Woods annual fund raiser and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.)			
Background: The Valley Nature Center's Brew in the Woods is held annually in November to raise funds for the operations and programming. The City has honored this request in previous years to accommodate parking for the event.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: Request from VNC for Brew n Woods			
Responsibilities upon Approval:			

Omar Rodriguez

From: Norma Cantu <nacantu@weslacotx.gov>
Sent: Friday, October 22, 2021 11:22 AM
To: Hollie Johnston
Cc: Omar Rodriguez
Subject: RE: Blocking Gibson Park Parking Lot

Hello Hollie,

Parks Director Omar Rodriguez will be handling your request as an agenda item at our next City Commission meeting of November 2, 2021.

Thank you.

Norma A Cantu
City Secretary
City of Weslaco
255 S. Kansas Avenue
Weslaco, TX 78596
956-968-3181
nacantu@weslacotx.gov

From: Hollie Johnston <hjohnston@valleynaturecenter.org>
Sent: Friday, October 22, 2021 9:37 AM
To: Norma Cantu <nacantu@weslacotx.gov>
Subject: Blocking Gibson Park Parking Lot

Hello Miss Norma,

I need to get permission to block the parking lot of Gibson Park for our Brew in the Woods event on November 13th. We would need it blocked first thing in the morning, until about 6:30 pm. We have hired off duty Weslaco PD for our event, they will open the blockades when it's time.

I understand this needs to be on the City Commission meeting agenda. Is that something that your office adds? I'm sorry to make more work for you.

--

Sincerely,

Hollie S. Johnston
Executive Director

Office: (956) 969-2475

Cell: (956) 844-5761

Fax: (956) 969-9915



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4782	
From:			
Subject: Approval on Resolution 2021-58 to place a Lighted Christmas Garland Skyline (Banner) affecting state right-of way on Texas Boulevard/FM 88 between Los Torritos Street and Agostadero Street on November 22, 2021 through January 11, 2022 and authorize the Mayor to execute any related documents as may be required by the Texas Department of Transportation. (Staffed by Parks and Recreation Department.)			
Background: New Christmas decoration that will span across Texas Boulevard. Resolution is required for TXDOT permit.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Resolution			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: R2021-58 TXDOT agreement for Skyline banner across TXDOT ROW			
Responsibilities upon Approval:			

RESOLUTION NO. 2021-58

**A RESOLUTION OF THE CITY OF WESLACO, TEXAS, AUTHORIZING THE CITY TO ENTER
INTO AN AGREEMENT WITH THE TEXAS DEPARTMENT OF PUBLIC TRANSPORTATION
FOR PUBLIC EVENT IN THE CITY LIMITS OF WESLACO**

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSIONERS OF THE CITY OF
WESLACO, TEXAS:**

That the City of Weslaco wishes to enter into an agreement with the State of Texas, acting by and through the Texas Department of Transportation for temporary sign placement affecting state right-of-way for public event.

That the placement of a lighted Christmas garland skyline (banner) across Texas Boulevard/FM 88 between Los Torritos Street and Agostadero Street from November 22, 2021 through January 11, 2022.

That all rules and procedures of 43 Tex., Adm. Code, Section 22.12 have been established for the temporary placement of the lighted Christmas garland skyline across of a segment of the State highway system and this agreement has been developed in accordance with the rules and procedures.

This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 2nd day of November 2021 by the City Commissioners of the City of Weslaco, Texas.

CITY OF WESLACO

DAVID SUAREZ, **MAYOR**

ATTEST:

Norma A. Cantu **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **City Attorney**



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4794	
From: OMAR RODRIGUEZ			
Subject: Approval to renew the lease agreement for the building located at Mayor Pablo G. Pena Park with the Boys & Girls Club of Weslaco for a two-year term ending September 30, 2023 and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.)			
Background: The City has had an ongoing relationship with the Boys & Girls Club of Weslaco in the use of the city's facilities. Term: 24 months (Sept 30, 2023) City pays utilities and up to \$1,000 of janitorial supplies Boys & Girls Club provides programs for the community Facilities are available for the city's use in case of an emergency declaration for shelter.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU OMAR RODRIGUEZ Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: Fully executed Mutual Lease Agreement with the Boys and Girls Club of Weslaco 2018-2020, 2021 Boys and Girls Club Mutual Lease Agreement			
Responsibilities upon Approval:			

THE STATE OF TEXAS *

COUNTY OF HIDALGO * MUTUAL LEASE AGREEMENT

CITY OF WESLACO *

THIS MUTUAL AGREEMENT LEASE ("Agreement") is made and executed on this 16th day of October, 2018 between The Boys and Girls Club of Weslaco, hereinafter called LESSEE, and the City of Weslaco, hereinafter called LESSOR.

ARTICLE I

1.01 LESSOR does hereby demise and lease unto LESSEE the following described property: The Boys and Girls Club building at 300 N. Airport at the Mayor Pablo G. Peña Park in the City of Weslaco, Texas. The Weslaco Boys and Girls Club Recreational Facility is to be used to provide recreational services for the youth. The operation of The Weslaco Boys and Girls Club Recreational Facility shall be for a public purpose and only for that purpose. The above activities shall be subject to the special terms, if any, which may be listed below, and which shall be determined by mutual agreement of the both parties.

ARTICLE II

2.01 The term of this agreement shall be to have and to hold the same for the term of twenty-four months beginning the _____ day of October, 2018 and termination the _____ day of September, 2020. The Agreement shall be effective upon signature by both Parties.

2.02 Provided LESSEE has not defaulted in any of the terms, conditions or provisions hereof, LESSEE may be given the right of renewing and extending the term hereof, for a like term. Provided however, the LESSOR shall have the right to terminate the Agreement at the end of the LESSOR's budget period each year, and shall be a commitment of its current revenue only.

2.03 LESSEE shall give LESSOR notice of the termination of this Agreement in writing at least sixty (60) days prior to the term termination date of this or any subsequent agreement, unless otherwise agreed.

- 2.04 If conditions arise to warrant such, the contracting parties can mutually agree to renegotiate this contract prior to the termination date established.

ARTICLE III
IMPROVEMENTS TO THE PROPERTY

- 3.01 It is agreed that all permanent improvements made to or furnished by the LESSEE on the leased premises shall be deemed to be and shall become part of the reality and shall belong to LESSOR upon expiration of this Agreement or any extension hereof.
- 3.02 LESSEE may not make any alterations which might adversely affect the exterior or interior of said building are desired by the LESSEE, such alterations shall not be made, nor such signs erected without the written consent of the LESSOR.

ARTICLE IV
INSURANCE

- 4.01 LESSOR shall insure the building and equipment covered by this Agreement against fire, accident, or natural disaster. In the event the building (s), equipment or any part thereof shall, during said term or renewal hereof, be destroyed by fire, accident, or natural disaster so that the same shall be thereby rendered unfit for use and habitation, then, if economically feasible, to the LESSOR, LESSOR shall make diligent effort to restore damage premises to their working conditions for use and habitation by LESSEE. If economically unfeasible, to the LESSOR, this contract shall be renegotiated and/or terminated at LESSOR's discretion.
- 4.02 LESSEE agrees to hold LESSOR harmless for any liability for any accident or other legal cause of action based upon tort which occurs on the leased premises, caused by LESSEE, its agent or employees. LESEE further agrees that LESSOR shall not become obligated to pay any damages to any third party because of any accident or other loss and caused by the negligence of LESSEE or any of its employee, agent or licenses. LESSEE will reimburse LESSOR for the amount of LESSOR's actual payments in damages and expenses incident thereto. LESSEE must name LESSOR as additional insured on any insurance which covers its obligations under this Agreement.
- 4.03 LESSEE agrees to at all times during the term of this Agreement have in effect liability insurance policy to protect LESSOR from third party claims that may arise as a result of injuries caused to any person upon

premises herein described. The limits of this policy shall be no less than \$100,000.00 liability per each person and \$100,000.00 aggregate. LESSEE agrees to provide a copy of such policy of insurance to LESSOR at time of signing.

ARTICLE V

UTILITIES

- 5.01 LESSOR shall pay the charges for water, sewer, and garbage-trash pick-up service. LESSEE shall pay charges for telephone and internet service provider. LESSOR shall pay for electricity associated with illuminating the building and grounds. It is agreed and understood that all utilities currently installed and/or connected to the leased building prior to the date LESSEE takes possession shall be paid by the LESSOR. All utilities installed or connected after LESSEE takes possession of the leased building shall be paid by LESSEE.

ARTICLE VI

TAXES

- 6.01 The LESSEE shall be responsible for all personal property taxes as assessments on personal property it owns and uses in the demised building.

ARTICLE VII

MAINTENANCE OF PREMISES

- 7.01 LESSEE agrees to maintain the interior of the building and all equipment in condition suitable for the use of which this Agreement is intended. LESSOR will provide at least two (2) days of custodial service per week. LESSOR will provide custodial supplies not to exceed one thousand dollars (\$1,000) per fiscal year. LESSEE will supply any other supplies.

ARTICLE VIII

SUBLEASING

- 8.01 The LESSEE shall not sublet or assign The Boys and Girls Club Building or any part thereof to a third party without the written consent of the LESSOR. The Boys and Girls Club Building may not be used for any political event.

ARTICLE IX
EMERGENCY SHELTER SERVICES

- 9.01 The LESSEE agrees to allow the LESSOR to use the building as an emergency shelter in the event the City of Weslaco is in a state of an emergency. LESSEE shall be responsible to make appropriate accommodations with their students during the duration that the Boys & Girls Club is being utilized as an emergency shelter.

ARTICLE X
MISCELLANEOUS

- 10.01 This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successor.
- 10.02 LESSEE will not suffer to be carried on upon the premises any trade or business, or anything to be done thereon, except that which has been agree to in this agreement.
- 10.03 LESSEE shall not discriminate against any employee, applicant for employment, or visitor to The Boys and Girls Club Building because of race, religion, age disability, sex, or national origin.
- 10.04 LESSEE will permit LESSOR at any reasonable time to make such repairs as it may deem necessary for the protection of the premises.
- 10.05 This Agreement shall be constructed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder and performable in Hidalgo County, Texas.
- 10.06 In case any one or more of the provisions contained in the agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, and illegality or unenforceable shall not affect any other provisions thereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- 10.07 Board of Directors. It is agreed between the LESSOR and LESSEE that the Chairman of the Parks and Recreation Advisory Committee for the City of Weslaco or a designated member will be a member of the

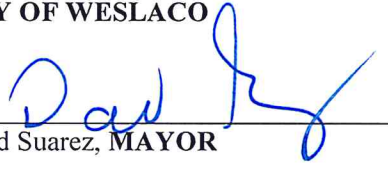
Board of Directors of The Boys and Girls Club of Weslaco. It is also agreed that the Parks and Recreation Director for the City of Weslaco shall be an ex officio member of the Board.

- 10.08 Fund raising. LESSEE shall be allowed to organize, implement, and/or establish fundraising Activities and/or services such as but not limited to operation of a gift shop which shall be used to sell related articles. It is understood between the LESSEE and LESSOR that the proceeds of the gift shop and the monies derived from workshop and training sessions to be presented to the public shall be used for the operation of the Boys and Girls Club of Weslaco. LESSEE must comply with all City ordinances.

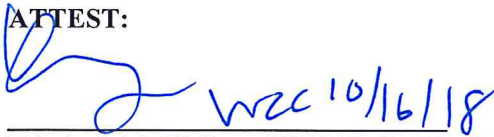
IN WITNESS HEREOF, the undersigned hereto execute this agreement as of the day and year first above written.

LESSORS:

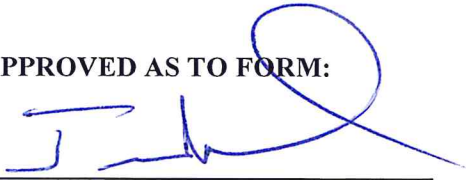
CITY OF WESLACO


David Suarez, **MAYOR**

ATTEST:


Elizabeth M. Walker, **CITY SECRETARY**

APPROVED AS TO FORM:


Juan E. Gonzalez, **CITY ATTORNEY**

LESSEES:

THE BOYS AND GIRLS CLUB OF WESLACO


Carlos Robledo, **CHAIRPERSON**

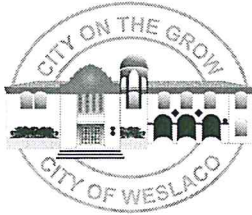
ATTEST:



Mary Lopez, CHIEF OFFICER

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Gerardo "Jerry" Tafolla, Mayor Pro-Tem, District 4
Leo Muñoz, Commissioner, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

October 19, 2018

BOYS' AND GIRLS' CLUB OF WESLACO
Attn: Ms. Mary Lopez, Chief Professional Officer
300 N. Airport Drive, Suite A
Weslaco, Texas 78596

CITY OF WESLACO
OCT 30 2018
CITY SECRETARY'S OFFICE

Dear Ms. Lopez:

At their regular meeting of October 16, 2018, the Weslaco City Commission approved **renewal of a Mutual Leage Agreement** with the Boys and Girls Club of Weslaco for use of facility located at 300 N. Airport, Suite B and authorized the Mayor to execute any related documents.

Enclosed please find the agreement as executed by Mayor David Suarez; kindly execute, retain a copy and return the original to the city for its records.

Kindly note the city does not consider any agreement effective until filed fully executed.

Should you have any questions, please do not hesitate to call me at (956) 968-3181, Ext. 1103.

Sincerely,

Elizabeth M. Walker
Assistant City Manager/City Secretary

EMW/mv

C: Olga Garza, Interim Parks & Recreation Director

- 2.04 If conditions arise to warrant such, the contracting parties can mutually agree to renegotiate this contract prior to the termination date established.

ARTICLE III

IMPROVEMENTS TO THE PROPERTY

- 3.01 It is agreed that all permanent improvements made to or furnished by the LESSEE on the leased premises shall be deemed to be and shall become part of the reality and shall belong to LESSOR upon expiration of this Agreement or any extension hereof.
- 3.02 LESSEE may not make any alterations which might adversely affect the exterior or interior of said building are desired by the LESSEE, such alterations shall not be made, nor such signs erected without the written consent of the LESSOR.

ARTICLE IV

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- 4.01 LESSOR shall insure the building and equipment covered by this Agreement against fire, accident, or natural disaster. In the event the building (s), equipment or any part thereof shall, during said term or renewal hereof, be destroyed by fire, accident, or natural disaster so that the same shall be thereby rendered unfit for use and habitation, then, if economically feasible, to the LESSOR, LESSOR shall make diligent effort to restore damage premises to their working conditions for use and habitation by LESSEE. If economically unfeasible, to the LESSOR, this contract shall be renegotiated and/or terminated at LESSOR's discretion.
- 4.02 LESSEE agrees to hold LESSOR harmless for any liability for any accident or other legal cause of action based upon tort which occurs on the leased premises, caused by LESSEE, its agent or employees. LESSEE further agrees that LESSOR shall not become obligated to pay any damages to any third party because of any accident or other loss and caused by the negligence of LESSEE or any of its employee, agent or licenses. LESSEE will reimburse LESSOR for the amount of LESSOR's actual payments in damages and expenses incident thereto. LESSEE must name LESSOR as additional insured on any insurance which covers its obligations under this Agreement.
- 4.03 LESSEE agrees to at all times during the term of this Agreement have in effect liability insurance policy to protect LESSOR from third party claims that may arise as a result of injuries caused to any person upon

premises herein described. The limits of this policy shall be no less than \$100,000.00 liability per each person and \$100,000.00 aggregate. LESSEE agrees to provide a copy of such policy of insurance to LESSOR at time of signing.

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- 5.01 LESSOR shall pay the charges for water, sewer, and garbage-trash pick-up service. LESSEE shall pay charges for telephone and internet service provider. LESSOR shall pay for electricity associated with illuminating the building and grounds. It is agreed and understood that all utilities currently installed and/or connected to the leased building prior to the date LESSEE takes possession shall be paid by the LESSOR. All utilities installed or connected after LESSEE takes possession of the leased building shall be paid by LESSEE.

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- 9.01 The LESSEE agrees to allow the LESSOR to use the building as an emergency shelter in the event the City of Weslaco is in a state of an emergency. LESSEE shall be responsible to make appropriate accommodations with their students during the duration that the Boys & Girls Club is being utilized as an emergency shelter.

ARTICLE X
MISCELLANEOUS

- 10.01 This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successor.
- 10.02 LESSEE will not suffer to be carried on upon the premises any trade or business, or anything to be done thereon, except that which has been agree to in this agreement.
- 10.03 LESSEE shall not discriminate against any employee, applicant for employment, or visitor to The Boys and Girls Club Building because of race, religion, age disability, sex, or national origin.
- 10.04 LESSEE will permit LESSOR at any reasonable time to make such repairs as it may deem necessary for the protection of the premises.
- 10.05 This Agreement shall be constructed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder and performable in Hidalgo County, Texas.
- 10.06 In case any one or more of the provisions contained in the agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, and illegality or unenforceable shall not affect any other provisions thereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- 10.07 Board of Directors. It is agreed between the LESSOR and LESSEE that the Chairman of the Parks and Recreation Advisory Committee for the City of Weslaco or a designated member will be a member of the

Board of Directors of The Boys and Girls Club of Weslaco. It is also agreed that the Parks and Recreation Director for the City of Weslaco shall be an ex officio member of the Board.

- 10.08 Fund raising. LESSEE shall be allowed to organize, implement, and/or establish fundraising Activities and/or services such as but not limited to operation of a gift shop which shall be used to sell related articles. It is understood between the LESSEE and LESSOR that the proceeds of the gift shop and the monies derived from workshop and training sessions to be presented to the public shall be used for the operation of the Boys and Girls Club of Weslaco. LESSEE must comply with all City ordinances.

IN WITNESS HEREOF, the undersigned hereto execute this agreement as of the day and year first above written.

LESSORS:

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Norma Cantu, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**

LESSEES:

THE BOYS AND GIRLS CLUB OF WESLACO

Carlos Robledo, **CHAIRPERSON**

ATTEST:

Mary Lopez, **CHIEF OFFICER**



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4790
From: ANTONIO LOPEZ		
Subject: Approval of the annual subscription renewal to Rio Grande Valley Communications Group for radio communication services to all city departments from October 1, 2021 - September 30, 2022 in the amount of \$48,960 and authorize the Mayor to execute any related documents. (Staffed by Fire Department.)		
Background: Annual subscription of radio usage for all city departments.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
NORMA CANTU ANTONIO LOPEZ Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: Invoice 3110 Weslaco Oct 2021 to Sept 2022, WESLACO-340		
Responsibilities upon Approval:		



INVOICE NO.	3110
DATE	October 6, 2021
CUSTOMER ID	WESLACO

SALESPERSON	PO	PAYMENT TERMS	DUE DATE
RA	2021-2022	Net 30	10/6/21

Make all checks payable to: **Rio Grande Valley Communications Group**
THANK YOU FOR YOUR BUSINESS!

Radio ID	Radio Serial Number	Radio User Alias	Security Group	Emergency Alarm Comments
8094000	655CMV0823	WSLCO FD 8094000	WESLACO	
8094001	655CMV0824	WSLCO FD 8094001	WESLACO	
8094002	655CMV0825	WSLCO EM 8094002	WESLACO	
8094003	9036912	WSLCO ACU HR-10	WESLACO	WESLACO ACU DIGITAL
8094004	9036917	WSLCO ACU HR-11	WESLACO	WESLACO ACU DIGITAL
8094005	9036916	WSLCO ACU HR-12	WESLACO	WESLACO ACU DIGITAL
8094006	31123	WSLCO ACU EF-1	WESLACO	ADDED 10/1/13
8094007	31963	WSLCO ACU EF-2	WESLACO	ADDED 10/1/13
8094008	31957	WSLCO ACU EF-3	WESLACO	ADDED 10/1/13
8094009	527CQF2700	WFD CS FDESK	WESLACO	ADDED 7/8/14
8094010	527CQF2701	WFD CS STA 1	WESLACO	ADDED 7/8/14
8094011	527CQF2702	WFD CS STA 2	WESLACO	ADDED 7/8/14
8094012	527CQF2703	WFD CS STA 3	WESLACO	ADDED 7/8/14
8094013	527CQF2704	WFD M 502	WESLACO	ADDED 7/8/14
8094014	527CQF2705	WFD M 501	WESLACO	ADDED 7/8/14
8094015	527CQF2706	WFD M 512	WESLACO	ADDED 7/8/14
8094016	527CQF2707	WFD M ENG 1	WESLACO	ADDED 7/8/14
8094017	527CQF2708	WFD M LADD 1	WESLACO	ADDED 7/8/14
8094018	527CQF2709	WFD M TANK 1	WESLACO	ADDED 7/8/14
8094019	527CQF2710	WFD M BRUSH 1	WESLACO	ADDED 7/8/14
8094020	527CQF2711	WFD M ENG 2	WESLACO	ADDED 7/8/14
8094021	527CQF2712	WFD M BRUSH 2	WESLACO	ADDED 7/8/14
8094022	527CQF2713	WFD M ENG 3	WESLACO	ADDED 7/8/14
8094023	527CQF2714	WFD M BRUSH 3	WESLACO	ADDED 7/8/14
8094024	527CQF2715	WFD M BRUSH 5	WESLACO	ADDED 7/8/14
8094025	527CQF2716	WFD M FP 536	WESLACO	ADDED 7/8/14
8094026	527CQF2717	WFD M RES 1	WESLACO	ADDED 7/8/14
8094027	527CQF2718	WFD M RES 2	WESLACO	ADDED 7/8/14
8094028	527CQF2719	WFD M TRL 1	WESLACO	ADDED 7/8/14
8094029	527CQF2720	WFD M EMS 511	WESLACO	ADDED 7/8/14
8094030	756CQF1452	WFD P 503	WESLACO	ADDED 7/8/14
8094031	756CQF1453	WFD P 504	WESLACO	ADDED 7/8/14
8094032	756CQF1454	WFD P 505	WESLACO	ADDED 7/8/14
8094033	756CQF1455	WFD P 506	WESLACO	ADDED 7/8/14
8094034	756CQF1456	WFD P 507	WESLACO	ADDED 7/8/14
8094035	756CQF1457	WFD P LT 010	WESLACO	ADDED 7/8/14
8094036	756CQF1458	WFD P LT 011	WESLACO	ADDED 7/8/14
8094037	756CQF1459	WFD P LT 012	WESLACO	ADDED 7/8/14
8094038	756CQF1460	WFD P LT013	WESLACO	ADDED 7/8/14
8094039	756CQF1461	WFD P LT 014	WESLACO	ADDED 7/8/14
8094040	756CQF1462	WFD P LT 015	WESLACO	ADDED 7/8/14
8094041	756CQF1463	WFD P LT 016	WESLACO	ADDED 7/8/14
8094042	756CQF1464	WFD P LT 017	WESLACO	ADDED 7/8/14
8094043	756CQF1465	WFD P LT 018	WESLACO	ADDED 7/8/14
8094044	756CQF1466	WFD P FP 531	WESLACO	ADDED 7/8/14
8094045	756CQF1467	WFD P FP 532	WESLACO	ADDED 7/8/14
8094046	756CQF1468	WFD P FP 533	WESLACO	ADDED 7/8/14
8094047	756CQF1469	WFD P FP 534	WESLACO	ADDED 7/8/14
8094048	756CQF1470	WFD P 20	WESLACO	ADDED 7/8/14
8094049	756CQF1471	WFD P 21	WESLACO	ADDED 7/8/14
8094051	756CQF1473	WFD P 23	WESLACO	ADDED 7/8/14
8094052	756CQF1474	WFD P 24	WESLACO	ADDED 7/8/14
8094053	756CQF1475	WFD P 25	WESLACO	ADDED 7/8/14
8094054	756CQF1476	WFD P 26	WESLACO	ADDED 7/8/14
8094055	756CQF1477	WFD P 27	WESLACO	ADDED 7/8/14
8094056	756CQF1478	WFD P 28	WESLACO	ADDED 7/8/14
8094057	756CQF1479	WFD P 29	WESLACO	ADDED 7/8/14
8094058	756CQF1480	WFD P 30	WESLACO	ADDED 7/8/14
8094059	756CQF1481	WFD P 31	WESLACO	ADDED 7/8/14
8094060	756CQF1482	WFD P 32	WESLACO	ADDED 7/8/14
8094061	756CQF1483	WFD P 33	WESLACO	ADDED 7/8/14
8094062	756CQF1484	WFD P 34	WESLACO	ADDED 7/8/14
8094063	775CNX0949	WFD ELITE M1	WESLACO	3/28/2017
8094064	775CNX0951	WFD ELITE M2	WESLACO	3/28/2017
8094065	A40204006C8B	WFD P35	WESLACO	4/25/2017
8094066	A40204006C8C	WFD P36	WESLACO	4/25/2017
8094067	A40204006C8D	WFD P37	WESLACO	4/25/2017
8094068	A40204006C8E	WFD P38	WESLACO	4/25/2017
8094069	A40204006C8F	WFD P39	WESLACO	4/25/2017
8094070	A40204006C94	WFD P40	WESLACO	4/25/2017
8094071	A40204006CE5	WFD P41	WESLACO	4/25/2017
8094072	A40204006CE6	WFD P42	WESLACO	4/25/2017
8094073	A40204006CE7	WFD P43	WESLACO	4/25/2017
8094074	A40204006CE8	WFD P44	WESLACO	4/25/2017

Radio ID	Radio Serial Number	Radio User Alias	Security Group	Emergency Alarm Comments
8094075	A40209204950	WFD M01	WESLACO	4/25/2017
8094076	A40209205212	WFD M02	WESLACO	4/25/2017
8094077	A40209205213	WFD M03	WESLACO	4/25/2017
8094078	A40209205426	WFD M04	WESLACO	4/25/2017
8094079	A40209205755	WFD M05	WESLACO	4/25/2017
8094080	26144997	WFD P45	WESLACO	7/5/2019
8094081	26144255	WFD P4255	WESLACO	9/27/2021
8094082	26144256	WFD P4256	WESLACO	9/27/2021
8094092	A4011E087207	W MVD C1	WESLACO	4/15/2019
8094093	A4011E087276	W MVD C2	WESLACO	4/15/2019
8094094	A4011E087401	W MVD C3	WESLACO	4/15/2019
8094095	A4011E087403	W MVD C4	WESLACO	4/15/2019
8094096	A4011E087404	W MVD C5	WESLACO	4/15/2019
8094097	A4011E087405	W MVD C6	WESLACO	4/15/2019
8094098	A4011E087451	W MVD C7	WESLACO	4/15/2019
8094099	A4011E087452	W MVD C8	WESLACO	4/15/2019
8094133	A40209205756	WEMS 5756	WESLACO	4/25/2017
8094134	A40209205780	WEMS 5780	WESLACO	4/25/2017
8094135	A40209205784	WEMS 5784	WESLACO	4/25/2017
8094136	A40209205865	WEMS 5865	WESLACO	4/25/2017
8094137	A40209205867	WEMS 5867	WESLACO	4/25/2017
8094138	A40209205875	WEMS 5875	WESLACO	4/25/2017
8094139	A40209205878	WEMS 5878	WESLACO	4/25/2017
8094140	775CNX0992	HPP WSEM 8094140	WESLACO	
8094141	775CNX0993	HPP WSEM 8094141	WESLACO	
8094142	775CNX0994	HPP WSEM 8094142	WESLACO	
8094143	775CNX0995	HPP WSEM 8094143	WESLACO	
8094144	775CNX0996	HPP WSEM 8094144	WESLACO	
8094145	775CNX0997	HPP WSEM 8094145	WESLACO	
8094146	775CNX0998	HPP WSEM 8094146	WESLACO	
8094148	775CNX1000	HPP WSEM 8094148	WESLACO	
8094149	775CNX1001	HPP WSEM 8094149	WESLACO	
8094154	A40153012112	WCODE M1	WESLACO	2/15/2017
8094155	A40153012113	WCODE M2	WESLACO	2/15/2017
8094156	A40153012116	WCODE M3	WESLACO	2/15/2017
8094157	A40153012117	WCODE M4	WESLACO	2/15/2017
8094158	A40138014943	WCODE P1	WESLACO	2/15/2017
8094159	A40138015001	WCODE P2	WESLACO	2/15/2017
8094160	A40138015002	WCODE P3	WESLACO	2/15/2017
8094161	A40138015003	WCODE P4	WESLACO	2/15/2017
8094162	A40138015004	WCODE P5	WESLACO	2/15/2017
8094163	A40138015005	WCODE P6	WESLACO	2/15/2017
8094164	A40138015006	WCODE P7	WESLACO	2/15/2017
8094165	A40138015007	WCODE P8	WESLACO	2/15/2017
8094166	A40153011377	WCODE M5	WESLACO	5/9/2017
8094167	20497572	WCODE M6	WESLACO	2/15/2018
8094175	20823679	WES OEM 707	WESLACO	3/26/2021
8094176	A40204006CEA	WES EM P1	WESLACO	7/21/2017
8094177	A40204006CEB	WES EM P2	WESLACO	7/21/2017
8094178	A40204006CEC	WES EM P3	WESLACO	7/21/2017
8094179	A40204006CED	WES EM P4	WESLACO	7/21/2017
8094180	A40204006CEE	WES EM P5	WESLACO	7/21/2017
8094181	A40204006CE9	WES EM P6	WESLACO	7/21/2017
8094182	20763549	WES EM M3549	WESLACO	8/27/2020
8094183	20763559	WES EM M3559	WESLACO	8/27/2020
8094199	25750193	WES CE 707	WESLACO	6/10/2016
8094200	A40201015160	WES CE 1	WESLACO	ADDED 6/17/15
8094211	A40209234123	WPD M4123	WESLACO	2/12/2021
8094212	A4011E073046	WPD M2	WESLACO	12/6/2016
8094213	A4011E073047	WPD M3	WESLACO	12/6/2016
8094214	A4011E073048	WPD M4	WESLACO	12/6/2016
8094215	A4011E073049	WPD M5	WESLACO	12/6/2016
8094216	A4011E087147	WPD M6	WESLACO	12/6/2016
8094217	A4011E087148	WPD M7	WESLACO	12/6/2016
8094218	A4011E087149	WPD M8	WESLACO	12/6/2016
8094219	A4011E087156	WPD M9	WESLACO	12/6/2016
8094220	A4011E087157	WPD M10	WESLACO	12/6/2016
8094221	A4011E087159	WPD M11	WESLACO	12/6/2016
8094222	A4011E087160	WPD M12	WESLACO	12/6/2016
8094223	A4011E087268	WPD M13	WESLACO	12/6/2016
8094224	A4011E087270	WPD M14	WESLACO	12/6/2016
8094225	A4011E087344	WPD M15	WESLACO	12/6/2016
8094226	A4011E087392	WPD M16	WESLACO	12/6/2016
8094227	A40209203885	WPD M17	WESLACO	12/6/2016

Radio ID	Radio Serial Number	Radio User Alias	Security Group	Emergency Alarm Comments
8094228	A40209203886	WPD M18	WESLACO	12/6/2016
8094229	A40209203887	WPD M19	WESLACO	12/6/2016
8094230	A40209203888	WPD M20	WESLACO	12/6/2016
8094231	A40209203889	WPD M21	WESLACO	12/6/2016
8094232	A40209203921	WPD M22	WESLACO	12/6/2016
8094233	A40209203950	WPD M23	WESLACO	12/6/2016
8094234	A40209203952	WPD M24	WESLACO	12/6/2016
8094235	A40209203961	WPD M25	WESLACO	12/6/2016
8094236	A40209203963	WPD M26	WESLACO	12/6/2016
8094237	A40209204951	WPD M27	WESLACO	12/6/2016
8094238	A40209204952	WPD M28	WESLACO	12/6/2016
8094239	A40209204953	WPD M29	WESLACO	12/6/2016
8094240	A40209204954	WPD M30	WESLACO	12/6/2016
8094241	A40209205260	WPD M31	WESLACO	12/6/2016
8094242	A40209205261	WPD M32	WESLACO	12/6/2016
8094243	A40209205262	WPD M33	WESLACO	12/6/2016
8094244	A40209205263	WPD M34	WESLACO	12/6/2016
8094245	A40209205264	WPD M35	WESLACO	12/6/2016
8094246	A40209205425	WPD M36	WESLACO	12/6/2016
8094247	A40209205427	WPD M37	WESLACO	12/6/2016
8094248	A40209205428	WPD M38	WESLACO	12/6/2016
8094249	A40209205429	WPD M39	WESLACO	12/6/2016
8094250	A40209205759	WPD M40	WESLACO	12/6/2016
8094251	A40209205857	WPD M41	WESLACO	12/6/2016
8094252	A40205003D13	WPD P1	WESLACO	1/26/2017
8094253	A402050041A8	WPD P2	WESLACO	1/26/2017
8094254	A402050047AE	WPD P3	WESLACO	1/26/2017
8094255	A402050047AF	WPD P4	WESLACO	1/26/2017
8094256	A402050047B1	WPD P5	WESLACO	1/26/2017
8094257	A402050047B2	WPD P6	WESLACO	1/26/2017
8094258	A402050047B3	WPD P7	WESLACO	1/26/2017
8094259	A402050047B4	WPD P8	WESLACO	1/26/2017
8094260	A402050047B5	WPD P9	WESLACO	1/26/2017
8094261	A40205005059	WPD P10	WESLACO	1/26/2017
8094262	A4020500505A	WPD P11	WESLACO	1/26/2017
8094263	A4020500505B	WPD P12	WESLACO	1/26/2017
8094264	A4020500505E	WPD P13	WESLACO	1/26/2017
8094265	A4020500505F	WPD P14	WESLACO	1/26/2017
8094266	A40205005060	WPD P15	WESLACO	1/26/2017
8094267	A40205005061	WPD P16	WESLACO	1/26/2017
8094268	A40205005062	WPD P17	WESLACO	1/26/2017
8094269	A40205005171	WPD P18	WESLACO	1/26/2017
8094270	A40205005172	WPD P19	WESLACO	1/26/2017
8094271	A40205005174	WPD P20	WESLACO	1/26/2017
8094272	A40205005176	WPD P21	WESLACO	1/26/2017
8094273	A40205005177	WPD P22	WESLACO	1/26/2017
8094274	A4020500518B	WPD P23	WESLACO	1/26/2017
8094275	A4020500518C	WPD P24	WESLACO	1/26/2017
8094276	A40205005212	WPD P25	WESLACO	1/26/2017
8094277	A40205005214	WPD P26	WESLACO	1/26/2017
8094278	A40205005218	WPD P27	WESLACO	1/26/2017
8094279	A40205005219	WPD P28	WESLACO	1/26/2017
8094280	A4020500521A	WPD P29	WESLACO	1/26/2017
8094281	A40205005276	WPD P30	WESLACO	1/26/2017
8094282	A402050052AC	WPD P31	WESLACO	1/26/2017
8094283	A402050052DB	WPD P32	WESLACO	1/26/2017
8094284	A402050052DC	WPD P33	WESLACO	1/26/2017
8094285	A402050052DF	WPD P34	WESLACO	1/26/2017
8094286	A402050053F1	WPD P35	WESLACO	1/26/2017
8094287	A402050053F2	WPD P36	WESLACO	1/26/2017
8094288	A402050053F3	WPD P37	WESLACO	1/26/2017
8094289	A402050053F4	WPD P38	WESLACO	1/26/2017
8094290	A402050053F5	WPD P39	WESLACO	1/26/2017
8094291	A402050053F6	WPD P40	WESLACO	1/26/2017
8094292	A402050053F7	WPD P41	WESLACO	1/26/2017
8094293	A402050053F8	WPD P42	WESLACO	1/26/2017
8094294	A402050053FA	WPD P43	WESLACO	1/26/2017
8094295	A402050053FB	WPD P44	WESLACO	1/26/2017
8094296	A402050053FC	WPD P45	WESLACO	1/26/2017
8094297	A402050053FF	WPD P46	WESLACO	1/26/2017
8094298	A40205005402	WPD P47	WESLACO	1/26/2017
8094299	A40205005403	WPD P48	WESLACO	1/26/2017
8094300	A40205005403	WPD P49	WESLACO	1/26/2017
8094301	A40205005404	WPD P50	WESLACO	1/26/2017

Radio ID	Radio Serial Number	Radio User Alias	Security Group	Emergency Alarm Comments
8094302	A4020500540F	WPD P51	WESLACO	1/26/2017
8094303	A40205005410	WPD P52	WESLACO	1/26/2017
8094304	A40205005411	WPD P53	WESLACO	1/26/2017
8094305	A40205005412	WPD P54	WESLACO	1/26/2017
8094306	A40205005413	WPD P55	WESLACO	1/26/2017
8094307	A40205005415	WPD P56	WESLACO	1/26/2017
8094308	A40205005418	WPD P57	WESLACO	1/26/2017
8094309	A40205005423	WPD P58	WESLACO	1/26/2017
8094310	A40205005424	WPD P59	WESLACO	1/26/2017
8094311	A40205005426	WPD P60	WESLACO	1/26/2017
8094312	A40205005428	WPD P61	WESLACO	1/26/2017
8094313	A40205005429	WPD P62	WESLACO	1/26/2017
8094314	A4020500542A	WPD P63	WESLACO	1/26/2017
8094315	A4020500542B	WPD P64	WESLACO	1/26/2017
8094316	A40205005455	WPD P65	WESLACO	1/26/2017
8094317	A40205005457	WPD P66	WESLACO	1/26/2017
8094318	A40205005458	WPD P67	WESLACO	1/26/2017
8094319	A40205005459	WPD P68	WESLACO	1/26/2017
8094320	A4020500545A	WPD P69	WESLACO	1/26/2017
8094321	A4020500545C	WPD P70	WESLACO	1/26/2017
8094322	A4020500545D	WPD P71	WESLACO	1/26/2017
8094323	A4020500545E	WPD P72	WESLACO	1/26/2017
8094324	A402050054B9	WPD P73	WESLACO	1/26/2017
8094325	A402050054C0	WPD P74	WESLACO	1/26/2017
8094326	A402050054C1	WPD P75	WESLACO	1/26/2017
8094327	A402050054C2	WPD P76	WESLACO	1/26/2017
8094328	A40205005D1A	WPD P77	WESLACO	1/26/2017
8094329	A40205005D1B	WPD P78	WESLACO	1/26/2017
8094330	A40205005D1C	WPD P79	WESLACO	1/26/2017
8094331	A40205005D1D	WPD P80	WESLACO	1/26/2017
8094332	A4011E062576	WES B1	WESLACO	2/1/2017
8094333	A4011E062577	WES B2	WESLACO	2/1/2017
8094334	A4011E062578	WES B3	WESLACO	2/1/2017
8094335	A4011E073055	WES B4	WESLACO	2/1/2017
8094336	A4011E087256	WES B5	WESLACO	2/1/2017
8094337	A4011E087259	WES B6	WESLACO	2/1/2017
8094338	A4011E087260	WES B7	WESLACO	2/1/2017
8094339	A4011E087299	WES B8	WESLACO	2/1/2017
8094340	A4011E087300	WES B9	WESLACO	2/1/2017
8094341	A4011E087389	WES B10	WESLACO	2/1/2017
8094342	A40123353365	WES B11	WESLACO	2/1/2017
8094343	A4011E087219	WPD FB1	WESLACO	2/28/2017
8094344	A4011E087126	WPD FB2	WESLACO	2/28/2017
8094345	20300450	WPD FB3	WESLACO	2/28/2017
8094346	20300452	WPD FB4	WESLACO	2/28/2017
8094347	A40300104603	WPD P81	WESLACO	11/28/2017
8094348	A40330104801	WPD P82	WESLACO	11/28/2017
8094349	A40300105097	WPD P83	WESLACO	11/28/2017
8094350	A40300105916	WPD P84	WESLACO	11/28/2017
8094351	26158615	WPD P85	WESLACO	5/23/2019
8094352	25158622	WPD P86	WESLACO	5/23/2019
8094353	A40307200014	WPD P87	WESLACO	9/16/2019
8094354	A40307200046	WPD P88	WESLACO	9/16/2019
8094355	A40307200161	WPD P89	WESLACO	9/16/2019
8094356	A40301212788	WPD P90	WESLACO	9/16/2019
8094357	A40307000004	WPD P91	WESLACO	1/31/2020
8094358	A40307000006	WPD P92	WESLACO	1/31/2020
8094359	A40307000009	WPD P93	WESLACO	1/31/2020
8094360	A40307000012	WPD P94	WESLACO	1/31/2020
8094361	A40307000013	WPD P95	WESLACO	1/31/2020
8094362	A40307000016	WPD P96	WESLACO	1/31/2020
8094363	721CEW1274	WPD P1274	WESLACO	4/9/2020
8094390	A40153006253	WPARKS M8	WESLACO	4/2/2018
8094391	20442953	WPARKS M6	WESLACO	5/22/2017
8094392	20442954	WPARKS M7	WESLACO	5/22/2017
8094393	20442963	WPARKS B	WESLACO	5/22/2017
8094394	A40153012118	WPARKS M1	WESLACO	2/16/2017
8094395	A40153012119	WPARKS M2	WESLACO	2/16/2017
8094396	A40153012120	WPARKS M3	WESLACO	2/16/2017
8094397	A40152012126	WPARKS M4	WESLACO	2/16/2017
8094398	A40153012127	WPARKS M5	WESLACO	2/16/2017
8094400	A40138015009	WPARKS P2	WESLACO	2/16/2017
8094401	A40138015010	WPARKS P3	WESLACO	2/16/2017
8094402	A40138015025	WPARKS P4	WESLACO	2/16/2017

Radio ID	Radio Serial Number	Radio User Alias	Security Group	Emergency Alarm Comments
8094403	A40138015031	WPARKS P5	WESLACO	2/16/2017
8094405	A40138015033	WPARKS P7	WESLACO	2/16/2017
8094406	A40138015034	WPARKS P8	WESLACO	2/16/2017
8094407	A40138015035	WPARKS P9	WESLACO	2/16/2017
8094408	A40138015036	WPARKS P10	WESLACO	2/16/2017
8094414	A40153012128	WWATER M1	WESLACO	2/23/2017
8094415	A40153012129	WWATER M2	WESLACO	2/23/2017
8094416	A40153012130	WWATER M3	WESLACO	2/23/2017
8094417	A40153012206	WWATER M4	WESLACO	2/23/2017
8094418	A40153012097	WBASE	WESLACO	2/23/2017
8094419	A40138015037	WWATER P1	WESLACO	2/23/2017
8094420	A40138015038	WWATER P2	WESLACO	2/23/2017
8094421	A40138015039	WWATER P3	WESLACO	2/23/2017
8094422	A40138015040	WMETER P1	WESLACO	2/23/2017
8094423	A40138015061	WMETER P2	WESLACO	2/23/2017
8094424	A40138015063	WMETER P3	WESLACO	2/23/2017
8094425	A40138015064	WMETER P4	WESLACO	2/23/2017
8094426	A40138015068	WMETER P5	WESLACO	2/23/2017
8094427	A4014A005597	WMETER P6	WESLACO	4/26/2018
8094429	A4014A005599	WMETER P8	WESLACO	4/26/2018
8094430	A4014A005600	WMETER P9	WESLACO	4/26/2018
8094431	A4014A006920	WMETER P10	WESLACO	10/3/2018
8094432	A4014A006864	WMETER P11	WESLACO	10/3/2018
8094433	A4014A006914	WMETER P12	WESLACO	10/3/2018
8094434	A4014A006917	WMETER P13	WESLACO	10/3/2018
8094435	A4014A012551	WMETER P14	WESLACO	11/17/2020
8094436	A4014A012552	WMETER P15	WESLACO	11/17/2020
8094437	A4014A012553	WMETER P16	WESLACO	11/17/2020
8094462	A4014A011613	WPW P1613	WESLACO	10/12/2020
8094463	A4014A011891	WPW P1891	WESLACO	10/12/2020
8094464	A40153012207	WPW M1	WESLACO	2/28/2017
8094465	A40153012208	WPW M2	WESLACO	2/28/2017
8094466	A4015301209	WPW M3	WESLACO	2/28/2017
8094467	A40153012210	WPW M4	WESLACO	2/28/2017
8094468	A40153012099	WPW BASE	WESLACO	2/28/2017
8094469	A40138015070	WPW P1	WESLACO	2/28/2017
8094470	A40138015076	WPW P2	WESLACO	2/28/2017
8094471	A40138015077	WPW P3	WESLACO	2/28/2017
8094472	A40138015078	WPW P4	WESLACO	2/28/2017
8094473	A40138015079	WPW P5	WESLACO	2/28/2017
8094474	A40138015080	WPW P6	WESLACO	2/28/2017
8094475	A4014A011616	WPW P1616	WESLACO	9/25/2020
8094476	A4014A011892	WPW P1892	WESLACO	9/25/2020
8094477	A4014A011898	WPW P1898	WESLACO	9/25/2020



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4789	
From: VIDAL ROMAN			
Subject: Approval on the renewal of a Public Purposes Services Contract with Weslaco Bicultural Museum, d.b.a. Weslaco Museum of Local History and Cultural Art for an amount not to exceed \$69,100 and Boys & Girls Club in the amount not to exceed \$75,000 effective October 1, 2021 through September 30, 2022 and authorize the Mayor to execute any related documents. (Staffed by Finance Department.)			
Background:			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU VIDAL ROMAN Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: Weslaco Museum Memo, FY-2022 Weslaco Museum Public Purpose Services Contract, Boys & Girls Club Memo, Boys.Girls Club Public Purposes Contract			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Letty Lopez, Mayor Pro-Tem, District 5
Leo Muñoz, Commissioner, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: October 06, 2020

To: Mayor and City Commission

CC: Mike R. Perez, City Manager

FR: Vidal Roman, Finance Director

Re: Weslaco Museum Public Purposes Services Contract

The City has annually promoted cultural programs for its citizens. This program informs its citizens of history and other cultural events. Whereas the City wishes to continue these services and will extend funding for these services for another year.

Funding will remain the same as the previous year.

Staff recommends approval.

THE STATE OF TEXAS	§	PUBLIC PURPOSE SERVICES
	§	CONTRACT BETWEEN THE CITY
CITY OF WESLACO	§	OF WESLACO AND THE WESLACO
	§	BICULTURAL MUSEUM d.b.a.
COUNTY OF HIDALGO	§	WESLACO MUSEUM OF LOCAL
	§	HISTORY AND CULTURAL ART

This Contract is entered into on this the _____ day of November 2021, by and between the City of Weslaco, a Home-ruled Municipal Corporation of Hidalgo County, Texas (hereinafter called "City") and The Weslaco Bicultural Museum d.b.a. Weslaco Museum of Local History and Cultural Art (hereinafter called "Contractor").

Whereas, City is interested in assisting Contractor in providing the city and citizens of Weslaco with such services that accomplish a legitimate public purpose, as is mandated by Article III, Section 52(a) of the Texas Constitution and such services are desirable by the City of Weslaco and such services are identified below and incorporated herein for all purposes; and

Whereas, City has available certain public funds that may be spent for services which accomplish legitimate public purposes; and

Whereas, the City has negotiated with Contractor to provide these public purpose services to the City of Weslaco; and

Whereas, the Contractor, upon accepting these public funds obligates and commits itself to provide these public purpose services during the duration of this contract; and

Whereas, Contractor is the sole source and only organization or entity that can provide the public purpose services that are described in this contract.

SECTION I.

Contractor agrees to use the public funds it to receive from City to provide the public purpose services described in Exhibit "A" for the duration of the term of this contract and under the conditions set forth herein. Contractor will be acting as an Independent Contractor in the performance of the terms and conditions of this contract. In consideration of the continued provision of the services in the quality and quantity as represented by Contractor to City, City shall make payment to Contractor as provided in Section VII of this contract.

progress of the activities will be submitted on a monthly basis to City. Contractor will, if requested by City, make presentations to the Weslaco City Commission, of the status of the expenditures of public monies and the status of these activities contracted for in this Contract. Contractor acknowledges and agrees that records (as the term is defined under the Texas Open Records Act) produced by the expenditure of funds received from the City hereunder are and will be subject to public disclosure. Contractor will develop procedures to disclose this information to the public. Contractor will have fiduciary duty to the City with respect to the public funds Contractor receives from the City.

SECTION III. DISCRIMINATION PROHIBITED

Contractor agrees not to exclude any person from participating in or be subject to discrimination under any of the program's activities receiving City financial assistance on the ground of race, color, religion, sex, national origin or disability.

SECTION IV. SUSPENSION AND TERMINATION

If Contractor fails to fulfill in a timely and proper manner its obligations under this contract, or Contractor violates any of the agreements or stipulation of this contract, then the Contractor shall have thirty (30) days after the date of notice, in writing, from City to cure or correct such defect or failure unless City requires that the defect should be cured in a shorter time period as set out in such notice, in which case the earlier requirement for correction shall apply. The City may terminate this contract and seek reimbursement of all funds from the City to Contractor hereunder after such period. Contractor shall not be relieved of the liability to the City for damages sustained by the City by virtue of any breach of this contract by Contractor and the City may withhold any payments to Contractor for the purpose as set out and until such time as the exact amount of damages due the City from Contractor is determined. The failure of the City to exercise any right shall in no way constitute a waiver by the City of Weslaco to otherwise demand payment or seek any other relief in law or in equity to which it may justly be entitled.

SECTION V. REVERSION OF ASSETS

Contractor agrees that should it discontinue the operations as provided for herein, then it shall remit all monies relating to any funds to the City upon receipt after the discontinuance of such program. Upon such event, the City is hereby appointed as agent for the purpose of collection of such funds and any unexpended funds remaining will be appropriated to eligible City activities in keeping with the City's budgetary process.

SECTION VI. TIME OF PERFORMANCE

Time of performance for this Contract shall be for seasonal activities during the city's fiscal year, which begins October 1, 2020 and ends September 30, 2021.

SECTION VII. PAYMENTS TO CONTRACTOR

City hereby agrees to pay Contractor Sixty-Three Thousand One Hundred Dollars (\$69,100) in twelve (12) equally monthly installments of Five Thousand Seven Hundred Fifty-Eight and 33/100 Dollars (\$5,758.33) each for public purpose services and activities in this contract. Contractor shall invoice City and City shall make payment within twenty-one (21) days of invoice date. The invoice shall detail all activities Contractor, expenses incurred, the number of visitors and the activities engaged in that are contracted for in this contract.

SECTION VIII. AUDIT

Contractor agrees to furnish City with an audit certified by a certified public accountant covering the contract year with specific receipts and disbursements of the payments to Contractor hereunder. Contractor agrees to require any such auditor to cooperate with City relating to any inquiries by City as to the provisions of such audit. City may conduct service and/or expenditure audits during the term or for one year after the expiration date hereof. Contractor agrees to furnish any records requested by City and to otherwise cooperate with City in relation to any inquiries made by City in the City audit hereunder.

SECTION IX. DEFAULT

Any signatory party to this Contract, who because of the other party's breach hereof may be required to institute any legal proceedings in relationship to this Contract, and who should prevail in any such legal proceedings, shall be entitled to recover court costs and reasonable attorney's fees from the non-prevailing party. The term prevailing party shall mean in the case of the Plaintiff, the party who receives in substantial form or amount the relief sought by such party as set out in the final petition before the court; and as to any Defendant, it shall be considered a prevailing party where the Plaintiff did not substantially recover the relief sought.

SECTION X. VENUE AND REMEDIES

Venue in any suit right or cause of action arising under or in connection with this Contract shall lie exclusively in Hidalgo County, Texas. This Contract shall be governed, interpreted and enforceable according to the laws of the State of Texas. In addition to any other remedy available by law, it is specifically provided that either party hereto may enforce this Contract by specific performance in a court of competent jurisdiction.

SECTION XI. NOTICES AND ADDRESS

All notices provided to given under this Contract shall be given by certified mail, return receipt requested addressed to the proper party. The date of mailing of any notice under this Contract shall be deemed to be the date such notice is received and shall be effective from such date. The addresses of the parties to this Contract are as follows:

CITY

CITY OF WESLACO

255 S. Kansas Avenue
Weslaco, TX 78596
Attn. City Manager

CONTRACTOR

WESLACO MUSEUM OF LOCAL HISTORY

AND CULTURAL ART
500 S. Texas Avenue
Weslaco, TX 78596
Attn. Executive Director

SECTION XII. PARTIES BOUND

This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns where permitted by this Contract. The persons signing this Contract on behalf of the City and Contractor warrant that he/she has been duly authorized to execute this Contract and legally bind the City and Contractor to this Contract.

SECTION XIII. LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions thereof and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

SECTION XIV. AMENDMENT

No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing, dated and subsequent to the date hereof and duly executed by the parties hereto after proper authority has been obtained.

SECTION XV. WAIVER OF DEFAULT

No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Contract shall be deemed to be a waiver of any other breach of the same or any other term, condition, or covenant contained herein.

SECTION XVI. ENUMERATION OF CONTRACT DOCUMENTS

This Contract shall be in accordance with and subject to the provisions of all documents enumerated herein or which may be attached hereto by mutual consent of the contracting parties at any future date, and are hereby made a part of this Contract unless otherwise provided for. This Contract contains the entire agreement of the parties and cannot be changed except by express written agreement. The Contract document so enumerated is:

- (1) Activities and Public Purpose Services (Exhibit A")
- (2) Intent of Public Purpose Activities (Exhibit "B")

SECTION XVII. LIABILITY INSURANCE

Contractor will provide, upon execution of this Contract, City with a certificate of general liability insurance naming the City of Weslaco as an additional insured, protecting and insuring

Contract will hold harmless and indemnify the City of Weslaco, its elected officials, employees, agents or representatives from all claims, actions and damages that are made and assessed against the City of Weslaco, its elected officials, employees, agents or representatives as a result of Contractor's performance of activities and services under this Contract.

IN WITNESS THEREOF, City and Contractor have executed two (2) conformed copies of this Contract effective as of the date first above written.

CITY OF WESLACO

By: _____
David Suarez, Mayor

ATTEST:

Norma A. Cantu, City Secretary

WESLACO MUSEUM

By: _____
(Executive Director)

Approved as to form:

Juan E. Gonzalez, City Attorney

Exhibit "A"

ACTIVITIES AND PUBLIC PURPOSE SERVICES

Contractor will, for the public funds it is receiving from City, operate and maintain a building facility that will house historical information on Weslaco, works of art such as paintings, displays, present cultural programs to citizens of Weslaco and to the general public.

Exhibit "B"

INTENT OF PUBLIC PURPOSE ACTIVITIES

The City of Weslaco desires that Contractor provide exhibits to citizens of the City of Weslaco that will benefit and assist them in developing an appreciation to cultural arts.

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Letty Lopez, Mayor Pro-Tem, District 5
Leo Muñoz, Commissioner, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: November 02, 2021

To: Mayor and City Commission

CC: Mike R. Perez, City Manager

FR: Vidal Roman, Finance Director

Re: Weslaco Boys & Girls Club Public Purposes Services Contract

The City has annually promoted cultural and recreational programs for its citizens. The city will continue these services and will extend funding for another year.

Funding will remain the same in the amount of \$75,000 as last year.

Staff recommends approval.

THE STATE OF TEXAS

CITY OF WESLACO

COUNTY OF HIDALGO

s PUBLIC PURPOSE SERVICES

s CONTRACT BETWEEN THE s CITY OF
WESLACO AND THE BOYS

s BOYS AND GIRLS CLUB OF s
WESLACO

This Contract is entered into on this ____ the day of November 2021, by and between the City of Weslaco, a Home-ruled Municipal Corporation of Hidalgo County, Texas (hereinafter called "City") and The Boys and Girls Club of Weslaco, Inc. (hereinafter called "Contractor").

Whereas, City is interested in assisting Contractor in providing the city and citizens of Weslaco with such services that accomplish a legitimate public purpose, as is mandated by Article III, Section 52(a) of the Texas Constitution and such services are desirable by the City of Weslaco and such services are identified below and incorporated herein for all purposes; and

Whereas, City has available certain public funds that may be spent for services which accomplish legitimate public purposes; and

Whereas, the City desires to negotiate with Contractor to provide these public purpose services to the City of Weslaco; and

Whereas, the Contractor, upon accepting these public funds obligates and commits itself to provide these public purpose services during the duration of this contract; and

Whereas, Contractor is the sole source and only organization or entity that can provide the public purpose services that are described in this contract.

SECTION 1.

Contractor agrees to use the public funds it is to receive from City to provide the public purpose services described in Exhibit "A" for the duration of the term of this contract and under the conditions set forth herein. Contractor will be acting as an

SECTION

Independent Contractor in the performance of the terms and conditions of this contract. In consideration of the continued provision of the services in the quality and quantity as represented by Contractor to City, City shall make payment to Contractor as provided in Section VII of this contract.

11.

RECORDS AND REPORTING

Contractor agrees to furnish City its budget and all related expenditures for the duration of this contract. Contractor will maintain all records of operation for the period of this contract that confirms and establishes that the funds furnished by City are and have been used exclusively for the purposes as outlined and detailed herein. A written report of expenditures and the progress of the activities will be submitted on a monthly basis to City. Contractor will, if requested by City, make presentations to the Weslaco City Commission, of the status of the expenditures of public monies and the status of the activities contracted for in this Contract. Contractor acknowledges and agrees that records (as the term is defined under the Texas Open Records Act) produced by the expenditure of funds received from the City hereunder are and will be subject to public disclosure. Contractor will develop procedures to disclose this information to the public. Contractor will have fiduciary duty to the City with respect to the public funds Contractor receives from the City.

SECTION 111.

DISCRIMINATION PROHIBITED

Contractor agrees not to exclude any person from participating in or be subject to discrimination under any of the program's activities receiving City financial assistance on the ground of race, color, religion, sex, national origin or disability.

SECTION IV.

SUSPENSION AND TERMINATION

If Contractor fails to fulfill in a timely and proper manner its obligations under this contract, or Contractor violates any of the agreements or stipulation of this contract, then the Contractor shall have thirty (30) days after the date of notice, in writing, from City to cure or correct such defect or failure unless City requires that the defect should be cured in a shorter time period as set out in such notice, in which case the earlier requirement for correction shall apply. The City may terminate this contract and seek reimbursement of all funds from the City to Contractor hereunder after such period. Contractor shall not be relieved of the liability to the City for damages sustained by the City by virtue of any breach of this contract by Contractor and the City may withhold any payments to Contractor for the purpose as set out and until such time as the exact amount of damages due the

SECTION

City from Contractor is determined. The failure of the City to exercise any right shall in no way constitute a waiver by the City of Weslaco to otherwise demand payment or seek any other relief in law or in equity to which it may justly entitled.

V.

REVERSION OF ASSETS

Contractor agrees that should it discontinue the operations as provided for herein, then it shall remit all monies relating to any funds to the City upon receipt after the discontinuance of such program. Upon such event, the City is hereby appointed as agent for the purpose of collection of such funds and any unexpended funds still remaining will be appropriated to eligible City activities in keeping with the City's budgetary process.

SECTION VI.

TIME OF PERFORMANCE

Time of performance for this Contract shall be for seasonal activities during the city's fiscal year, which begins October 1, 2021 and ends September 30, 2022.

SECTION VII.

PAYMENTS TO CONTRACTOR

City hereby agrees to pay Contractor Fifty Thousand and 00/ 100 Dollars (\$75,000.00) in twelve (12) equally monthly installments of Six Thousand Two Hundred Fifty Dollars (\$6,250.00) each for public purpose services and activities in this contract. Contractor shall invoice City and City shall make payment within twenty-one (21) days of invoice date. The invoice shall detail all activities Contractor, expenses incurred, the number of boys and girls served, and the activities engaged in that are contracted for in this contract.

SECTION VIII.

AUDIT

Contractor agrees to furnish City with an audit certified by a certified public accountant covering the contract year with specific receipts and disbursements of the payments to Contractor hereunder. Contractor agrees to require any such auditor to cooperate with City relating to any inquiries by City as to the provisions of such audit. City may conduct service and/or expenditure audits during the term or for one year after the expiration date hereof. Contractor agrees to furnish any records requested by

SECTION

City and to otherwise cooperate with City in relation to any inquiries made by City in the City audit hereunder.

[X. DEFAULT

Any signatory party to this Contract, who because of the other party's breach hereof may be required to institute any legal proceedings in relationship to this Contract, and who should prevail in any such legal proceedings, shall be entitled to recover court costs and reasonable attorney's fees from the non-prevailing party. The term prevailing party shall mean in the case of the Plaintiff, the party who receives in substantial form or amount the relief sought by such party as set out in the final petition before the court; and as to any Defendant, it shall be considered a prevailing party where the Plaintiff did not substantially recover the relief sought.

SECTION X. VENUE AND REMEDIES

Venue in any suit, right or cause of action arising under or in connection with this Contract shall lie exclusively in Hidalgo County, Texas. This Contract shall be governed, interpreted and enforceable according to the laws of the State of Texas. In addition to any other remedy available by law, it is specifically provided that either party hereto may enforce this Contract by specific performance in a court of competent jurisdiction.

SECTION XI. NOTICES AND ADDRESS

All notices provided to given under this Contract shall be given by certified mail, return receipt requested, addressed to the proper party. The date of mailing of any notice under this Contract shall be deemed to be the date such notice is received and shall be effective from such date. The addresses of the parties to this Contract are as follows:

CITY

CITY OF WESLACO
255 S. Kansas Avenue
Weslaco, TX 78596
Attn.: City Manager

CONTRACTOR

BOYS' AND GIRLS' CLUB OF
WESLACO
300 N. Airport Drive Suite A
Weslaco, TX 78596
Attn.: Executive Director

SECTION

XII.

PARTIES BOUND

This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns where permitted by this Contract. The persons signing this Contract on behalf of the City and Contractor warrant that he/she has been duly authorized to execute this Contract and legally bind the City and Contractor to this Contract.

SECTION XIII.

LEGAL CONSTRUCTION

In case anyone or more of the provision contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, - illegality, or unenforceability shall not affect other provisions thereof and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

SECTION XIV.

AMENDMENT

No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing, dated and subsequent to the date hereof and duly executed by the parties hereto after proper authority has been obtained.

SECTION xv.

WAIVER OF DEFAULT

No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Contract shall be deemed to be a waiver of any other breach of the same or any other term, condition, or covenant contained herein.

SECTION XVI.

ENUMERATION OF CONTRACT DOCUMENTS

This Contract shall be in accordance with and subject to the provisions of all documents enumerated herein or which may be attached hereto by mutual consent of the contracting parties at any future date and are hereby made a part of this Contract unless otherwise provided for. This Contract contains the entire agreement of the parties and cannot be changed except by express written agreement. The Contract document so enumerated is:

Statement of Work, EXHIBIT "A"

SECTION

Attachment, Definition of FIVE SERVICE CORE PROGRAM

xvll.

LIABILITY INSURANCE

Contractor will provide, upon execution of this Contract, City with a certificate of general liability insurance naming the City of Weslaco as an additional insured, protecting and insuring the City against claims for liability for bodily injury or other damages by youth or other individuals engaged in the activities 'funded by this Contract. Contract will hold harmless and indemnify the City of Weslaco, its elected officials, employees, agents or representatives from all claims, actions and damages that are made and assessed against the City of Weslaco, its elected officials, employees, agents or representatives as a result of Contractor's performance of activities and services under this Contract.

IN WITNESS THEREOF, City and Contractor have executed two (2) conformed copies of this Contract effective as of the date first above written.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

Norma A. Cantu,
CITY SECRETARY

APPROVED AS

TO FORM:

Juan E. Gonzalez, City ATTORNEY

BOYS' AND GIRLS' CLUB OF WESLACO

. Mary Lopez, CHIEF PROFESSIONAL

SECTION

OFFICER (EXECUTIVE DIRECTOR)

Five Service Core Programs

CHARACTER DEVELOPMENT AND LEADERSHIP DEVELOPMENT empower youth to support and influence their Club and Community, sustain meaningful relationships with others, develop a positive self-image, participate in the democratic process and respect their own and other cultural identities.

Programs include: Teen Supreme Keystone Clubs, Torch Clubs, Youth of the Year, Talking with TO. , Street Smart, SMART Girls, Leadership training for junior staff, voter registration drives, community service project, town hall meetings, youth councils, etc.

EDUCATION AND CAREER DEVELOPMENT enable youth to become proficient in basic educational disciplines, apply learning to everyday situations and embrace technology to optimize employability.

Programs include: Power Hour, Homework help, the Ultimate Journey, tutoring, newspaper Clubs, puzzles, education games (Scrabble, Boggle, Trivial Pursuit, Voyagers, etc.), motivational reading programs, typing skills, Internet exploration, utilizing computer technology to improve the quality of life.

HEALTH AND LIFE SKILLS develop young people's capacity to engage in positive behaviors that nurture their own well being, set personal goals and develop the competencies to live successfully as self sufficient adults.

Programs include: SMART Moves, Broader Horizons, Goals for Growth, youth entrepreneur programs, health and prevention programs, independent living classes.

THE ARTS enable youth to develop their creativity and cultural awareness through knowledge and appreciation to visual and tactile arts and crafts, performing arts and creative writing.

Programs include: Drawing, dance, folk festivals, origami, painting photography, puppetry, sculpture, story telling, and woodworking.

SPORTS, FITNESS AND RECREATION develop fitness, positive use of leisure time, skills for stress management, appreciation for the environment and social and interpersonal skills.

Program includes: Team sports (baseball, basketball, football, soccer, volleyball), individual sports (track & field, tennis, golf, gymnastics, billiards, table tennis, board and table games, martial arts, wrestling), fitness testing aerobics relay races, athletic leagues and tournaments.

The funding of \$ 75,000 will be for paying staff salaries, membership insurance, BGCA Dues, and all equipment necessary to maintain the everyday programs of The Boys and Girls Club of Weslaco, INC.

The following services will be performed in the following via the 5 Service Core Programs (see attached for definition of service core program):

Provide guidance in behavior and promote health, social education, vocational, and characters development of boys and girls.

1. 2. Provide educational enhancement of computer applications.
3. Provide community- wide programs such as flag football, t-ball, slow pitch, softball, senior and peewee basketball, gymnastics, karate and volleyball.
4. Enhance leadership skill and provide opportunities for planning, decision making and contributing to the club and the community.
5. Provide opportunities for career explorations.
6. Provide a highly enriched remedial program, which concentrates in reading, writing, and arithmetic, arts and crafts, outdoor and environmental education, liberal arts and music.
7. Provide preventive programs such as "SMART Moves," which deal with alcohol abuse, drug abuse, pregnancy prevention, violence prevention, gangs and school dropouts.
8. Provide guidance and counseling for the youth who are referred to Club for community service.

The following services will be maintained as a result of the City fund expenditures:

1. Teen outreach program;
2. Violence prevention programs;
3. on- the Job training program;
4. Promote Membership;
5. Expend the number of members participating daily;
6. Help at risk youth realize their potential growth and development; and Extend our service to teens.

7. The following type of beneficiaries will be served:

At risk youth 6-18 years of age; and

2. Low income children.

1. The services will be provided at the following address/ location(s):

Mayor Pablo G. Pena City Park, at 300 N Airport Dr., 78596



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4795
From:		
Subject: Discussion and consideration on Resolution 2021-59 appointing two members to the Planning and Zoning Commission for terms set to expire and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.)		
Background: As of the time of posting, no applicants on file.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Resolution		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA REBEKAH DE LA FUENTE Mike Perez		Created/Initiated New
City Manager Comments: Approve		
Staff Recommendation:		
Attachments, if any: P&Z Commission as of 121620 mv, R2021-59 P&Z Commission two members expired terms		
Responsibilities upon Approval:		

PLANNING & ZONING COMMISSION



FIRST NAME	LAST NAME	TERM EXPIRES
Juan Jose	Trevino	12/17/2021
Adrian	Torres	12/17/2021
Lonnie	Berry	12/17/2022
Jim	Forward	12/17/2022
Miles	Bullion	12/17/2023
Randy	Summers	07/07/2023
David	Hernandez	04/02/2023

As of 12/16/20 mv

RESOLUTION NO. 2021-59

**A RESOLUTION OF THE CITY OF WESLACO APPOINTING
ONE MEMBER TO THE PLANNING AND ZONING
COMMISSION BOARD.**

WHEREAS, the City of Weslaco created and established the Planning and Zoning Commission Board pursuant to Subsection 2-36 of Ordinance No. 291, as codified in the City of Weslaco Code of Ordinances.

WHEREAS, the terms of the members of this board are for three years; and

WHEREAS, the Planning and Zoning Commission Board members shall serve without compensation and unlimited terms; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT the following individuals are appointed to serve a term on the Planning and Zoning Commission Board.

<u>NAME</u>	<u>TERM ENDING</u>
_____	<u>12/17/2024</u>
_____	<u>12/17/2024</u>

PASSED AND APPROVED on this 2nd day of November 2021.

CITY OF WESLACO

David Suarez **MAYOR**

ATTEST:

Norma A. Cantu, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4796
From:		
Subject: Discussion and consideration on Resolution 2021-60 appointing a member to The Economic Development Corporation of Weslaco for term set to expire and authorize the Mayor to execute any related documents. Possible action. (Staffed by The Weslaco Economic Development Corporation.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Resolution		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA Mike Perez		Created
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: EDC Board of Directors as of 120420, EDC - Letter from Benita R. Valadez re consideration for second term on the EDC Board of Directors, R2021-60 EDC Board Member - expired term		
Responsibilities upon Approval: Execute, retain and notify appointee.		

ECONOMIC DEVELOPMENT CORPORATION OF WESLACO BOARD OF DIRECTORS

LAST NAME	FIRST NAME	APPOINTED	EXPIRATION	TERM
De la Fuente	Sonia	12/3/2019	12/2/2022	3 year
Perez	Fred	12/3/2019	12/2/2022	3 year
Valadez	Benita	12/2/2018	12/2/2021	3 year
Serrano	Juan Jose	03/05/2019	12/2/2022	3 year
*Charlton	Sandra	12/01/2020	12/2/2023	3 year
*Gonzalez	Patrick	02/18/2020	12/2/2023	3 year
**Gonzalez	Jerry	12/01/2020	12/2/2023	3 year

As of 120420 mv



THE ECONOMIC DEVELOPMENT CORPORATION
OF WESLACO



Mr. Mike Perez
City Manager Weslaco
255 S. Kansas Ave.
Weslaco, Texas 78596



Dear Mike,

In December, 2021, I will be completing my first term of three (3) years as a member of the Board of Directors for the EDC of Weslaco and I would like to be considered once again for a second, three (3) year term.

I have learned so much while engaged in EDC board activities and decision making and feel that I have also contributed equally. During my first three-year term, I was part of an EDC board that successfully incentivized 67 companies to Weslaco, creating 451 new jobs and generating an estimated \$33,759,000 of investment.

While these numbers make me very proud, I am most proud of being a part of a board that secured land for the EDC and City to grow our industrial park. We can now recruit companies offering primary jobs and significant investment to Weslaco more successfully and I would like to remain on the board to see the completion of the new Mid Valley International Industrial Park.

Several other projects including 6 commercial developments are also in the works and I believe that my involvement and business leadership can bring these plans to fruition.

I would be honored if you would present my letter to the Mayor and Commission for their review and consideration at the next City Commission meeting.

Sincerely,


Benita R. Valadez
EDC Board President

RESOLUTION NO. 2021-60

A RESOLUTION OF THE CITY OF WESLACO APPOINTING ONE
MEMBER TO THE BOARD OF DIRECTORS OF THE ECONOMIC
DEVELOPMENT CORPORATION OF WESLACO

WHEREAS, the City of Weslaco has established the Economic Development Corporation pursuant to the Development Corporation Act of 1979 as amended; and

WHEREAS, the term of one member on this board of this corporation is for three years: and

WHEREAS, The Economic Development Corporation of Weslaco's board members shall serve staggered terms without compensation and limited to two (2) consecutive three (3) year terms; and

WHEREAS, the term of a member is set to expire December 2, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT _____ is appointed as a member of the Board of Directors of the Economic Development Corporation.

Name

Term Expires

12/2/24

PASSED AND APPROVED on this 2nd November 2021.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY

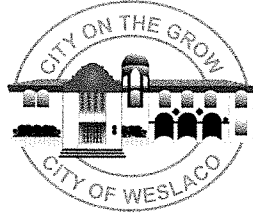


Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4765
From: VIDAL ROMAN		
Subject: Discussion and consideration to authorize a one-time supplement for all full-time and permanent part-time active employees working during COVID from February 2020 to March 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA Mike Perez		Created
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any: One time Supplement Memo		
Responsibilities upon Approval:		

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: October 26, 2021

To: Mayor & City Commission

CC: Mike R. Perez, City Manager
Andrew Munoz, Assistant City Manager

From: Vidal Roman, Finance Director

Re: One time Supplement -

The city received funding from the American Rescue Plan Act of 2021 last fiscal year. One of the eligible uses of these funds was for premium pay to eligible workers performing essential work (as determined by recipient government).

It was decided that full time and part time employees that provided services between the period from March 2020 to February 2021 be given a one-time supplement. The amounts will vary from \$1,000 for full time employees to \$500 for Permanent Part Timers. Note that this will be paid on a pro-rata basis as to the time they worked within stipulated period.

Staff recommends approval.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4792	
From: VIDAL ROMAN			
Subject: Discussion and consideration to approve the Fiscal Year 2021 Interlocal Agreement with the County of Hidalgo under the Urban County Program setting the amount for the city at \$300,037 and authorizing the Mayor to execute any related documents. Possible action. (Staffed by the Finance Department.)			
Background: The City has participated with the County of Hidalgo Urban County Program for numerous years now. We will continue this by executing all necessary documents for Fiscal year 2021. The activities to be undertaken are listed on Exhibit A, Furthermore, the city officials are required to sign a "Code of Conduct" as a condition of receiving these funds.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Public Hearing			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU VIDAL ROMAN Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: UC Interlocal Agreement Letter, 2021 Weslaco-Interlocal Agreement			
Responsibilities upon Approval: Execute all necessary documents.			



URBAN COUNTY PROGRAM

1916 Tesoro Street, Pharr, Texas 78577 (956) 787-8127 FAX (956) 318-2988

E-Mail: ucp@ucp.co.hidalgo.tx.us

October 13, 2021

City of Weslaco
Mayor David Suarez
255 S. Kansas Ave.
Weslaco, Texas 78596

Re: 2021-2022 Fiscal Year Interlocal Agreement

Dear Mayor Suarez,

Attached is the Interlocal Agreement for the 2021-2022 Urban County Program fiscal year that must be approved by your city council. Please return Interlocal Agreement to the Urban County Program office no later than *Monday, November 15, 2021*. In addition, minutes reflecting city council's approval of the Interlocal Agreement are also required. The UCP will accept signed and stamped excerpts of minutes in lieu of official certified minutes not being ready before the due date. Please see guidelines below:

Codes of Conduct - In addition to various Exhibits in the Agreement, the Agreement contains Exhibit A-I, the Code of Conduct Certifications. The Code of Conduct must be signed by each city council member, the city secretary, and city manager. Note that there are only five (5) copies of the Code of Conduct included in your Agreement; make additional copies for signature as needed.

Signing the Codes of Conduct - In **BLUE INK**, is required for all original signatures.

Failure to submit the Interlocal Agreement - The Interlocal Agreement is due every fiscal year for cities participating in the Urban County Program. **Failure to submit approved and signed Interlocal Agreement by November 15, 2021 will result in forfeiture of funds.**

Please note that once the agreement has been returned to UCP with approval certification and signatures, the agreements will then be submitted for County signatures to complete the required approval process. A completely signed copy will be forwarded to each city for your administration files. Should you have any questions or concerns, please do not hesitate to contact Maritsa Meza, Executive Assistant or myself at 956-787-8127.

Respectfully,

Patricio R. Avila, Director
Urban County Program

PAR/mm

Enclosure: Interlocal Agreement with Exhibits.
cc: City Managers

INTERLOCAL AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the “County” and the [City of Weslaco](#), a municipal corporation under the laws of the State of Texas, hereafter referred to as “City”.

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the “essential powers” to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated [\\$7,729,312.00](#) of Fiscal Year [2021](#) Community Development Block Grant (CDBG) Funds under Grant No. [B-21-UC-48-0501](#) to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City’s population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR.570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City’s jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II Applicability of Uniform Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments.” (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data,

information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B Matrix. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with 2 CFR Part 200 and with the following sections of 24 CFR Part 85 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government”:

- (1) Section 85.3, “Definitions”;
- (2) Section 85.6, “Exceptions”;
- (3) Section 85.12, Special grant or subgrant conditions for “high-risk “grantees”;
- (4) Section 85.20, “Standards for financial management systems,” except paragraph (a);
- (5) Section 85.21, “Payment,” except as modified by SS570.513;
- (6) Section 85.22, “Allowable costs”;
- (7) Section 85.26, “Non-federal audits”
- (8) Section 85.32, “Equipment,” except in all cases in which the equipment is sold, the proceeds shall be program income;
- (9) Section 85.33, “Supplies”;
- (10) Section 85.34, “Copyrights”;
- (11) Section 85.35, “Sub-awards to debarred and suspended parties”;
- (12) Section 85.36, “Procurement,” except paragraph (a);
- (13) Section 85.37, “Subgrants”;
- (14) Section 85.40, “Monitoring and reporting program performance,” except paragraphs (b)-(d) and (f);
- (15) Section 85.41, “Financial Reporting.” except paragraphs (a), (b), and (e);
- (16) Section 85.42, “Retention and access requirements for records”;
- (17) Section 85.43, “Enforcement”;
- (18) Section 85.44, “Termination for convenience”;
- (19) Section 85.51, “Later disallowances and adjustments”; and
- (20) Section 85.52, “Collection of amounts due.”

the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III Other Program Requirements

The City agrees to comply with “Other Program Requirements” as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV Allocation

The City understands that the Urban County allocation has been set at [\\$7,729,312.00](#) for [Fiscal Year 2021](#) and that City’s allotment has been set at [\\$300,037.00](#) The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen

participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2021**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by April 30, 2022 ; Funds in excess of the 1.5 standards shall be subject to the Recapture by the Urban County Program, and/or any applicable Redistribution & Recapture Policy. The County shall recapture any and all unobligated funds that a City fails to expend or obligate, by June 30, 2022 and shall expend such funds at the discretion of the Hidalgo County Commissioners' Court. The Hidalgo County Commissioners' Court may take any type of remedial action, including but not limited to Recapture, at any time to comply with any and all rules, regulations and decisions, and timeliness requirements as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds.

SECTION V

Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI

Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII

Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment A-1)

SECTION VIII

Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX

Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of \$ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over \$25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet

one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X

Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). (See Exhibit-E)

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year [\(B-21-UC-48-0501\)](#) and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI

Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII

Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds

requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan are included herein as Exhibit C, if applicable.

SECTION XIII

Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV

Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV

Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI

Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2018 – 2022 Five-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The

City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2018 – 2022 Five-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this _____ Day of _____, 2021.

ATTEST:

Arturo Guajardo, Jr.
County Clerk

Richard F. Cortez,
Hidalgo County Judge

ATTEST:

City Secretary

Mayor

APPROVED AS TO FORM
Hidalgo County Criminal District Attorney's Office
Ricardo Rodriguez, Jr.

By: _____
Victor M. Garza, Asst. District Attorney

Date: _____

The following Exhibits are incorporated into the 2021 Interlocal Agreement:

Exhibit A	2021 Proposed Activities
Exhibit A-1	Code of Conduct Enforcement
Exhibit B	Urban County Program Matrix
Exhibit C	Section 108 Loan Guarantee Program
Exhibit D	CDBG Regulations and other Program Requirements
Exhibit E	Audit Finding or Exceptions

Exhibit A

2021 Proposed Activities

2021	WESLACO	\$300,037.00
21A Exempt 58.34 (a)(3)	GENERAL PROGRAM ADMINISTRATION Funds shall be used for expenses related to compliance with CDBG requirements including but not limited to advertisements, postings and coordinating eligible related projects. Location: City Hall 255 S. Kansas Ave., Weslaco, Texas 78596	\$ 3,000.00
03J Environmental Assessment 58.36 8 Step	WATER/SEWER IMPROVEMENTS Project consists of the upgrade of water and sewer lines to include but not limited to fire hydrants for water, manholes for sewer and related appurtenances for streets within the same general vicinity. Other expenditures include professional engineering services, geotechnical and material testing fees, etc. Location: Pike Street between Kansas Ave. & Bridge Ave., Weslaco, Texas 78596 Census Data: 225.02 (3), 226.00 (1) National Objective: 77.025% LMA Goal Outcome Indicator: 2410 Beneficiary Type: People	\$ 292,037.00
05A Exempt 58.34(a)(4)	SENIOR SERVICES – Amigos Del Valle Project expenditures include but are not limited to the reimbursement of expenses related to the delivery of meals to the elderly (62 years older) within the City of Weslaco. Location: Casa de Amigos V: 1201 W. 6 th St., Weslaco, TX 78596 National Objective: LMC Goal Outcome Indicator: 8 Beneficiary Type: People	\$5,000.00

Exhibit A-1

Code of Conduct Certifications

CODE OF CONDUCT

No employee, officer or agent of the ***County of Hidalgo-Urban County Program, sub-grantee or subrecipient*** shall participate in selection or in the award or administration of a contract or conduct business with a vendor if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- A. ***the employee, officer or any agent***
- B. ***any member of his immediate family***
- C. ***his or her partner***
- D. ***an organization which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for award.***

The ***Urban County Program's , sub-grantee or subrecipient***, officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, or vendors or potential vendors. Depending on gravity, violation of this Code of Conduct could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

Non-disclosure Policy

No disclosure of verbal or written price quotations shall be made by any ***Urban County Program*** employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the ***County of Hidalgo*** or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

Personal Interest

No member of the ***Hidalgo County Commissioners*** or any officer or employee of the ***Urban County Program, sub-grantee or subrecipient*** shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the ***Urban County Program, sub-grantee or subrecipient*** or to a contractor supplying the ***Urban County Program, sub-grantee or subrecipient*** of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the ***Urban County Program***. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the ***Urban County Program, sub-grantee or subrecipient*** found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the ***Urban County Program, sub-grantee or subrecipient*** shall render the contract voidable by the ***Urban County Director or the board of Commissioners***.

Employee, Officer, or Agent Acknowledgment

Print or Type Name and Position/Title

Entity/Organization Name

Date

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Employee, Officer, or Agent Acknowledgment

Print or Type Name and Position/Title

Entity/Organization Name

Date

Exhibit B

Urban County Matrix

Pre-Bid Activities

Development of Annual Workplan

This activity is a city responsibility with the county involvement only as is necessary to assure that the individual activities meet one of the three national objectives.

Revisions or Amendments to Annual Workplan

Same as above (only two amendments allowed per fiscal year)

Eligibility Test on Activities

This is a county responsibility working with the cities to assure all activities meet one of the three national objectives. The County will assure that the 51 percent benefit to low and moderate income persons can be verified and that the activities are eligible for funding. The county may request an eligibility determination from HUD should a difference of opinion arise between the City and the County.

Public Hearings

This responsibility will be a shared responsibility between the Cities and the County. In accordance with the adopted Citizen Participation Plan, the Cities will conduct a public hearing in their respective Cities after public notice. The County will then have a second public hearing at the County level on the county-wide workplan, after public notice.

Environmental Assessment

This is a County responsibility with concurrence and assistance by the Cities. The County will determine what level of clearance is needed and will do noise, hazard, historical, floodplain, etc. assessments as may be needed with as much city input as possible. The County Judge will consider the “do nothing” alternative after consultation with the respective Mayors. The County Judge and or UCP Staff will direct all mitigation efforts if necessary. The County Judge will sign all environmental assessment reviews and findings. (A County Signatory may be appointed: UCP Director)

Advertise for Professional Services

This is a County responsibility whereby the County will advertise once a year for all professional services through a statement of qualifications process. The County will provide all data concerning proposed activities and type of services needed. This list will be sent to all Cities so that the Cities may decide on the professional services as they see the need for the services. Should a city need services not available from the list (UC-1 List) of Professional Services, the City shall advertise for the service after consulting with the Urban County Program staff.

Selection of Professional Services Provider

This is a City and County shared responsibility, based on the Texas Local Government code and other applicable laws and regulations. County will make sure that the provider is not a contractor's debarred list by consulting with the System for Award Management (SAM) website (www.sam.gov), prior to recommendation for awarding a contractor to Hidalgo County Commissioner's Court.

Execute Professional Contracts

The City will negotiate the Professional Service Contract, and submit a Best and Final Offer (BAFO) along with Scope of Services, Project Cost Estimate, Certificate of Debarment, CIQ Form and IRS W-9 Form. The County will prepare the Professional Contract Agreement documents and submit to Hidalgo County Commissioner's Court for approval of contract. Any modifications to the County contracts require prior approval of the County Legal Department. Once approved, the County will forward the contracts to the Professional Service Provider for proper signatures, they will return to the County for the County's execution and County will issue Notice to Proceed.

Review of Preliminary Drawings

This is a city responsibility.

Solicit Davis-Bacon Wage Rates

This is a County responsibility. The County will obtain wage rates from HUD for specific projects and will forward wage rates to the respective Cities and the Professional Service Provider to include in the bid specification packages.

Review and Approval of Final Plans and Specifications

This is a City responsibility where by the Mayor's signature will be required on all plans and specifications prior to bidding. Final plans should be forwarded to Urban County Program office prior to bid advertisement for compliance check.

Advertise for Construction Bid

This is a County responsibility. The County will advertise for all construction projects and will instruct bidders as to the availability of plans and specs, (to be picked up at Professional Service Provider's choice of location), and will advise bidders as to who will accept bids. (Hidalgo County Purchasing Department – any given Wednesday at 9:30am)

Pre-Bid Conference

This is a County responsibility. County will conduct a pre-bid conference if necessary at the Urban County program Conference Room, accompanied by the Professional Service Provider and the project's respective City.

Bid Activities

Ten Day Wage Rate Check

This is a County responsibility. Ten days prior to any bid opening, the County will ascertain as to the applicability of the wage rate in the bid documents. Should the wage rate change all appropriate engineers will be notified and instructed to change wage rates.

Accept Construction Bids

This is a County Purchasing Department responsibility. The Hidalgo County Purchasing Department will accept bids as per the conditions set forth in the specification handbook.

Accept and Tabulate Bids

This is a County Purchasing Department responsibility with an Urban County, City, and Professional Service Provider representative at bid opening. The respective Professional Service Provider will review the bids received and make their recommendation to the Urban County Program.

Research Apparent Low Bidder

This is a shared responsibility. The respective Professional Service Provider will research and review apartment low bidder's past performances and their bids. The Urban County program will research the list of Debarred Contractor's and make a finding in the regard.

Bid Recommendation

This is a City responsibility. The respective Professional Service Provider will recommend the lowest and most responsible bid to the City. The city will send a recommendation to the County. County will request approval by Hidalgo County Commissioner's Court for approval of contract.

Contract Award

The County upon approval by Hidalgo County Commissioner's Court will prepare the contract documents and forward them to the approved Contractor for execution.

Pre-Construction Activities

Construction Contract and Bonds

This is a shared responsibility. The Professional Service Provider will coordinate the execution of construction contracts to include Insurance, Payment and Performance Bonds. Once they receive four (4) original set of construction contracts they will submit to the County for execution. Any modifications to the construction contracts require prior review by Legal Department and approval by Hidalgo County Commissioner's Court.

Pre-Construction Conference

The Urban County Program will conduct a Pre-construction conference to inform the contractor of the various federal regulations such as Affirmative Action, Section 3 Compliance, and Davis-Bacon Wage Compliance. The Pre-construction conference will be held at the Urban County

Program Conference Room, with the city and professional service provider representatives present. Once contracts are signed, County will prepare and issue a Notice to Proceed.

Document Posting and Construction Signs

This is a shared responsibility. The city and Professional Service Provider will ensure itself that the appropriate documents are posted at the site and that the construction sign is erected.

Construction Activities

Davis-Bacon Compliance

This is a shared responsibility. The City may be asked to conduct wage rate employee interviews. The County will conduct wage rate interviews and review wage rates on payroll reports submitted with request for payments.

Periodic Project Inspections

This is a shared responsibility. The City, County, and Professional Service Providers will conduct periodic site inspections of the project site.

Payment Request Approval

This is a shared responsibility. The Professional Service Provider will review and sign off on request for payments and forward RFP to the City for signature and approval, and forward the final RFP to the County for review and approval of payment.

Change Orders

This is a shared responsibility. Professional Service Provider will recommend any change orders after negotiating said change order with the contractor. All change orders must have City's approval prior to submission to County for review and approval.

Contract Amendment

This is a shared responsibility. The City will recommend any contract amendments to the County. County will consider and take appropriate action to approve or deny the contract amendment if necessary.

Final Payment Approval

This is a shared responsibility. The City and Professional Service Provider will conduct final project site inspections to ensure that construction has been completed as per plans and specifications prior to submitting final request for payment recommendation to the County. County will ensure that all applicable laws and regulations have been complied with. County will review wage rate compliance, release of liens, certification of construction completion, warranty certification and other pertinent documents.

Exhibit C

Section 108 Loan Guarantee Program

Introduction

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Regulations governing the Section 108 program may be found at [24 CFR 570](#), Subpart M, Loan Guarantees.

Eligible Applicants

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

Eligible Activities

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

Maximum Commitment Amount

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.
2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.
3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

Loan Details

Security: The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

Financing Source: Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

Interest Rates: Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

Default: To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

For More Information visit www.hud.gov

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108

Exhibit D

CDBG Regulations and Other Program Requirements

Subpart A—General Provisions

SOURCE: 53 FR 34437, Sept. 6, 1988, unless otherwise noted.

§ 570.1 Purpose and primary objective.

(a) This part describes policies and procedures applicable to the following programs authorized under title I of the Housing and Community Development Act of 1974, as amended:

- (1) Entitlement grants program (subpart D);
- (2) Nonentitlement Funds: HUD-administered Small Cities and Insular Area programs (subpart F);
- (3) State program: State-administered CDBG nonentitlement funds (subpart I);
- (4) Special Purpose Grants (subpart E);
- (5) Urban Development Action Grant program (subpart G); and
- (6) Loan Guarantees (subpart M).

(b) Subparts A, C, J, K, and O apply to all programs in paragraph (a) except as modified or limited under the provisions of these subparts or the applicable program regulations. In the application of the subparts to Special Purpose Grants or the Urban Development Action Grant program, the reference to funds in the form of grants in the term “*CDBG funds*”, as defined in § 570.3, shall mean the grant funds under those programs. The subparts do not apply to the State program (subpart I) except to the extent expressly referred to.

(c) The primary objective of the programs authorized under title I of the Housing and Community Development Act of 1974, as amended, is described in section 101(c) of the Act (42 U.S.C. 5301(c)).

[53 FR 34437, Sept. 6, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 61 FR 11475, Mar. 20, 1996; 69 FR 32778, June 10, 2004]

§ 570.3 Definitions.

The terms *HUD* and *Secretary* are defined in 24 CFR part 5. All of the following definitions in this section that rely on data from the United States Bureau of the Census shall rely upon the data available from the latest decennial census.

Act means title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et seq.*).

Age of housing means the number of year-round housing units, as further defined in section 102(a)(11) of the Act.

Applicant means a State or unit of general local government that makes application pursuant to the provisions of subpart E, F, G or M.

Buildings for the general conduct of government shall have the meaning provided in section 102(a)(21) of the Act.

CDBG funds means Community Development Block Grant funds, including funds received in the form of grants under subpart D, F, or § 570.405 of this part, funds awarded under section 108(q) of the Housing and Community Development Act of 1974, loans guaranteed under subpart M of this part, urban renewal surplus grant funds, and program income as defined in § 570.500(a).

Chief executive officer of a State or unit of general local government means the elected official or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer" of a unit of general local government are: the elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; and the official designated pursuant to law by the governing body of a unit of general local government.

City means the following:

(1) For purposes of Entitlement Community Development Block Grant and Urban Development Action Grant eligibility:

(i) Any unit of general local government that is classified as a municipality by the United States Bureau of the Census, or

(ii) Any other unit of general local government that is a town or township and that, in the determination of the Secretary:

(A) Possesses powers and performs functions comparable to those associated with municipalities;

(B) Is closely settled (except that the Secretary may reduce or waive this requirement on a case by case basis for the purposes of the Action Grant program); and

(C) Contains within its boundaries no incorporated places as defined by the United States Bureau of the Census that have not entered into cooperation agreements with the town or township for a period covering at least 3 years to undertake or assist in the undertaking of essential community development and housing assistance activities. The determination of eligibility of a town or township to qualify as a city will be based on information available from the United States Bureau of the Census and information provided by the town or township and its included units of general local government.

(2) For purposes of Urban Development Action Grant eligibility only, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the counties of Kauai, Maui, and Hawaii in the State of Hawaii, and Indian tribes that are eligible recipients under the State and Local Government Fiscal Assistance Act of 1972 and located on reservations in Oklahoma as determined by the Secretary of the Interior or in Alaskan Native Villages.

Community Development Financial Institution has the same meaning as used in the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 note).

Consolidated plan. The plan prepared in accordance with 24 CFR part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including the CDBG program. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

Discretionary grant means a grant made from the various Special Purpose Grants in accordance with subpart E of this part.

Entitlement amount means the amount of funds which a metropolitan city is entitled to receive under the Entitlement grant program, as determined by formula set forth in section 106 of the Act.

Extent of growth lag shall have the meaning provided in section 102(a)(12) of the Act.

Extent of housing overcrowding shall have the meaning provided in section 102(a)(10) of the Act.

Extent of poverty means the number of persons whose incomes are below the poverty level based on data compiled and published by the United States Bureau of the Census available from the latest census referable to the same point or period in time and the latest reports from the Office of Management and Budget. For purposes of this part, the Secretary has determined that it is neither feasible nor appropriate to make adjustments at this time in the computations of “extent of poverty” for regional or area variations in income and cost of living.

Family refers to the definition of “family” in 24 CFR 5.403.

Household means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

Income. For the purpose of determining whether a family or household is low- and moderate-income under subpart C of this part, grantees may select any of the three definitions listed below for each activity, except that integrally related activities of the same type and qualifying under the same paragraph of § 570.208(a) shall use the same definition of income. The option to choose a definition does not apply to activities that qualify under § 570.208(a)(1) (Area benefit activities), except when the recipient carries out a survey under § 570.208(a)(1)(vi). Activities qualifying under § 570.208(a)(1) generally must use the area income data supplied to recipients by HUD. The three definitions are as follows:

(1)(i) “Annual income” as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106 (except that if the CDBG assistance being provided is homeowner rehabilitation under § 570.202, the value of the homeowner's primary residence may be excluded from any calculation of Net Family Assets); or

(ii) Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

(A) Wages, salaries, tips, commissions, etc.;

(B) Self-employment income from own nonfarm business, including proprietorships and partnerships;

(C) Farm self-employment income;

(D) Interest, dividends, net rental income, or income from estates or trusts;

(E) Social Security or railroad retirement;

(F) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;

(G) Retirement, survivor, or disability pensions; and

(H) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

(iii) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

(2) Estimate the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. Income or asset enhancement derived from the CDBG-assisted activity shall not be considered in calculating estimated annual income.

Insular area shall have the meaning provided in section 102(a)(24) of the Act.

Low- and moderate-income household means a household having an income equal to or less than the Section 8 low-income limit established by HUD.

Low- and moderate-income person means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose.

Low-income household means a household having an income equal to or less than the Section 8 very low-income limit established by HUD.

Low-income person means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Metropolitan area shall have the meaning provided in section 102(a)(3) of the Act.

Metropolitan city shall have the meaning provided in section 102(a)(4) of the Act except that the term "central city" is replaced by "principal city."

Microenterprise shall have the meaning provided in section 102(a)(22) of the Act.

Moderate-income household means a household having an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD.

Moderate-income person means a member of a family that has an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

Nonentitlement amount means the amount of funds which is allocated for use in a State's nonentitlement areas as determined by formula set forth in section 106 of the Act.

Nonentitlement area shall have the meaning provided in section 102(a)(7) of the Act.

Population means the total resident population based on data compiled and published by the United States Bureau of the Census available from the latest census or which has been upgraded by the Bureau to reflect the changes resulting from the Boundary and Annexation Survey, new incorporations and consolidations of governments pursuant to § 570.4, and which reflects, where applicable, changes resulting from the Bureau's latest population determination through its estimating technique using natural changes (birth and death) and net migration, and is referable to the same point or period in time.

Small business means a business that meets the criteria set forth in section 3(a) of the Small Business Act (15 U.S.C. 631, 636, 637).

State shall have the meaning provided in section 102(a)(2) of the Act.

Unit of general local government shall have the meaning provided in section 102(a)(1) of the Act.

Urban county shall have the meaning provided in section 102(a)(6) of the Act. For the purposes of this definition, HUD will determine whether the county's combined population contains the required percentage of low- and moderate-income persons by identifying the number of persons that resided in applicable areas and units of general local government based on data from the most recent decennial census, and using income limits that would have applied for the year in which that census was taken.

Urban Development Action Grant (UDAG) means a grant made by the Secretary pursuant to section 119 of the Act and subpart G of this part.

[53 FR 34437, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 60 FR 1915, 1943, Jan. 5, 1995; 60 FR 56909, Nov. 9, 1995; 61 FR 5209, Feb. 9, 1996; 61 FR 11475, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004; 77 FR 5675, Feb. 3, 2012]

§ 570.4 Allocation of funds.

(a) The determination of eligibility of units of general local government to receive entitlement grants, the entitlement amounts, the allocation of appropriated funds to States for use in nonentitlement areas, the reallocation of funds, the allocation of appropriated funds to insular areas, and the allocation of appropriated funds for discretionary grants under the Secretary's Fund shall be governed by the policies and procedures described in sections 106 and 107 of the Act, as appropriate.

(b) The definitions in § 570.3 shall govern in applying the policies and procedures described in sections 106 and 107 of the Act.

(c) In determining eligibility for entitlement and in allocating funds under section 106 of the Act for any federal fiscal year, HUD will recognize corporate status and geographical boundaries and the status of metropolitan areas and principal cities effective as of July 1 preceding such federal fiscal year, subject to the following limitations:

(1) With respect to corporate status as certified by the applicable State and available for processing by the Census Bureau as of such date;

(2) With respect to boundary changes or annexations, as are used by the Census Bureau in preparing population estimates for all general purpose governmental units and are available for processing by the Census Bureau as of such date, except that any such boundary changes or annexations which result in the population of a unit of general local government reaching or exceeding 50,000 shall be recognized for this purpose whether or not such changes are used by the Census Bureau in preparing such population estimates; and

(3) With respect to the status of Metropolitan Statistical Areas and principal cities, as officially designated by the Office of Management and Budget as of such date.

(d) In determining whether a county qualifies as an urban county, and in computing entitlement amounts for urban counties, the demographic values of population, poverty, housing overcrowding, and age of housing of any Indian tribes located within the county shall be excluded. In allocating amounts to States for use in nonentitlement areas, the demographic values of population, poverty, housing overcrowding and age of housing of all Indian tribes located in all non-entitled areas shall be excluded. It is recognized that all

such data on Indian tribes are not generally available from the United States Bureau of the Census and that missing portions of data will have to be estimated. In accomplishing any such estimates the Secretary may use such other related information available from reputable sources as may seem appropriate, regardless of the data's point or period of time and shall use the best judgement possible in adjusting such data to reflect the same point or period of time as the overall data from which the Indian tribes are being deducted, so that such deduction shall not create an imbalance with those overall data.

(e) Amounts remaining after closeout of a grant which are required to be returned to HUD under the provisions of § 570.509, Grant closeout procedures, shall be considered as funds available for reallocation unless the appropriation under which the funds were provided to the Department has lapsed.

[53 FR 34437, Sept. 6, 1988, as amended at 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004]

§ 570.5 Waivers.

HUD's authority for the waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR part 5 and in section 122 of the Act, respectively.

[61 FR 11476, Mar. 20, 1996]

Subpart B [Reserved]

Subpart C—Eligible Activities

SOURCE: 53 FR 34439, Sept. 6, 1988, unless otherwise noted.

§ 570.200 General policies.

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in § 570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or under

§ 570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See § 570.420(d)(3) for additional discussion of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at § 570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under § 570.205 and § 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to § 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under § 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under § 570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR PART 200 ¹ All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

¹ These circulars are available from the American Communities Center by calling the following toll-free numbers: (800) 998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD's specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term “special assessment” means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in § 570.208(a)(1), (b), or (c); and

(iii) The requirements of § 570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of

the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under § 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at § 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under § 570.204(a) may only be undertaken by entities specified in that section.

(g) *Limitation on planning and administrative costs.* No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§ 570.205 and 570.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of § 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Faith-based activities.* (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program. Neither the Federal government nor a State or local government receiving funds under CDBG programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded

religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007]

§ 570.201 Basic eligible activities.

CDBG funds may be used for the following activities:

(a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207.

(b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in § 570.504.

(c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in § 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in § 570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in § 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group

homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in § 570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in § 570.200(b).

(d) *Clearance and remediation activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. Remediation may include project-specific environmental assessment costs not otherwise eligible under § 570.205.

(e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in § 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

(i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

(A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;

(B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;

(C) The amount of funds it obligated for public services in the 1982 program year; or,

(D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.* (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:

(i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities, and

(iii) The improvement of private properties.

(3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in § 570.801.

(i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of § 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of § 570.606(d).

(j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(k) *Housing services.* Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).

(l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) *Homeownership assistance.* CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.

(o)(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.

(3) For purposes of this paragraph (o), “persons developing microenterprises” means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

(p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under § 570.205.

(q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

[53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 17, 1988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 67 FR 47213, July 17, 2002; 71 FR 30034, May 24, 2006]

§ 570.202 *Eligible rehabilitation and preservation activities.*

(a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:

(1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;

(2) Low-income public housing and other publicly owned residential buildings and improvements;

(3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;

(4) Nonprofit-owned nonresidential buildings and improvements not eligible under § 570.201(c); and

(5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.

(b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.

(1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;

(2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;

(3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;

(4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;

(5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;

(6) Connection of residential structures to water distribution lines or local sewer collection lines;

(7) For rehabilitation carried out with CDBG funds, costs of:

(i) Initial homeowner warranty premiums;

(ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and

(iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to § 570.605.

(8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;

(9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;

(10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

(11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.

(c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

(d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

(f) *Lead-based paint activities.* Lead-based paint activities pursuant to § 570.608.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 64 FR 50225, Sept. 15, 1999; 71 FR 30035, May 24, 2006]

§ 570.203 *Special economic development activities.*

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.

(c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).

(a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii); activities under this paragraph may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in § 570.207(a);

(2) Carrying out public services that do not meet the requirements of § 570.201(e), except that:

(i) Services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and

(ii) Services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in § 570.201(e)(1) or (2), as applicable;

(3) Providing assistance to activities that would otherwise be eligible under § 570.203 that do not meet the requirements of § 570.209; or

(4) Carrying out an activity that would otherwise be eligible under § 570.205 or § 570.206, but that would result in the recipient's exceeding the spending limitation in § 570.200(g).

(c) *Eligible CBDOs.* (1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

[60 FR 1944, Jan. 5, 1995, as amended at 71 FR 30035, May 24, 2006]

§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(1) Comprehensive plans;

(2) Community development plans;

(3) Functional plans, in areas such as:

(i) Housing, including the development of a consolidated plan;

(ii) Land use and urban environmental design;

(iii) Economic development;

(iv) Open space and recreation;

(v) Energy use and conservation;

(vi) Floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;

(vii) Transportation;

(viii) Utilities; and

(ix) Historic preservation.

(4) Other plans and studies such as:

(i) Small area and neighborhood plans;

(ii) Capital improvements programs;

(iii) Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§ 570.201-570.204);

(iv) The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

(v) Strategies and action programs to implement plans, including the development of codes, ordinances and regulations;

- (vi) Support of clearinghouse functions, such as those specified in Executive Order 12372; and
- (vii) Analysis of impediments to fair housing choice.
- (viii) Developing an inventory of properties with known or suspected environmental contamination.
- (5) [Reserved]
- (6) Policy—planning—management—capacity building activities which will enable the recipient to:
 - (1) Determine its needs;
 - (2) Set long-term goals and short-term objectives, including those related to urban environmental design;
 - (3) Devise programs and activities to meet these goals and objectives;
 - (4) Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and
 - (5) Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

§ 570.206 *Program administrative costs.*

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under § 570.201 through § 570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year (or the grant period for grants under subpart F). Program administration includes the following types of assignments:

- (i) Providing local officials and citizens with information about the program;
- (ii) Preparing program budgets and schedules, and amendments thereto;
- (iii) Developing systems for assuring compliance with program requirements;
- (iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

- (v) Monitoring program activities for progress and compliance with program requirements;
 - (vi) Preparing reports and other documents related to the program for submission to HUD;
 - (vii) Coordinating the resolution of audit and monitoring findings;
 - (viii) Evaluating program results against stated objectives; and
 - (ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.
- (2) Travel costs incurred for official business in carrying out the program;
- (3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and
- (4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.
- (c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.
- (d) [Reserved]
- (e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with 2 CFR PART 200 as applicable.
- (f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.
- (g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:
- (1) The cost of conducting preliminary surveys and analysis of market needs;
 - (2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and "sketch drawings," but excluding architectural, engineering, and other

details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;

(3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;

(4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);

(5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and

(6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.

(h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.

(i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:

(1) A Federally designated Empowerment Zone or Enterprise Community; and

(2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004]

§ 570.207 *Ineligible activities.*

The general rule is that any activity that is not authorized under the provisions of §§ 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with CDBG funds:

(1) *Buildings or portions thereof, used for the general conduct of government* as defined at § 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(2) *General government expenses.* Except as otherwise specifically authorized in this subpart or under 2 CFR PART 200—expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(3) *Political activities.* CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(b) The following activities may not be assisted with CDBG funds unless authorized under provisions of § 570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of § 570.204.

(1) *Purchase of equipment.* The purchase of equipment with CDBG funds is generally ineligible.

(i) *Construction equipment.* The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR PART 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under § 570.201(c).

(ii) *Fire protection equipment.* Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c).

(iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR PART 200 as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to § 570.201(e).

(2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under § 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) *New housing construction.* For the purpose of this paragraph, activities in support of the development of low or moderate income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in § 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in 24 CFR part 42;

(ii) As authorized under § 570.201(m) or (n);

(iii) When carried out by an entity pursuant to § 570.204(a);

(4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 56912, Nov. 9, 1995; 65 FR 70215, Nov. 21, 2000]

§ 570.208 *Criteria for national objectives.*

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under § 570.200(a)(2):

(a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a) (1), (2), (3), or (4) of this section as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate income persons to the exclusion of low income persons.)

(1) *Area benefit activities.* (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

(ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under § 570.208(a)(1)(i), except that the area served contains less than 51 percent low- and moderate-income residents, will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of such persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. This exception is inapplicable to non-entitlement CDBG grants in Hawaii. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose, as follows:

(A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low and moderate income persons to the block group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.

(B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.

(C) The proportion of low and moderate income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low and moderate income persons at or above this level shall be considered to be within the highest quartile.

(D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.

(iii) An activity to develop, establish, and operate for up to two years after the establishment of, a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient obtains prior HUD approval. To obtain such approval, the recipient must:

(A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;

(B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, block numbering areas, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;

(C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and

(D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or block numbering areas), the total number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

(iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in § 570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.

(v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.

(vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraph (a)(1) (i), (ii), or (vii) of this section, the most recently available decennial census information must be used to the fullest extent feasible, together with the section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the

proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.

(vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

(2) *Limited clientele activities.* (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:

(A) Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or

(C) Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it is restricted, to the extent practicable, to the removal of such barriers by assisting:

(A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;

(B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or

(C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.

(iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

(iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:

(A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and

(B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of paragraph § 570.208 (d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining “affordable rents” for this purpose. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

(A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;

(B) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and

(C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

(ii) When CDBG funds are used to assist rehabilitation eligible under § 570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low and moderate income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low and moderate income persons.

(iii) When CDBG funds are used for housing services eligible under § 570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.

(4) *Job creation or retention activities.* An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

(i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.

(ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:

(A) The job is known to be held by a low- or moderate-income person; or

(B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

(iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:

(A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

(B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

(iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:

(A) He/she resides within a census tract (or block numbering area) that either:

(1) Meets the requirements of paragraph (a)(4)(v) of this section; or

(2) Has at least 70 percent of its residents who are low- and moderate-income persons; or

(B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.

(v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)(1) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:

(A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

(1) All block groups in the census tract have poverty rates of at least 20 percent;

(2) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

(3) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

(vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.

(C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.

(D) Where CDBG funds are used for activities meeting the criteria listed at § 570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

(1) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

(2) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)(1) of this section) is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at § 570.209(b).

(b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

(1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:

(i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

(ii) The area also meets the conditions in either paragraph (A) or (B):

(A) At least 25 percent of properties throughout the area experience one or more of the following conditions:

(1) Physical deterioration of buildings or improvements;

(2) Abandonment of properties;

(3) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;

(4) Significant declines in property values or abnormally low property values relative to other areas in the community; or

(5) Known or suspected environmental contamination.

(B) The public improvements throughout the area are in a general state of deterioration.

(iii) Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at § 570.208(b)(1)(ii)(A), and maintain records to substantiate how the area met the slums or blighted criteria. The designation of an area as slum or blighted under this section is required to be re-determined every 10 years for continued qualification. Documentation must be retained pursuant to the recordkeeping requirements contained at § 570.506 (b)(8)(ii).

(iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

(2) *Activities to address slums or blight on a spot basis.* The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area: acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

(3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:

(i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to title I of the Housing Act of 1949; and

(ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b) (1) and (2) of this section, any rehabilitation activity which benefits low and moderate income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

(c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.

(d) *Additional criteria.* (1) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under § 570.505.

(2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low and moderate income persons.

(3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low and moderate income persons.

(4) CDBG funds expended for planning and administrative costs under § 570.205 and § 570.206 will be considered to address the national objectives.

(5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of § 91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:

(i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:

(i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(7) Where an activity meeting the criteria at § 570.209(b)(2)(v) may also meet the requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraphs (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56912, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 71 FR 30035, May 24, 2006; 72 FR 46370, Aug. 17, 2007]

§ 570.209 Guidelines for evaluating and selecting economic development projects.

The following guidelines are provided to assist the recipient to evaluate and select activities to be carried out for economic development purposes. Specifically, these guidelines are applicable to activities that are eligible for CDBG assistance under § 570.203. These guidelines also apply to activities carried out under the authority of § 570.204 that would otherwise be eligible under § 570.203, were it not for the involvement of a Community-Based Development Organization (CBDO). (This would include activities where a CBDO makes loans to for-profit businesses.) These guidelines are composed of two components: guidelines for evaluating project costs and financial requirements; and standards for evaluating public benefit. The standards for evaluating public benefit are *mandatory*, but the guidelines for evaluating projects costs and financial requirements are not.

(a) *Guidelines and objectives for evaluating project costs and financial requirements.* HUD has developed guidelines that are designed to provide the recipient with a framework for financially underwriting and selecting CDBG-assisted economic development projects which are financially viable and will make the most effective use of the CDBG funds. These guidelines, also referred to as the underwriting guidelines, are published as appendix A to this part. The use of the underwriting guidelines published by HUD is not mandatory. However, grantees electing not to use these guidelines would be expected to conduct basic financial underwriting prior to the provision of CDBG financial assistance to a for-profit business. Where appropriate, HUD's underwriting guidelines recognize that different levels of review are appropriate to take into account differences in the size and scope of a proposed project, and in the case of a microenterprise or other small business to take into account the differences in the capacity and level of sophistication among businesses of differing sizes. Recipients are encouraged, when they develop their own programs and underwriting criteria, to also take these factors into account. The objectives of the underwriting guidelines are to ensure:

- (1) That project costs are reasonable;
- (2) That all sources of project financing are committed;
- (3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- (4) That the project is financially feasible;
- (5) That to the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
- (6) That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

(b) *Standards for evaluating public benefit.* The grantee is responsible for making sure that at least a minimum level of public benefit is obtained from the expenditure of CDBG funds under the categories of eligibility governed by these guidelines. The standards set forth below identify the types of public benefit that will be recognized for this purpose and the minimum level of each that must be obtained for the amount of CDBG funds used. Unlike the guidelines for project costs and financial requirements covered under paragraph (a) of this section, the use of the standards for public benefit is mandatory. Certain public facilities and improvements eligible under § 570.201(c) of the regulations, which are undertaken for economic development purposes, are also subject to these standards, as specified in § 570.208(a)(4)(vi)(F)(2).

(1) *Standards for activities in the aggregate.* Activities covered by these guidelines must, in the aggregate, either:

(i) Create or retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used; or

(ii) Provide goods or services to residents of an area, such that the number of low- and moderate-income persons residing in the areas served by the assisted businesses amounts to at least one low- and moderate-income person per \$350 of CDBG funds used.

(2) *Applying the aggregate standards.* (i) A metropolitan city, an urban county, a non-entitlement CDBG grantee in Hawaii, or an Insular Area shall apply the aggregate standards under paragraph (b)(1) of this section to all applicable activities for which CDBG funds are first obligated within each single CDBG program year, without regard to the source year of the funds used for the activities. For Insular Areas, the preceding sentence applies to grants received in program years after Fiscal Year 2004. A grantee under the HUD-administered Small Cities Program, or Insular Areas CDBG grants prior to Fiscal Year 2005, shall apply the aggregate standards under paragraph (b)(1) of this section to all funds obligated for applicable activities from a given grant; program income obligated for applicable activities will, for these purposes, be aggregated with the most recent open grant. For any time period in which a community has no open HUD-administered or Insular Areas grants, the aggregate standards shall be applied to all applicable activities for which program income is obligated during that period.

(ii) The grantee shall apply the aggregate standards to the number of jobs to be created/retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, the grantee may elect to count the activity under either the jobs standard or the area residents standard, but not both.

(iv) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the aggregate standards.

(v) Any activity subject to these guidelines which meets one or more of the following criteria may, at the grantee's option, be excluded from the aggregate standards described in paragraph (b)(1) of this section:

(A) Provides jobs exclusively for unemployed persons or participants in one or more of the following programs:

(1) Jobs Training Partnership Act (JTPA);

(2) Jobs Opportunities for Basic Skills (JOBS); or

(3) Aid to Families with Dependent Children (AFDC);

- (B) Provides jobs predominantly for residents of Public and Indian Housing units;
 - (C) Provides jobs predominantly for homeless persons;
 - (D) Provides jobs predominantly for low-skilled, low- and moderate-income persons, where the business agrees to provide clear opportunities for promotion and economic advancement, such as through the provision of training;
 - (E) Provides jobs predominantly for persons residing within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
 - (F) Provides assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
 - (G) Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
 - (H) Provides assistance to a Community Development Financial Institution that serve an area that is predominantly low- and moderate-income persons;
 - (I) Provides assistance to a Community-Based Development Organization serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
 - (J) Provides employment opportunities that are an integral component of a project designed to promote spatial deconcentration of low- and moderate-income and minority persons;
 - (K) With prior HUD approval, provides substantial benefit to low-income persons through other innovative approaches;
 - (L) Provides services to the residents of an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title;
 - (M) Creates or retains jobs through businesses assisted in an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title.
 - (N) Directly involves the economic development or redevelopment of environmentally contaminated properties.
- (3) *Standards for individual activities.* Any activity subject to these guidelines which falls into one or more of the following categories will be considered by HUD to provide insufficient public benefit, and therefore may under no circumstances be assisted with CDBG funds:
- (i) The amount of CDBG assistance exceeds either of the following, as applicable:
 - (A) \$50,000 per full-time equivalent, permanent job created or retained; or
 - (B) \$1,000 per low- and moderate-income person to which goods or services are provided by the activity.
 - (ii) The activity consists of or includes any of the following:
 - (A) General promotion of the community as a whole (as opposed to the promotion of specific areas and programs);
 - (B) Assistance to professional sports teams;

(C) Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to users or members clearly outweighs employment or other benefits to low- and moderate-income persons;

(D) Acquisition of land for which the specific proposed use has not yet been identified; and

(E) Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided by the recipient.

(4) *Applying the individual activity standards.* (i) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, it will be disqualified only if the amount of CDBG assistance exceeds both of the amounts in paragraph (b)(3)(i) of this section.

(ii) The individual activity standards in paragraph (b)(3)(i) of this section shall be applied to the number of jobs to be created or retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the individual activity standards in paragraph (b)(3)(i) of this section.

(c) *Amendments to economic development projects after review determinations.* If, after the grantee enters into a contract to provide assistance to a project, the scope or financial elements of the project change to the extent that a significant contract amendment is appropriate, the project should be reevaluated under these and the recipient's guidelines. (This would include, for example, situations where the business requests a change in the amount or terms of assistance being provided, or an extension to the loan payment period required in the contract.) If a reevaluation of the project indicates that the financial elements and public benefit to be derived have also substantially changed, then the recipient should make appropriate adjustments in the amount, type, terms or conditions of CDBG assistance which has been offered, to reflect the impact of the substantial change. (For example, if a change in the project elements results in a substantial reduction of the total project costs, it may be appropriate for the recipient to reduce the amount of total CDBG assistance.) If the amount of CDBG assistance provided to the project is increased, the amended project must still comply with the public benefit standards under paragraph (b) of this section.

(d) *Documentation.* The grantee must maintain sufficient records to demonstrate the level of public benefit, based on the above standards, that is actually achieved upon completion of the CDBG-assisted economic development activity(ies) and how that compares to the level of such benefit anticipated when the CDBG assistance was obligated. If the grantee's actual results show a pattern of substantial variation from anticipated results, the grantee is expected to take all actions reasonably within its control to improve the accuracy of its projections. If the actual results demonstrate that the recipient has failed the public benefit standards, HUD may require the recipient to meet more stringent standards in future years as appropriate.

[60 FR 1947, Jan. 5, 1995, as amended at 60 FR 17445, Apr. 6, 1995; 71 FR 30035, May 24, 2006; 72 FR 12535, Mar. 15, 2007; 72 FR 46370, Aug. 17, 2007]

§ 570.210 Prohibition on use of assistance for employment relocation activities.

(a) *Prohibition.* CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(b) *Definitions.* The following definitions apply to this section:

(1) *Directly assist.* Directly assist means the provision of CDBG funds for activities pursuant to:

(i) § 570.203(b); or

(ii) §§ 570.201(a)-(d), 570.201(l), 570.203(a), or § 570.204 when the grantee, subrecipient, or, in the case of an activity carried out pursuant to § 570.204, a Community Based Development Organization (CDBO) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the grantee's LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(2) *Labor market area (LMA).* For metropolitan areas, an LMA is an area defined as such by the BLS. An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are non-overlapping and geographically exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, an LMA is either an area defined by the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA. Recipients of Fiscal Year 1999 Small Cities Program funding in New York will follow the requirements for State CDBG recipients.

(3) *Operation.* A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.

(4) *Significant loss of jobs.* (i) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(ii) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years of the provision of assistance to the business; or the time period within which jobs are to be created as specified by the agreement between the business and the recipient if it is longer than three years.

(c) *Written agreement.* Before directly assisting a business with CDBG funds, the recipient, subrecipient, or a CDBO (in the case of an activity carried out pursuant to § 570.204) shall sign a written agreement with the assisted business. The written agreement shall include:

(1) *Statement.* A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA;

(2) *Required information.* If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(3) *Reimbursement of assistance.* The agreement shall provide for reimbursement of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(d) *Assistance not covered by this section.* This section does not apply to:

(1) *Relocation assistance.* Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970, (URA) (42 U.S.C. 4601-4655);

(2) *Microenterprises.* Assistance to microenterprises as defined by Section 102(a)(22) of the Housing and Community Development Act of 1974; and

(3) *Arms-length transactions.* Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

[70 FR 76369, Dec. 23, 2005]

Subpart K—Other Program Requirements

SOURCE: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.

§ 570.600 General.

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in § 570.405 and § 570.440 with the exception of § 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see § 570.487.

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[53 FR 34456, Sept. 6, 1988, as amended at 61 FR 11477, Mar. 20, 1996; 72 FR 12536, Mar. 15, 2007]

§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), and implementing regulations in 24 CFR part 1.

(2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an

analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

(b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

[61 FR 11477, Mar. 20, 1996]

§ 570.602 Section 109 of the Act.

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

[64 FR 3802, Jan. 25, 1999]

§ 570.603 Labor standards.

(a) Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

§ 570.604 Environmental standards.

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decision making, and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20, 1996]

§ 570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91), section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477, Mar. 20, 1996]

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

(a) *General policy for minimizing displacement.* Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) *Relocation assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section, the term “ *displaced person* ” means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the “initiation of negotiations” if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(1) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

(2) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

(3) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term “ *displaced person* -” does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in 49 CFR 24.2(g)(2).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term “ *initiation of negotiations* ” means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) *Residential anti-displacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

(d) *Optional relocation assistance.* Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) *Acquisition of real property.* The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.

(f) *Appeals.* If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) *Responsibility of grantee or State.* (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[61 FR 11477, Mar. 20, 1996, as amended at 61 FR 51760, Oct. 3, 1996]

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[68 FR 56405, Sept. 30, 2003]

§ 570.608 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities under this program.

[64 FR 50226, Sept. 15, 1999]

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

The requirements set forth in 24 CFR part 5 apply to this program.

[61 FR 5209, Feb. 9, 1996]

§ 570.610 Uniform administrative requirements and cost principles.

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines, and requirements of 24 CFR part 85 and 2 CFR PART 200 as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at § 570.502.

² See footnote 1 at § 570.200(a)(5).

[60 FR 56916, Nov. 9, 1995]

§ 570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities

that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]

§ 570.612 Executive Order 12372.

(a) *General.* Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

§ 570.613 Eligibility restrictions for certain resident aliens.

(a) *Restriction.* Certain newly legalized aliens, as described in 24 CFR part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of this section. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in paragraph (e) of this section. "Benefits" do not include relocation services and payments to which displacees are entitled by law.

(b) *Covered activities.* "Covered activities" under this section means activities meeting the requirements of § 570.208(a) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) *Limitation on coverage.* The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) *Compliance.* Compliance can be accomplished by obtaining certification as provided in 24 CFR 49.20.

(e) *Programs affected.* (1) The Community Development Block Grant program for small cities, administered under subpart F of part 570 of this title until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under subpart D of part 570 of this title.

(3) The Community Development Block Grant program for States, administered under subpart I of part 570 of this title until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under subpart G of part 570 of this title until closeout of the recipient's grant.

[55 FR 18494, May 2, 1990]

§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

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

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

[60 FR 56917, Nov. 9, 1995]

UPDATE: Effective March 2015

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance supersedes, consolidates and streamlines requirements from 8 OMB Circulars referenced in Exhibit D - CDBG Regulations and Other Program Requirements:

A - 21	A - 110
A - 87	A - 122
A - 89	A - 133
A - 102	A - 50

To view Notice SD-2015-01 Issued by the U.S. Department of Housing and Urban Development, please visit the following link:

www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf

Exhibit E

Audit Findings or Exceptions

(N/A - No audit findings or exceptions)



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4769
From: VIDAL ROMAN		
Subject: Presentation and consideration to accept the Financial Reports (unaudited) as of September 30, 2021 for the General Fund, Water and Sewer Fund, Solid Waste Fund, and Airport Fund and authorize the Mayor to execute all related documents. (Staffed by the Finance department).		
Background: Unaudited Financial reports for the City of Weslaco for the quarter ending September 30, 2021.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
VIDAL ROMAN		Created/Initiated
VIDAL ROMAN		Approved
Mike Perez		New
City Manager Comments: Approve to accept and file.		
Staff Recommendation: Staff recommends acceptance and filing of these reports		
Attachments, if any: Financial Memo, Sept 30 2021 Financials		
Responsibilities upon Approval:		

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: October 27, 2021

To: Mayor and City Commission

CC: Mike R. Perez, City Manager

FR: Vidal Roman, Finance Director

Re: City of Weslaco Financial Report – September 30, 2021

I have included the financials for the General, Water/Wastewater and Solid Waste funds for your review and acceptance for the period ending September 30, 2021.

General fund had a net surplus of \$2.5 M prior to transfer outs. Sales taxes continue to meet budgeted expectations. We are still maintaining a strong number of working capital days.

Water has shown some improvement, but Wastewater continues to reflect unfavorable numbers this quarter. The reason for a turn is that the debt obligations that came due in the month of August.

Solid Waste fund net change in fund equity reflects a deficit.

Staff recommends acceptance and filing of these reports.

CITY OF WESLACO, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUND COMBINED

9/30/2021

REVENUES	Actual	Annual Budget
Ad Valorem Taxes	10,360,454	10,503,561
Sales Tax	12,292,524	12,200,000
Franchise Taxes	1,807,938	1,901,471
Permits & Licenses	791,402	756,800
Intergovernmental Revenue	3,905,752	4,055,004
Charges for Services	2,254,306	2,831,500
Fines and Forfeitures	456,512	491,500
Investment Income	37,778	203,000
Rentals and Royalties	6,064	100,500
Other Revenue	140,578	535,528
TOTAL REVENUES	32,053,307	33,578,864
EXPENDITURES		
General Government	3,462,060	3,920,800
Judicial and Legal	576,107	552,259
Public Safety	16,706,557	15,916,820
Public Works	607,457	581,510
Streets and Highways	1,884,885	2,153,944
Planning, Inspections & Engineering	1,373,542	1,476,961
Culture and Recreation	1,386,597	1,569,761
Nondepartmental	1,030,746	1,002,263
Capital Outlay	2,325,227	2,670,619
Debt Service	176,723	176,722
TOTAL EXPENDITURES	29,529,900	30,021,658
EXCESS OF REVENUES OVER EXPENDITURES	2,523,408	3,557,206
OTHER FINANCING SOURCES (USES)		
Settlements	-	-
Transfers In	1,490,561	1,490,561
Transfers In (Out)	(4,755,187)	(2,323,270)
Economic Development and Assistance	-	-
OTHER SOURCES (USES)	(3,264,626)	(832,709)
NET CHANGE IN FUND BALANCE	(741,219)	2,724,497
Fund Balance - October 1 (Beginning)	12,044,822	
Fund Balance - September 30 (Ending)	11,303,603	
Number of days in working capital	86	

CITY OF WESLACO, TEXAS
STATEMENT OF FINANCIAL POSITION - WATER & WASTEWATER FUND COMBINED
9/30/2021
(UNAUDITED)

	WATER	WASTEWATER	COMBINED
ASSETS			
Cash and Equivalents	70,218	238,282	308,500
Restricted Cash	1,729	-	1,729
Current Receivables	1,165,859	1,010,405	2,176,264
Inventory	152,718	101,812	254,530
Deferred Resource Outflow	71,607	21,876	93,483
Assets, net of Depr	10,611,153	30,043,595	40,654,747
TOTAL ASSETS	12,073,284	31,415,969	43,489,253
LIABILITIES			
Accounts Payable	65,797	184,723	250,521
Accrued Salaries & Wages	81,931	5,632	87,563
Customers Deposits	1,374,760	-	1,374,760
Due to Other Funds	9,994	3,286	13,279
Lease Payable	527,602	336,553	864,155
Other Liabilities	687,725	190,794	878,519
Deferred Resource Inflow	85,955	23,428	109,383
Long Term Liabilities - Bonds/Leases	5,257,641		5,257,641
TOTAL LIABILITIES	8,091,407	744,415	8,835,822
FUND EQUITY			
Net Investment in Capital Assets			-
Capital Fee Reserve	-	822,320	822,320
Unrestricted fund equity	3,074,020	30,483,399	33,557,419
Change in net position	907,858	(634,166)	273,692
TOTAL FUND EQUITY	3,981,878	30,671,554	34,653,431
TOTAL LIABILITIES AND FUND EQUITY	12,073,284	31,415,969	43,489,253

CITY OF WESLACO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER AND WASTEWATER FUNDS
9/30/2021

			Combined	
REVENUES	WATER	WASTEWATER	Actual	Annual Budget
Charges for Services	7,378,671	5,285,060	12,663,731	12,730,696
Utility Billing Penalties	121,700	94,077	215,777	165,550
Other Financing Sources (CIP)	-	694,152	694,152	755,000
Other Revenue	284,627	40,789	325,416	101,000
TOTAL REVENUES	7,784,998	6,114,078	13,899,076	13,752,246
EXPENDITURES				
Treatment	1,610,366	1,268,870	2,879,236	3,064,750
Distribution & Collection	679,198	1,951,180	2,630,378	2,603,987
Utility Billing	383,844	-	383,844	330,701
Water Meter Division	346,790	-	346,790	399,954
Capital Outlay	-	-	-	-
Bad Debt	-	-	-	-
Debt Service/Leases	527,602	58,552	586,154	598,154
TOTAL EXPENDITURES	3,547,799	3,278,602	6,826,401	6,997,545
EXCESS OF REVENUES OVER EXPENDITURES	4,237,198	2,835,477	7,072,675	6,754,701
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	-	250,000	500,000
Transfers (Out)	(3,579,341)	(3,469,642)	(7,048,983)	(6,972,461)
OTHER SOURCES (USES)	(3,329,341)	(3,469,642)	(6,798,983)	(6,472,461)
NET CHANGE IN FUND EQUITY	907,858	(634,166)	273,692	282,240
Fund Balance - October 1 (Beginning)			34,510,394	
Fund Balance - September 30 (Ending)			34,784,086	

Number of days in working capital

31

CITY OF WESLACO, TEXAS
STATEMENT OF FINANCIAL POSITION - SOLID WASTE FUND
9/30/2021
(UNAUDITED)

ASSETS

Cash and Equivalents	(1,572,176)
Current Receivables	730,389
Noncurrent Receivable	2,000,000
Deferred Resource Outflow	2,628
Assets, net of Depr	<u>1,100,111</u>
TOTAL ASSETS	2,260,953

LIABILITIES

Accounts Payable	216,799
Accrued Salaries & Wages	20,806
Other Liabilities	24,908
Due to Other Funds	7,555
Noncurrent Liabilities	942,861
Deferred Resource Inflow	<u>3,728</u>
TOTAL LIABILITIES	1,216,657

FUND EQUITY

Contributed Capital	-
Reserved fund equity	-
Unreserved fund equity*	1,630,147
Change in net position	<u>(585,852)</u>
TOTAL FUND EQUITY	1,044,296

TOTAL LIABILITIES AND FUND EQUITY	2,260,953	-
--	------------------	---

*Fund equity includes \$2M loan advanced to Water/Sewer Fund from Solid Waste Fund to complete WTP Project

CITY OF WESLACO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SOLID WASTE FUND
9/30/2021

REVENUES	Actual	Annual Budget
Intergovernmental Revenue	23,810	-
Charges for Services	5,454,792	5,355,000
Other Revenue	81,924	82,000
TOTAL REVENUES	5,560,526	5,437,000
EXPENDITURES		
Collection	3,745,637	3,428,799
Transfer Station/Recycling	98,390	104,288
Landfill	51,488	48,100
Brush Collection	1,003,014	491,476
Capital Outlay	-	-
Debt Service	122,849	122,849
TOTAL EXPENDITURES	5,021,378	4,195,512
EXCESS OF REVENUES OVER EXPENDITURES	539,148	1,241,488
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers (Out)	(1,125,000)	(1,125,000)
OTHER SOURCES (USES)	(1,125,000)	(1,125,000)
NET CHANGE IN FUND EQUITY	(585,852)	116,488
Fund Balance - October 1 (Beginning)	1,631,053	
Fund Balance - September 30 (Ending)	1,045,201	
Number of days in working capital	-63	

CITY OF WESLACO, TEXAS
STATEMENT OF FINANCIAL POSITION - AIRPORT FUND
9/30/2021

ASSETS

Cash and Equivalents	(1,290,957)
Due from Other Government	-
Current Receivables	629,612
Inventory	38,573
Restricted Assets	13,690
Deferred Resource Outflow	17,392
Assets, net of Depr	<u>12,306,529</u>
TOTAL ASSETS	11,714,838

LIABILITIES

Accounts Payable	85,980
Accrued Salaries & Wages	36,892
Due to Other Funds	613,643
Due to Other Governments	-
Other Liabilities	131,442
Deferred Resource Inflow	23,614
Notes Payable	<u>1,450,810</u>
TOTAL LIABILITIES	2,342,381

FUND EQUITY

Unreserved fund equity	10,217,515
Change in net position	<u>(845,057)</u>
TOTAL FUND EQUITY	9,372,458

TOTAL LIABILITIES AND FUND EQUITY	11,714,838
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CITY OF WESLACO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AIRPORT FUND
9/30/2021

REVENUES	Actual	Annual Budget
Charges for Services	321,853	350,500
Rentals	80,150	62,600
Intergovernmental Revenue	725,038	1,500,485
Other Revenue	36,661	1,000
TOTAL REVENUES	1,163,701	1,914,585
EXPENDITURES		
Airport Operations	2,047,480	2,158,866
Capital Outlay	244,796	301,815
Debt Service	96,483	75,600
TOTAL EXPENDITURES	2,388,759	2,536,281
EXCESS OF REVENUES OVER EXPENDITURES	(1,225,057)	(621,696)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	380,000	380,000
OTHER SOURCES (USES)	380,000	380,000
NET CHANGE IN FUND EQUITY	(845,057)	(241,696)
Fund Balance - October 1 (Beginning)	10,217,516	
Fund Balance - September 30 (Ending)	9,372,459	
Number of days in working capital	-502	



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4770	
From:			
Subject: Presentation and consideration to accept and file the Quarterly Investment Report for the period ending September 30, 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by the Finance Department)			
Background: In accordance to the Investment Policy adopted by the city and chapter 2256 of the Government Code known as the Public Investment Act, the city is complying with the presentation and filing of this report.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
VIDAL ROMAN		Created/Initiated	
VIDAL ROMAN		Approved	
Mike Perez		New	
City Manager Comments: Approve to accept and file.			
Staff Recommendation: Staff recommends acceptance and filing.			
Attachments, if any: Quarterly Investment Report Memo, Q.I.R. 9.30.21			
Responsibilities upon Approval: File report.			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: October 27, 2021

To: Mayor and City Commission

CC: Mike R. Perez, City Manager

FR: Vidal Roman, Finance Director

Re: Quarterly Investment Report – September 30, 2021

I respectfully submit the Quarterly Investment for the period ending September 30, 2021.

Cash on Deposit shows a decrease due to funds being transferred to Tex-Pool. This was done since they offered a better interest rate than the bank.

Interest income increased slightly due to the total amount in the accounts.

Staff recommends acceptance and filing of these reports.

City of Weslaco, Texas

Investment Report

September 30, 2021

Deposits:

Cash on Deposit

BBVA Compass

Tex Pool

Tex Pool Prime

Certificates of Deposit

Navy Army CU 3/28/2019

Navy Army CU 5/24/2021

Lonestar Nat'l Bank 2/21/20 - 2/21/21

Total

4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
09/30/21	06/30/21	03/31/21	12/31/20
\$ 26,380,432	\$ 38,178,987	\$ 29,379,111	\$ 28,961,202
866,037	865,978	865,961	865,706
21,825,719	822,996	822,881	822,466
260,677	258,583	256,467	254,391
241,027	240,300	-	-
-	-	-	242,713
\$ 49,573,892	\$ 40,366,844	\$ 31,324,419	\$ 31,146,477

Rates:

Cash - Interest Earning

BBVA Compass

Tex Pool

Tex Pool Prime

Certificate of Deposits

Navy Army CU 3/28/19

Navy Army CU 05/28/2021

Lonestar Nat'l Bank - 2/21/20

4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
09/30/21	06/30/21	03/31/21	12/31/20
0.01%	0.003%	0.007%	0.01%
0.03%	0.01%	0.01%	0.09%
0.06%	0.07%	0.06%	0.12%
3.34%	3.34%	3.34%	3.34%
1.20%	1.20%	0.00%	0.00%
0.00%	0.00%	0.00%	0.38%

Total Interest Earned for Period

Total Interest

Average Return

Benchmark - 4 week T-Bill Rate

Weighted Average Maturity (Days)

\$ 9,924.86	\$ 8,384.31	\$ 12,892.60	\$ 26,820.85
0.06%	0.04%	0.04%	0.04%
0.07%	0.05%	0.01%	0.08%
2.13	3.55	2.41	3.87

Total Interest Earned Year to Date

\$ 58,022.62

This report is in full compliance with the investment policy and strategy as established for the City of Weslaco, Texas and the Public Funds Investment Act (Chapter 2256, Government Code).

Prepared by:



Sonia Flores

Assistant Finance Director

10/26/21
Date

Reviewed by:



Mike R. Perez

City Manager

10/27/21
Date





Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4773	
From: Albert Aldana			
Subject: Discussion and consideration to approve solicitation of bids for the construction of infrastructure improvements consisting of drainage, stormwater, sanitary sewer, railroad crossing, and traffic signal improvements for the new Public Safety Facilities to be located at 300 S. Bridge St and 711 E. Railroad St and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.)			
Background: See attached Memo			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
Albert Aldana Albert Aldana Mike Perez		Created	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: 10-21-21CC_Solicit Bids			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

DATE: October 21, 2021

TO: Mayor Suarez, City Commission,
City Manager Perez

FROM: Albert J. Aldana, P.E.
City Engineer

SUBJECT: **SOLICITATION OF BIDS FOR INFRASTRUCTURE IMPROVEMENTS FOR
PUBLIC SERVICES FACILITIES**

This is a request for approval of a solicitation of bids for proposed drainage, sanitary sewer, stormwater, railroad crossing, and traffic signal improvements required for the proposed Public Services Facilities to be located on Bridge St and Whitmer Rd.

Engineering has prepared plans for these proposed improvements and is prepared to advertise and seek bids for the improvements.

Staff recommends approval of this item.

Let me know if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Aldana', is written over a light blue horizontal line.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4784	
From: David Arce			
Subject: Discussion and consideration to amend waste disposal agreement between the City of Edinburg and the City of Weslaco to include Waste Materials-Municipal Solid Waste at a rate of \$17.75 per ton and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background: Update the agreement with City of Edinburg for Municipal Solid Waste, not just the brush as we did a year ago.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
David Arce		Created/Initiated	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Approval			
Attachments, if any: Amendment Waste Disposal FOR PW Memo, Amendment to Waste Disposal			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Andrew Muñoz, Interim City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: November 2, 2021

To: City Commission

From: David Arce, Deputy Public Works Director

Subject: AMENDMENT TO WASTE DISPOSAL AGREEMENT

Cc: Andrew Muñoz, Interim City Manager
Vidal Roman, Finance Director

Public Works Department is requesting approval to amend the current agreement with the City of Edinburg for waste materials-Municipal Solid Waste. We currently have for brush disposal, construction/demolition materials and tires. Once we start garbage collection, staff will take the trucks to Edinburg landfill.

Staff Recommends Approval.

STATE OF TEXAS §
 §
 §
 §
COUNTY OF HIDALGO §

AMENDMENT TO WASTE DISPOSAL
AGREEMENT BETWEEN CITY OF
EDINBURG AND CITY OF WESLACO

THIS ADDENDUM, made and entered into this _____ day of _____, 2021, by and between CITY OF EDINBURG, TEXAS, (hereinafter “City of Edinburg”) and CITY OF WESLACO, TEXAS (hereinafter “City of Weslaco”).

WHEREAS, the parties hereto desire to amend the Waste Disposal Agreement Between City of Edinburg and City of Weslaco, dated September 1, 2020, entered into between the City of Edinburg and the City of Weslaco (hereinafter the “Agreement”); and

WHEREAS, pursuant to the terms of the Agreement dated September 1, 2020, Section II. A. Obligations of City of Weslaco, the Rates for Disposal are as follows:

Const./Demolition, Brush	\$15.50 per Ton
Tires Identified from City of Weslaco	\$ 5.00 each

WHEREAS, subsequent to the execution of the Agreement, City of Edinburg and City of Weslaco have agreed to include rates for the disposal of Municipal Solid Waste; and

NOW THEREFORE, the parties for the considerations hereinafter mentioned, agree that the Rates for Disposal on the Agreement be amended as follows:

- 1) Beginning **IMMEDIATELY**, City of Weslaco agrees to pay the City of Edinburg the following all-inclusive rates for such disposal:

Waste Materials-Municipal Solid Waste	\$17.75 per Ton
Const./Demolition, Brush	\$15.50 per Ton
Tires Identified from City of Weslaco	\$ 5.00 each

- 2) All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties subscribe their names as of the _____ day of _____, 2021.

CITY OF WESLACO
255 S. KANSAS AVE.
WESLACO, TEXAS 78596
PHONE: (956)968-3181

CITY OF EDINBURG
P.O. BOX 1079
EDINBURG, TX 78540
PHONE: (956)383-5661; FAX (956)383-7111

BY: _____
David Suarez, Mayor
City of Weslaco

BY: _____
Richard Molina, Mayor
City of Edinburg

Date: _____

Date: _____

ATTEST:

ATTEST:

BY: _____
Norma A. Cantu, City Secretary

BY: _____
Myra Ayala, City Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:
Omar Ochoa Law Firm, P.C.

BY: _____
Juan E. Gonzalez, City Attorney

BY: _____
Omar Ochoa
City Attorney



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4787	
From: David Arce			
Subject: Discussion and presentation on Solid Waste and Brush collection services. (Staffed by Public Works Department.)			
Background: The PW staff are gathering information for consideration of moving from pick up twice a week to once a week and brush from twice a month to once a month.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
David Arce		Created/Initiated	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Approval to present			
Attachments, if any: Garbage Service Plan FOR PW Memo			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Andrew Muñoz, Interim City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: November 2, 2021

To: City Commission

From: David Arce, Deputy Public Works Director

Subject: GARBAGE COLLECTION SERVICE PLAN

Cc: Andrew Muñoz, Interim City Manager
Vidal Roman, Finance Director

Public Works Department is requesting approval to consider the benefits of reducing garbage collection to once a week vs twice a week and brush collection from twice a month to once a month. Staff will present at next meeting a comparison from other cities in RGV and similar sizes around the state.

Staff Recommends that commission consider the benefits.



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4788	
From: David Arce			
Subject: Discussion and consideration to award the purchase of three (3) Pickup Trucks with Goodbuy vendor Silsbee Ford. 1. Water Division, an F350 Crew Cab 4x4 in the amount of \$45,549, 2. Streets Division, an F250 Extended Cab \$32,873, 3. Drain Ditch Division, F250 Crew Cab \$34,195, and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background:			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
David Arce		Created/Initiated	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Approval			
Attachments, if any: Trucks Purchase PW Memo, Streets F250, Drain Ditch F250, Water Division F350			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Andrew Muñoz, Interim City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: November 2, 2021

To: City Commission

From: David Arce, Deputy Public Works Director

Subject: PURCHASE TRUCKS FOR PUBLIC WORKS

Cc: Andrew Muñoz, Interim City Manager
Vidal Roman, Finance Director

Public Works Department is requesting approval to purchase 3 trucks with Goodbuy vendor Silsbee Ford. Staff reached out to Boggus Ford, Gunn Chevrolet, Caldwell Country, and Silsbee Ford, as they were the only one that submitted a quote for super duty trucks. Cut off to order super duty trucks for 2022 is mid-November.

Staff Recommends Approval.



PRODUCT PRICING SUMMARY

GOODBAY 21-8F000 VEHICLES

VENDOR--SILSBEE FORD

End User: CITY OF WESLACO

Contact: DAVID ARCE

Email: _____

Product Description: FORD F-250

Prepared by: MICHAEL WILEY

Phone: 254-541-9061

Email: mwiley.silsbeefleet@gmail.com

Date: October 28, 2021

A. Bid Item: 7.23 ALT

A. Base Price: \$ **27,925.00**

B. Factory Options

Code	Options	Bid Price	Code	Options	Bid Price
		\$ -	TBM	ALL TERRAIN TIRES	\$ 165.00
X2B	2022 EXTENDED CAB 4X4	\$ 1,523.00	90L	POWER WINDOWS/DOOR LOCKS	\$ 915.00
	VINYL 40/20/40 SEATS; RUBBER FLOOR	INCL	52B	TRAILER BRAKE CONTROLLER	\$ 270.00
	A/C; AM/FM STEREO W/SYNC	INCL			
	REAR VIEW CAMERA	INCL			
	TRAILER TOW PACKAGE	INCL			
	ELECTRONIC SHIFT TRANSFER CASE	INCL			
	8FT BED	INCL			
	6.2L V8; 6-SPD AUTOMATIC	INCL			

Total of B. Published Options: \$ **2,873.00**

Published Option Discount (5%) \$ **(143.65)**

C. Additional Options [not to exceed 25%]

\$= 3.7 %

Options	Bid Price	Options	Bid Price
WHITE	COLOR	ONE EXTRA KEY	\$ 350.00
150-180 DAYS ESTIMATED	DELIVERY	ONE EXTRA REAR LEAF SPRING	\$ 800.00
MUST ORDER BY 10/30/21	NOTE		
		PUBLIC WORKS STREETS	

Total of C. Unpublished Options: \$ **1,150.00**

D. Floor Plan Interest (for in-stock and/or equipped vehicles):

\$ -

E. Lot Insurance (for in-stock and/or equipped vehicles):

\$ -

F. Contract Price Adjustment:

\$ -

G. Additional Delivery Charge: 439 miles

\$ **768.25**

H. Subtotal:

\$ **32,572.60**

I. Quantity Ordered 1 x K =

\$ **32,572.60**

J. Trade in:

\$ -

K. GOODBUY Administrative Fee (\$300 per purchase order)

\$ **300.00**

L. TOTAL PURCHASE PRICE INCLUDING GOODBUY FEE

\$ **32,872.60**



PRODUCT PRICING SUMMARY

GOODBAY 21-8F000 VEHICLES

VENDOR--SILSBEE FORD

End User: CITY OF WESLACO

Prepared by: MICHAEL WILEY

Contact: DAVID ARCE

Phone: 254-541-9061

Email: _____

Email: mwiley.silsbeefleet@gmail.com

Product Description: FORD F-250

Date: October 28, 2021

A. Bid Item: 7.24 ALT

A. Base Price: \$ **29,272.00**

B. Factory Options

Code	Options	Bid Price	Code	Options	Bid Price
		\$ -	TBM	ALL TERRAIN TIRES	\$ 165.00
W2B	2022 CREW CAB 4X4	\$ 1,287.00	90L	POWER WINDOWS/LOCKS	\$ 1,125.00
	VINYL 40/20/40 SEATS; RUBBER FLOOR	INCL	52B	TRAILER BRAKE CONTROLLER	\$ 270.00
	A/C; AM/FM STEREO W/SYNC	INCL			
	REAR VIEW CAMERA	INCL			
	TRAILER TOW PACKAGE	INCL			
	ELECTRONIC SHIFT TRANSFER CASE	INCL			
	8FT BED	INCL			
	6.2L V8; 6-SPD AUTOMATIC	INCL			

Total of B. Published Options: \$ **2,847.00**

Published Option Discount (5%) \$ **(142.35)**

C. Additional Options [not to exceed 25%]

\$= 3.6 %

Options	Bid Price	Options	Bid Price
WHITE	COLOR	ONE EXTRA KEY	\$ 350.00
150-180 DAYS ESTIMATED	DELIVERY	ONE EXTRA REAR LEAF SPRING	\$ 800.00
MUST ORDER BY 10/30/21	NOTE	DRAIN DITCH	

Total of C. Unpublished Options: \$ **1,150.00**

D. Floor Plan Interest (for in-stock and/or equipped vehicles):

\$ -

E. Lot Insurance (for in-stock and/or equipped vehicles):

\$ -

F. Contract Price Adjustment:

\$ -

G. Additional Delivery Charge: 439 miles

\$ **768.25**

H. Subtotal:

\$ **33,894.90**

I. Quantity Ordered 1 x K =

\$ **33,894.90**

J. Trade in:

\$ -

K. GOODBUY Administrative Fee (\$300 per purchase order)

\$ **300.00**

L. TOTAL PURCHASE PRICE INCLUDING GOODBUY FEE

\$ **34,194.90**



PRODUCT PRICING SUMMARY

GOODBUY 21-8F000 VEHICLES

VENDOR--SILSBEE FORD

End User: CITY OF WESLACO

Prepared by: MICHAEL WILEY

Contact: DAVID ARCE

Phone: 254-541-9061

Email: _____

Email: mwiley.silsbeefleet@gmail.com

Product Description: FORD F-350

Date: October 27, 2021

A. Bid Item: 7.27 ALT

A. Base Price: \$ **31,868.00**

B. Factory Options

Code	Options	Bid Price	Code	Options	Bid Price
		\$ -	TBM	ALL TERRAIN TIRES	\$ 165.00
W3B	2022 CREW CAB 4X4	\$ 1,063.00	90L	POWER WINDOWS AND LOCKS	\$ 1,125.00
	VINYL 40/20/40 SEATS; RUBBER FLOOR	INCL	52B	TRAILER BRAKE CONTROLLER	\$ 270.00
	A/C; AM/FM STEREO W/SYNC	INCL			
	REAR VIEW CAMERA	INCL			
	TRAILER TOW PACKAGE	INCL			
	ELECTRONIC SHIFT TRANSFER CASE	INCL			
	6.5FT BED	INCL			
99T	6.7L DIESEL; 10-SPD AUTOMATIC	\$ 10,495.00			

Total of B. Published Options: \$ **13,118.00**

Published Option Discount (5%) \$ **(655.90)**

C. Additional Options [not to exceed 25%]

\$= 0.3 %

Options	Bid Price	Options	Bid Price
WHITE	COLOR	ONE EXTRA KEY	\$ 350.00
150-180 DAYS ESTIMATED	DELIVERY	ONE EXTRA REAR LEAF SPRING	\$ 800.00
MUST ORDER BY 10/30/21	NOTE	WATER COLLECTION	
		MY2288TW3B ADJUSTMENT	\$ (1,000.00)
		AS PSEC DIESEL DISCOUNT	

Total of C. Unpublished Options: \$ **150.00**

D. Floor Plan Interest (for in-stock and/or equipped vehicles):

\$ -

E. Lot Insurance (for in-stock and/or equipped vehicles):

\$ -

F. Contract Price Adjustment:

\$ -

G. Additional Delivery Charge: 439 miles

\$ **768.25**

H. Subtotal:

\$ **45,248.35**

I. Quantity Ordered 1 x K =

\$ **45,248.35**

J. Trade in:

\$ -

K. GOODBUY Administrative Fee (\$300 per purchase order)

\$ **300.00**

L. TOTAL PURCHASE PRICE INCLUDING GOODBUY FEE

\$ **45,548.35**



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4786
From:		
Subject: Discussion and consideration to approve the demolition of the Gibson Park Swimming Pool as discussed during budget workshops and approved in new budget and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation.)		
Background: During the Budget Workshops in August, staff presented a plan to eliminate this pool and begin studying the need for a new City pool. Staff recommended adding a splash pad at the park to replace the pool. A private party pavilion is planned in this location for next fiscal year in the five Capital Improvement plan for parks. Staff will begin the process of developing a study for a new city pool this year.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
OMAR RODRIGUEZ	Created/Initiated	
OMAR RODRIGUEZ	Approved	
Mike Perez	New	
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any:		
Responsibilities upon Approval:		



Standardized Agenda Request Form

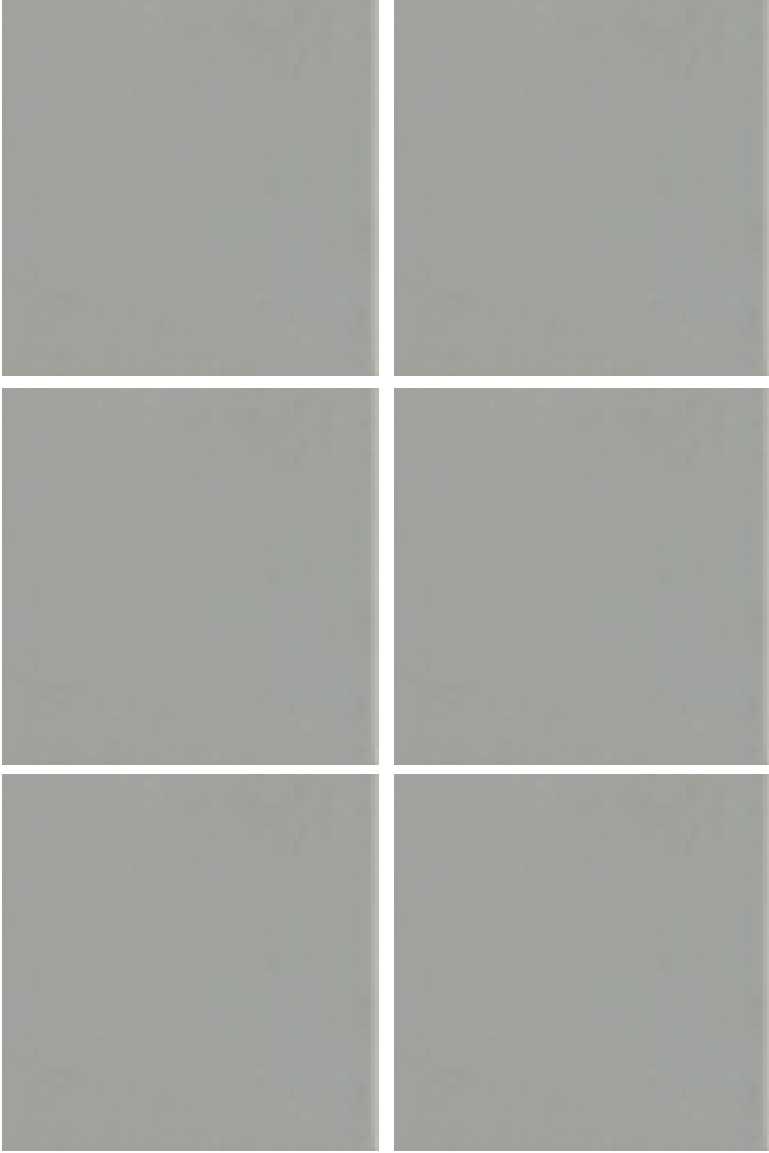
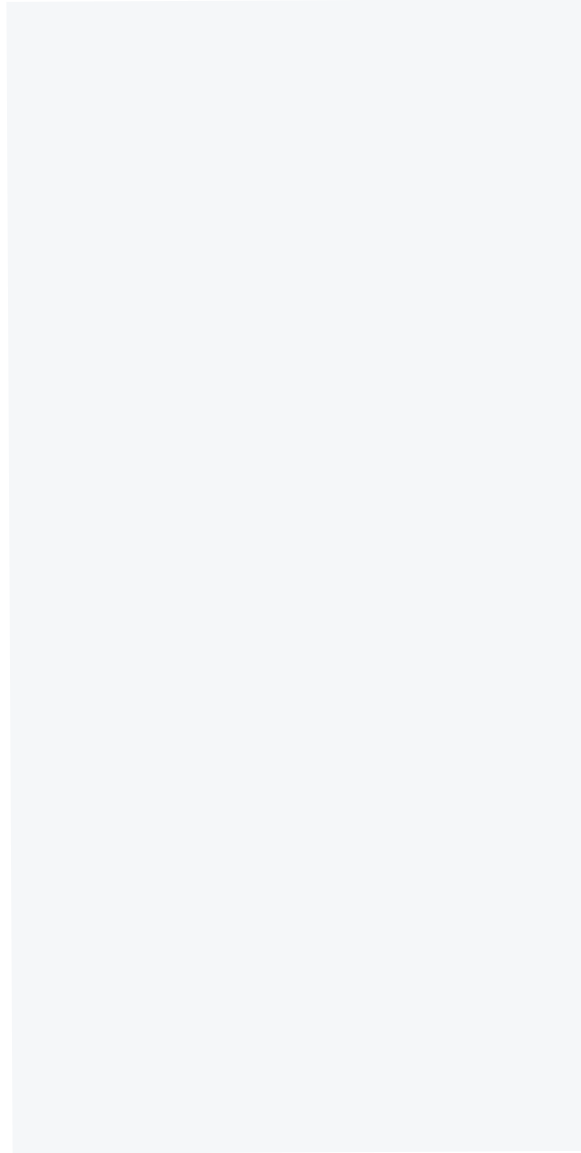
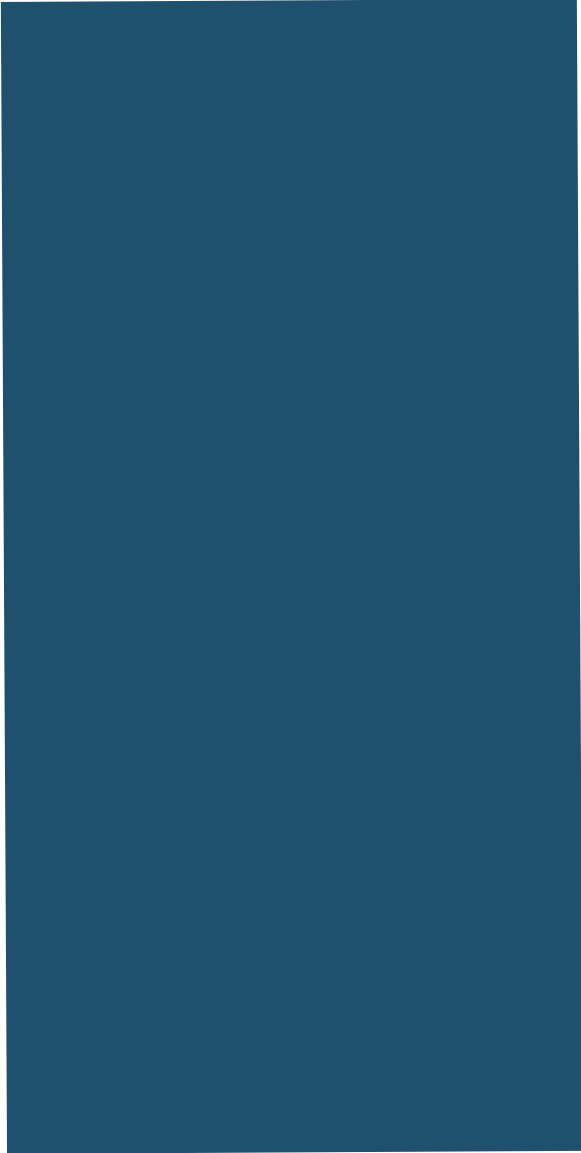
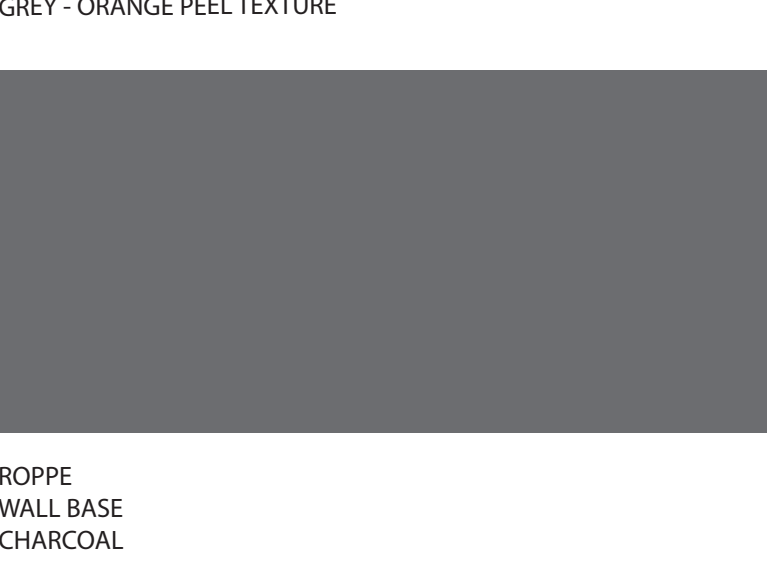
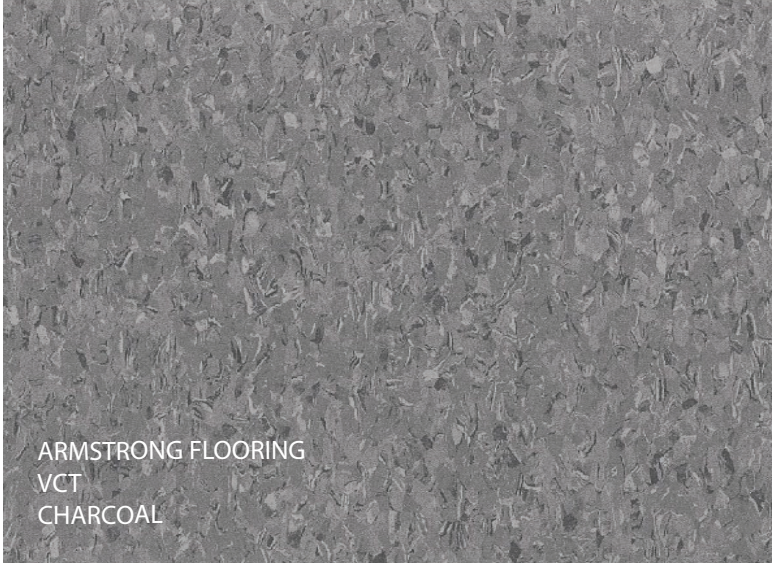
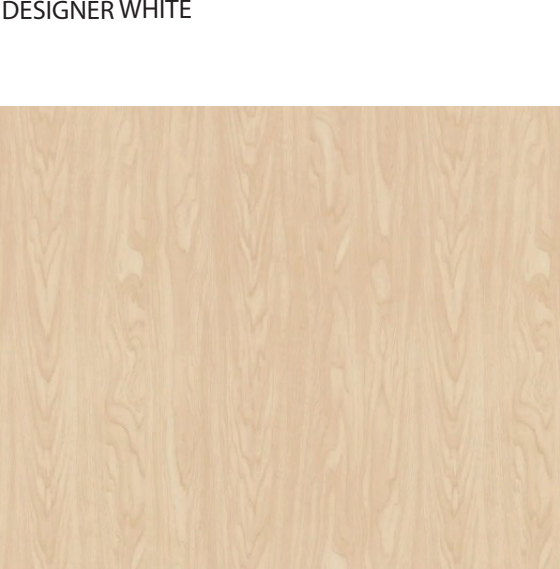
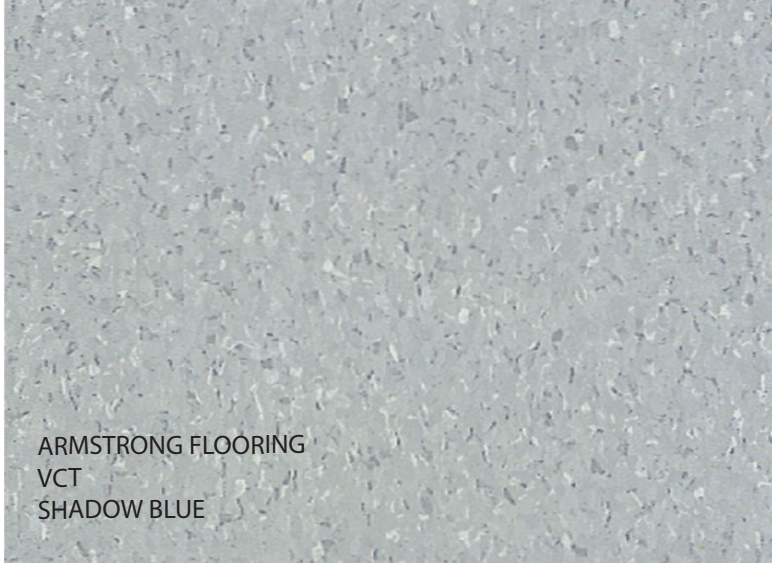
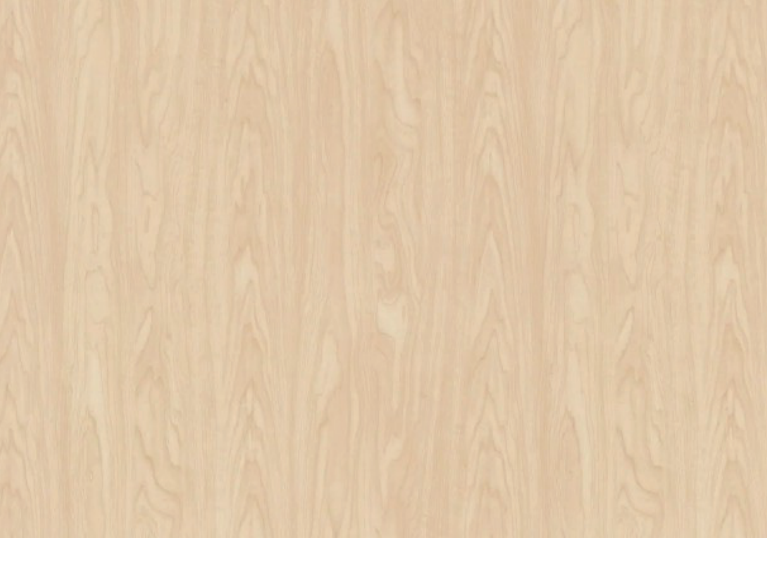
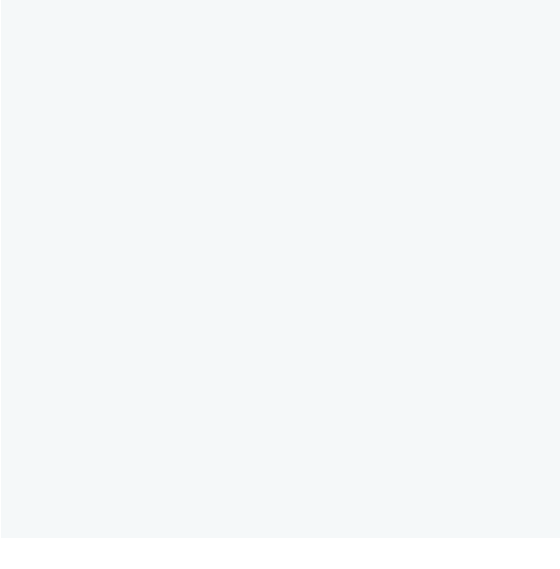
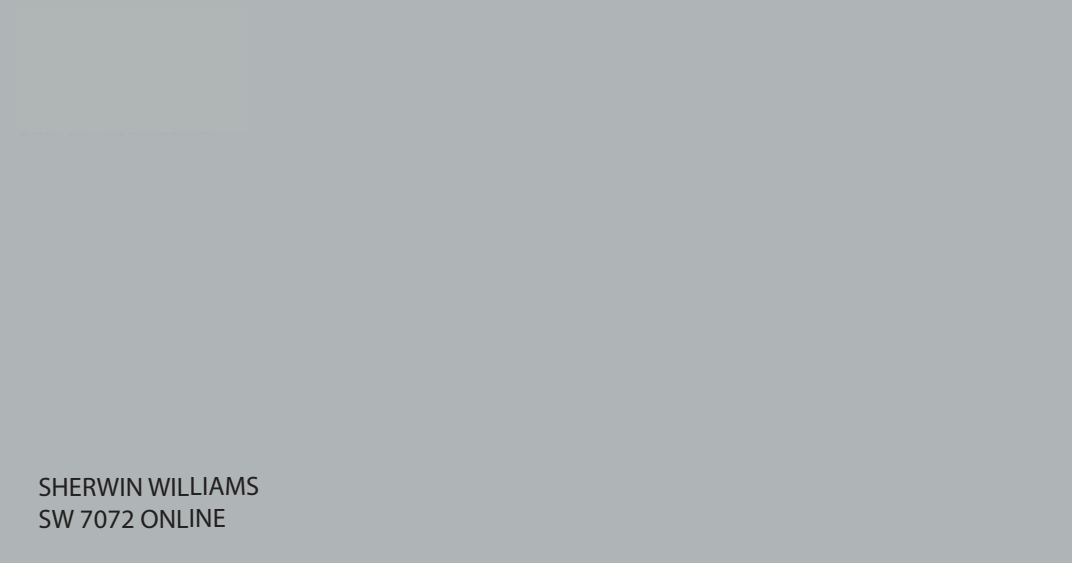
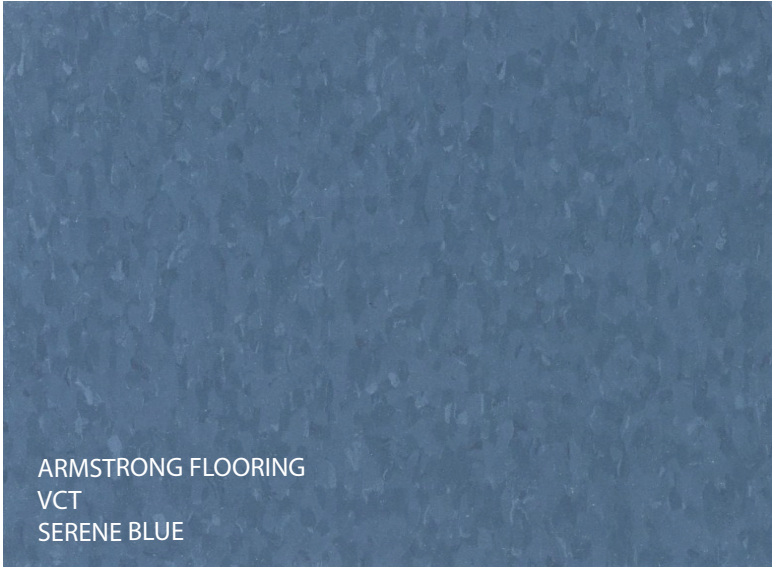
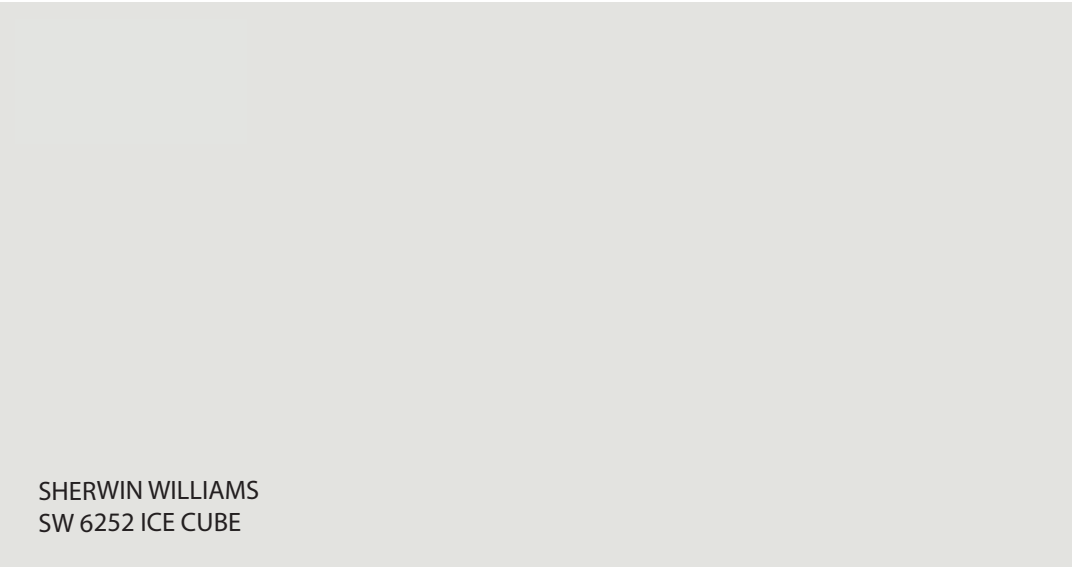
Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4785	
From:			
Subject: Discussion and consideration to solicit bids for a New Splash Pad to be installed at Gibson Park as budgeted in the current Capital Improvement Budget for Parks and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.)			
Background: Staff seek authorization to solicit bid proposals for a splash pad to be installed at Gibson Park. The Commission approved this project in the current Capital Improvement Project fund in the amount of \$275,000.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any:			
Responsibilities upon Approval:			



Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4776	
From:			
Subject: Discussion and consideration of selected material colors for the Public Safety Complex with the Police Department, Municipal Court and Fire Administration. Possible action. (Staffed by Parks and Recreation.)			
Background: The architect has selected colors for the building. The contractor is ready to begin ordering due to long lead time for production and delivery. If approved, contractor may begin ordering and receiving submittals from suppliers for final approval.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
ANDREW MUNOZ		New	
Mike Perez			
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval			
Attachments, if any: WESLACO PD INTERIOR FINISH BOARD			
Responsibilities upon Approval:			

BASIS OF DESIGN
WESLACO PSB POLICE DEPARTMENT
INTERIOR FINIISHES





Standardized Agenda Request Form

Date of Meeting: November 2, 2021		Agenda Item No. (to be assigned by CSO): 2021-4777	
From: OMAR RODRIGUEZ			
Subject: Discussion and consideration of selected material colors for the New Downtown Fire Station #2 Project. Possible action. (Staffed by City Manager.)			
Background: The architect has selected colors for the building. The contractor is ready to begin ordering due to long lead time for production and delivery. If approved, contractor may begin ordering and receiving submittals from suppliers for final approval.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
ANDREW MUNOZ		New	
Mike Perez			
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends alternate interior color scheme selected for the Public Safety Building.			
Attachments, if any: WESLACO FIRESTATION INTERIOR FINISH BOARD			
Responsibilities upon Approval:			

BASIS OF DESIGN
WESLACO PSB FIRE STATION
INTERIOR FINIISHES

