

**CONTRACT
BETWEEN
CITY OF LAREDO AND BETHANY HOUSE**

The contract is made between the City of Laredo, a municipal corporation, (hereinafter called "CITY") and Bethany House of Laredo, Inc., a non-profit organization (hereinafter called "Bethany House") to provide Homelessness Prevention & Rapid Re-Housing Assistance with 2025 Emergency Solutions Grant (ESG) funds.

TERMS AND CONDITIONS

1. CITY agrees to do the following:

- A. Pay a total of Ninety Thousand Forty-Five Hundred and No/100 Dollars, (\$90,045.00) from 2025 Emergency Solutions Grants funds to supplement a homeless assistance program administered by Bethany House in which individuals and/or families who are homeless or "at risk" of becoming homeless, are provided with: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, and/or housing relocation and stabilization services. In compliance with the Emergency Solutions Grants (ESG) Program, as authorized under the McKinney-Vento Homeless Assistance Act, as amended, and HUD regulations at 24 CFR Part 576.
- B. Pay for the services (included in **Exhibit C**) provided on a reimbursement basis with a written request for payment to be submitted on a monthly basis. Such written request for payment shall include (1) a statement describing the services rendered (2) the amount being requested, and (3) shall have attached thereto any supporting documents, such as invoices, receipts, cancelled checks, and so forth.
- C. Monitor the expenditure of funds to insure compliance with 2 CFR Part 200, as amended and other regulations, as applicable.

2. Bethany House agrees to do the following:

- A. Utilize ESG funds exclusively for the provision of rental assistance and housing relocation and stabilization services for homelessness prevention and rapid re-housing services as set forth in 24 CFR Part 576 and the City's ESG Written Standards (included in **Exhibit A**), as amended and other regulations, as applicable. Resources will be targeted and prioritized to serve households that are most in need of this temporary assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of ESG after the program concludes. Bethany House will provide the City, address and assistance information for each applicant prior to approval for the environmental review clearance for Rapid Re-Housing program.

1. Rental Assistance

ESG funds may be used for short- and medium-term rental assistance, which is tenant-based rental assistance that can be used to allow individuals and families to remain in their existing rental units or to help them obtain and remain in rental units they select. Medium-term is established as for more than 3 months but not more than 6 months. No program participant may receive more than 6 months of assistance under ESG during a 3-year period. Rental assistance may also be used to pay rental arrears up to 2 months for eligible program participants. Arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 6 months. Payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program.

2. *Housing Relocation and Stabilization Services*

a) Financial Assistance

Subject to the general conditions under §576.103 and §576.104, ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

1. *Rental application fees.* ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
2. *Security Deposits.* ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
3. *Last month's rent.* If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. The assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 12 months during any 3-year period.
4. *Utility Deposit.* ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph 5 of this section.
5. *Utility Payments.* ESG funds may pay up to 6 months of utility payments per program participant, per service, including up to 2 months of payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 6 months of utility assistance within 3-year period.
6. *Moving Costs.* ESG funds may pay for moving costs, such as truck rental or hiring a moving company.

b) Services

Subject to the general restrictions under §576.103 and §576.104, ESG funds may be used to pay the costs of providing only the following services:

1. *Housing search and placement.* ESG housing search and placement funds may be used for services and activities necessary to assist individuals or families in locating, obtaining, and retaining suitable permanent housing. Component services and activities may include: assessment of housing barriers, needs, and preferences; development of an action plan for locating housing; housing search; outreach to and negotiation with owners; assistance with submitting rental applications and understanding leases; assessment of housing for compliance with Emergency Solutions Grant requirements for habitability, lead-based paint, and rent reasonableness; assistance with obtaining utilities and making moving arrangements; and tenant counseling.
2. *Housing stability case management.* ESG case management funds may be used for activities for the assessment, arrangement, coordination, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 6 months during the period the program participant is living in permanent housing.

Component services and activities consist of: using the centralized or coordinated assessment system as required under §576.400(d), to evaluate individuals and families applying for homelessness prevention or rapid re-housing assistance; conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance; counseling; developing, securing, and coordinating services and obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; proving information and referrals to other providers; developing an individualized housing and service plan, including a path to permanent housing stability; and conducting re-evaluations required under §576.401 (b).

A. TERM

This contract is for a term beginning on January 21, 2026 and ending on June 30, 2027.

B. DATA COLLECTION AND EVALUATION

1. Data collection – As required under §576.400(d) data collection and reporting for ESG will be conducted through the use of Homeless Management Information Systems (HMIS) or a comparable client-level database.
2. Evaluation – Bethany House must comply if asked to participate in HUD sponsored research and evaluation of ESG.

D. BUDGET

Bethany House will adhere to the budget for these ESG components homeless assistance program as per ***Exhibit C***. Changes to the total amount awarded to each component will require a contract amendment. Any increase or decrease to the estimated line item will **not** require amendment while the budget amount stays the same. No amendment to this Agreement shall be effective unless in writing signed by both parties.

E. MATCH

1. Bethany House must match grant funds with an equal amount of funds from cash or the following in-kind sources: staff salary or volunteer time, the donation of materials and buildings, or the value of any lease on a building as per ***Exhibit C***.
2. Bethany House must comply with the match requirement; every request of payment should be accompanied by the match documentation for the amount being requested for reimbursement. Documentation must indicate the fiscal year grant for which each matching contribution is counted and show how the value placed on third party, noncash contributions was derived. To extend the feasible, volunteer services must be supported by the same methods that the organization uses to support allocation of regular costs. Match for the ESG program should be submitted to the City of Laredo at a minimum on a quarterly basis.

F. TERMINATION OF HOUSING ASSISTANCE

Bethany House may terminate assistance to a program participant who violates program requirements utilizing a formal process consisting of:

1. Written notice to the program participant containing a clear statement of the reasons for termination;

2. Review of decision, including the opportunity to present written or oral objection before a person other than the person who made or approved the termination decision; and
3. Prompt written notice of the final decision to the program participant.

Bethany House may resume assistance to a program participant whose assistance was previously terminated.

G. RECORD KEEPING/ REPORTING

Comply with the record keeping requirements under CFR 2 Part 576.500 to include maintaining and making records available as necessary for a period of five years after the expenditure of all funds from the grant under which the program participant was served to include (but not limited to):

1. An accurate record of expenses supported by invoices and billing statements.
2. Provide monthly reports on client-level data, such as the number of persons served and their demographic information in a Homeless Management Information System (HMIS) or a comparable database.
3. Shall comply with 2 CFR §200.318(c)(1) regarding conflict of interest.
4. Confidentiality - To protect the safety and privacy of all program participants, Bethany House will be required to develop written procedures to ensure the security and confidentiality of all records containing personally identifying information of any individual or family who applies for and/or receives ESG.
5. Property records for assets acquired with grant funds and safeguards for preventing loss, damage or theft of recipient held property.
6. Provide a copy of the organization's annual internal audit report within 60 days after its completion.
7. Provide all information required for the City's Consolidated Annual Performance Evaluation Report derive from the Sage System no later than October 15th of each year.

H. LEAD-BASED PAINT REQUIREMENTS

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, H, J, K, M, and R shall apply to all housing occupied by program participants receiving assistance through ESG. See ***Exhibit E***.

I. VIOLENCE AGAINST WOMEN ACT (VAWA)

The Subrecipient shall comply with the Violence Against Women Act (VAWA), as reauthorized and amended (34 U.S.C. § 12491 et seq.), and HUD's implementing regulations at 24 CFR Part 5, Subpart L, as applicable.

The Subrecipient shall ensure that individuals applying for or receiving ESG-funded assistance who are survivors of domestic violence, dating violence, sexual assault, or stalking are afforded the protections provided under VAWA, including but not limited to:

- Non-discrimination and equal access to housing and services;
- Protection against denial of assistance, termination, or eviction based solely on a survivor's status;

- Maintenance of confidentiality of victim information, in accordance with federal requirements; and
- Provision of required notices and rights under VAWA, as applicable.

Failure to comply with VAWA requirements may result in corrective action, suspension, or termination of ESG funding.

J. HABITABILITY STANDARDS

Bethany House shall be required to conduct an initial inspection of all housing units into which a program participant will remain or will be moving. This requirement is for all assistance, including rental arrears. ESG funds cannot be used to help a program participant remain or move into housing that does not meet the minimum habitability standards required under §576.403(c). See *Exhibit D*.

J. HOMELESS PARTICIPATION

Bethany House must meet the requirement of having at least one homeless person or formerly homeless person participating in the policy making regarding projects receiving ESG funds.

K. ANTI-DISCRIMINATION

The Subrecipient shall comply with all applicable Federal civil rights and fair housing laws and regulations, including but not limited to: The Fair Housing Act (42 U.S.C. §§ 3601–3619); Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); The Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.); Title II of the Americans with Disabilities Act (ADA) (42 U.S.C. §§ 12131–12165); and HUD regulations at 24 CFR Part 5 and 24 CFR Part 576, as applicable to the Emergency Solutions Grants (ESG) Program.

The Subrecipient shall ensure that all ESG-funded services and assistance are made available on a nondiscriminatory basis and that all eligible persons have equal access to information regarding ESG programs and services.

The Subrecipient shall not discriminate against any employee, applicant for employment, applicant for housing assistance, or program participant on the basis of race, color, national origin, religion, sex (including sexual orientation and gender identity), age, familial status, disability, or marital status, as protected by federal law.

The Subrecipient agrees to take all reasonable steps to ensure compliance with these requirements and acknowledges that failure to comply may result in corrective action, suspension, or termination of ESG funding.

L. AFFIRMATIVELY FURTHERING FAIR HOUSING

Under section 808(e) (5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. Bethany House will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act.

M. UNIFORM ADMINISTRATIVE REQUIREMENTS

Bethany House shall be subject to the requirements of 2 CFR Part 200 – Uniform administrative requirements for grants and agreements.

N. DRUG-FREE WORKPLACE

The Subrecipient shall comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701–707), as implemented by 2 CFR Part 182 and HUD regulations at 2 CFR Part 2424. The Subrecipient certifies that it will maintain a drug-free workplace and will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the workplace during the performance of this agreement.

Failure to comply with these requirements may result in suspension, termination, or other remedies as permitted under federal law and this agreement.

O. PROCUREMENT OF RECOVERED MATERIALS

Bethany House must comply with the requirements of Section 6002 of the Solid Waste Disposal Act. In accordance, with Section 6002, Bethany House must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.00 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000.00.

P. TERMINATION

In the event that Bethany House fails to provide services in accordance with the provisions of this contract, CITY may upon written notice of default to Bethany House terminate the whole or any part of this contract, and such termination shall not be an exclusive remedy, but shall be in addition to any other rights and remedies provided by law or under this contract.

Q. INDEMNIFICATION

BETHANY HOUSE SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS THE CITY AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CAUSES OF ACTION, FINES, JUDGMENTS, LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, JOINT OR SEVERAL, WHETHER THEY BE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER TYPE OF CLAIM, WHICH MAY BE ASSERTED AGAINST ANY OF THEM ARISING OUT OF OR RELATED TO (I) ANY ACTION BY BETHANY HOUSE OR ITS AGENTS IN THE CARRYING OUT OF THE SERVICES DURING THE TERM OF THIS AGREEMENT; (II) THE NEGLIGENCE OR WILLFUL OR WANTON MISCONDUCT OF BETHANY HOUSE OR ITS AGENTS; (III) ANY VIOLATION OF ANY REQUIREMENT APPLICABLE TO BETHANY HOUSE OR ITS AGENTS UNDER ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, (IV) THE FAILURE OF BETHNAY HOUSE TO PERFORM SPECIFIED DUTIES UNDER THIS AGREEMENT, OR (V) THE BREACH OF THIS AGREEMENT BY BETHANY HOUSE, EXCEPT IN EACH CASE TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL OR WANTON MISCONDUCT OF THE CITY. OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY BETHANY HOUSE UNDER THIS AGREEMENT AND WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

R. ENTIRE AGREEMENT REPRESENTED

This contract and its exhibits represent the entire agreement of the parties. This contract may not be changed except by written agreement approved by the City Council and duly executed by all of the parties hereto.

S. MULTIPLE COUNTERPARTS

This contract may be executed in several counterparts each of which shall be deemed an original and all of which when taken together shall constitute but one and the same contract.

T. NOTICE

Any and all notices or other communications required or permitted to be given pursuant to this contract shall be in writing and shall be considered as properly given if mailed by certified, return receipt requested mail, postage prepaid and addressed as follows:

Carl Barto
President
Bethany House of Laredo, Inc.
817 Hidalgo St.
Laredo, TX 78040

Joseph W. Neeb
City Manager
City of Laredo
P.O. Box 579
Laredo, TX 78040

U. PARTIES BOUND

This contract shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, legal representatives, successors and assigns.

V. REPRESENTATIONS

No representations, promise, guarantees or warranties were made to induce the other party to the execution of this contract, or made in connection therewith, which are not expressly stated in the body of this contract.

W. INSURANCE

Bethany House shall maintain such insurance as will protect it from any and all claims under the Worker's Compensation Laws of the State of Texas. Bethany House shall maintain such insurance as will protect it from claims for damages because of bodily injury including death and from claims for damage to property which may arise out of and during the conduct of Bethany House's business, services, and activities. To this end, Bethany House shall have and keep in effect during the term of this contract, public liability and property damage insurance in the amount of not less than \$1,000,000.00 copies of such certificates of insurance as reflect the about required coverage shall be made a part of this contract as ***Exhibit B***. Any failure of Bethany House to maintain the specified insurance coverage's during the term of this contract shall mean automatic termination of the contract.

X. SEVERABILITY

If any provision of this contract shall for any reason be held violate of any applicable law, governmental rule or regulation or if said contract is held to be unenforceable or unconscionable, and then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this contract. Such other provisions and the entirety of this contract shall remain in full force and effect unless the removal of said invalid provision destroys the legitimate purpose of this contract, in which event this contract shall be null and void.

Y. STATE LAW APPLICABLE TO CONTRACT

This contract shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due in performance and payable in Laredo, Webb County, Texas.

(i) Complete Understanding

By execution and acceptance of this contract, the parties hereto acknowledge they have read the same and understand each provision, term and obligation contained in this contract. This contract although drawn by one party shall be construed fairly and reasonably and not more strictly against the drafting party than the non-drafting party.

(ii) Acceptance

This contract shall not be binding until it is executed by both parties to this contract.

(iii) Date and Effectiveness

This contract shall become effective upon execution whereupon the parties' obligations contained hereinabove shall be conclusive and binding upon all or the parties hereto and this contract shall no longer be considered executory.

(iv) Signatory Clause

This contract is signed, accepted and agreed to by CITY and Bethany House by and through the parties or the parties' agents or authorized representatives and the same hereby acknowledge that they have read and understand this contract and the attachments and/or exhibits hereto and that all parties execute this legal document voluntarily and of their own free will.

Executed in triplicate originals, this _____ day of _____, 2026.

City Attorney

CITY OF LAREDO:

Joseph W. Neeb
City Manager

ATTEST:

Mario Maldonado Jr.
City Secretary

APPROVED BY:

Doanh T. Nguyen

BETHANY HOUSE OF LAREDO:

Carl Barto
President

DRAFT