



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 1/22/2026

File ID: TMP-6463

Department: Community Development

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville, Alabama and HATCH HSV, Inc. for the use of Program Year 2025 Community Development Block Grant (CDBG) funds.

Resolution No.

Finance Information:

Account Number: 515520

City Cost Amount: \$ 0

Total Cost: \$ 0

Special Circumstances:

Grant Funded: \$ 100,000.00

Grant Title - CFDA or granting Agency: CDBG - HUD

Resolution #: NA

Location: (list below)

Address: City Wide

District: District 1 ☒ District 2 ☒ District 3 ☒ District 4 ☒ District 5 ☒

Additional Comments: Agreement with HATCH to use CDBG fund to pay for the administrative salaries of personnel overseeing the Economic and Workforce Development Program.

RESOLUTION NO. 26 – ____

WHEREAS, the City of Huntsville, Alabama received a grant under Title I of the Housing and Community Development Act of 1974, as amended, from the U.S. Department of Housing and Urban Development, herein after referred to as HUD, known as Grant No. B-25-MC-01-0005; and

WHEREAS, the City desires to pass along a portion of the funds from Grant No. B-25-MC-01-0005 to HATCH HSV, Inc. in accordance with the terms of the said grant; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor of the City of Huntsville is hereby authorized, requested, and directed to enter into an agreement with HATCH HSV, Inc. said contract being substantially similar in words and figures to that document identified as "Agreement Between the City of Huntsville, Alabama and HATCH HSV, Inc.," consisting of twenty-three (23) pages, with the signature of the Council President or President Pro Tem, and the date January 22, 2026 on the margin of the first page, a copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville.

ADOPTED this the 22nd day of January, 2026.

President of the City Council
of the City of Huntsville, Alabama

APPROVED this the 22nd day of January, 2026.

Mayor of the City of Huntsville,
Alabama

STATE OF ALABAMA)

COUNTY OF MADISON)

**"AGREEMENT BETWEEN THE CITY OF HUNTSVILLE, ALABAMA AND
HATCH HSV, INC."**

THIS AGREEMENT, entered into this the 22nd day of January, 2026 between the City of Huntsville, Alabama, hereinafter referred to as the Grantee, and HATCH HSV, Inc., hereinafter referred to as the Subrecipient.

WHEREAS, the Grantee has received grant funds, known as Grant No. B-25-MC-01-0005 from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

(A). Activities

The Subrecipient will be responsible for administering the CDBG 2025 Economic and Workforce Development Program in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Program Delivery

Activity #1: Subrecipient will provide economic and workforce development for low to moderate income individuals; Subrecipient will assist individuals with education and job training, job referrals, and provide life skills workshops with hospitality and culinary training.

General Administration

CDBG funds will be used to pay for administrative salaries of personnel contributing to the economic and workforce development program. The Subrecipient shall provide for the administration of the program for the term of this agreement.

**_____
President of the City Council
City of Huntsville, Alabama
Date: January 22, 2026**

(B). National Objectives

All activities funded with CDGB funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the Low Mod Limited Clientele National Objective benefiting families, individuals, and the community with increasing the quality of life and decreasing the rate of recidivism to the Alabama Department of Corrections.

(C). Levels of Accomplishment – Goals and Performance Measures

The Subrecipient agrees to provide the following levels of program services:

Activity (ies)	Total Individuals
Subrecipient will provide economic and workforce development for low to moderate income individuals; Subrecipient will assist individuals with education and job training, job referrals, and provide life skills workshops with hospitality and culinary training.	25-50

Documentation must be provided to show that participants reside in the City of Huntsville, Alabama.

(D). Staffing

Staffing consists of a Director, Program Administrator and Caseworkers used to assess the property and clients' needs.

(E). Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. The Subrecipient is required to submit monthly and annual performance reports as provided by the Grantee. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on July 1, 2025 and end on June 1, 2026. The term of this Agreement and the provisions herein may be extended to cover any additional time period during

which the Grantee remains in control of CDBG funds. The Subrecipient shall forfeit all funds not expended unless the Grantee extends the term of this agreement.

III. BUDGET

COST DIVISION	AMOUNT
Operating Costs	\$ 0
Administrative Salaries	\$ 100,000.00
Professional Services	\$ 0
TOTAL:	\$ 100,000.00

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Both the Grantee and the Subrecipient must approve any amendments to the budget in writing.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed **\$100,000.00** for the payment of eligible expenses shall be made against the line-item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line-item budgets specified in Paragraph III and in accordance with performance. Payments are made on a reimbursement basis and the Subrecipient shall not receive any fund advances.

Payments will be made contingent upon the receipt of a monthly performance report and may also be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR Part 200.305. The Subrecipient shall forfeit all funds not expended by the end of the term of this Agreement.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

GRANTEE

City of Huntsville Community Development Department
305 Fountain Circle
Huntsville, AL 35801
256-427-5400

SUBRECIPIENT

HATCH HSV, Inc.
P.O. Box 2396
Huntsville, AL 35804
256-288-3175

VI. GENERAL CONDITIONS

(A). General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

(B). "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

(C). Hold Harmless

The Subrecipient shall hold harmless, defend, and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

(D). Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

(E). Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR Part 200.427 and 200.447, Bonding and Insurance.

(F). Grantee Recognition

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

(G). Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

(H). Suspension or Termination

In accordance with 2 CFR Part 200.338 – 200.342, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

- i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
- ii. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
- iii. Failure of the Subrecipient to submit monthly performance reports;
- iv. Ineffective or improper use of funds provided under this Agreement; or
- v. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR Part 200 Appendix II, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VII. ADMINISTRATIVE REQUIREMENTS

(A). Financial Management

i. Accounting Standards

The Subrecipient agrees to comply with 2 CFR Part 200 Subpart D and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

ii. Cost Principles

The Subrecipient shall administer its program in conformance with 2 CFR part 200 Appendix IV, "Cost Principles for Non-Profit Organizations," or 2 CFR Part 200 Appendix III, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

(B). Documentation and Record Keeping

i. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- (a) Records providing a full description of each activity undertaken;
- (b) Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- (c) Records required to determine the eligibility of activities;
- (d) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- (e) Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- (f) Financial records as required by 24 CFR 570.502, and 2 CFR Part 200.333; and
- (g) Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

ii. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

iii. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

iv. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

v. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds.

vi. Audits and Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and 2 CFR Part 200.333.

(C). Reporting and Payment Procedures

i. Program Income

The Subrecipient shall not retain any Program Income.

ii. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

iii. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient. Payments are made as a reimbursement to the Subrecipient; no grant funds advances are allowable.

iv. Progress Reports

The Subrecipient shall submit monthly Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

(D). Procurement

i. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

ii. Standards

The Subrecipient shall procure services and materials in accordance with the requirements 2 CFR Part 200.317 – 200.326. Copies of said regulations are provided and by execution of this Agreement, the Subrecipient acknowledges their receipt.

iii. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

iv. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200.310 – 200.316 and 24 CFR 570.503, and 570.504, as applicable, which include but are not limited to the following:

- (a) The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination
- (b) Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as the Grantee deems appropriate]. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the Grantee deems appropriate].
- (c) In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

VIII. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. [The Grantee may preempt the optional policies.] The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The

Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

IX. PERSONNEL AND PARTICIPANT CONDITIONS

(A). Civil Rights

i. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

ii. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders. In addition, the Subrecipient agrees to comply with 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

iii. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

iv. Section 504

The Subrecipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

(B). Affirmative Action

i. Approved Plan

The Subrecipient agrees that it shall be committed to carry out, pursuant to the Grantee's specifications, an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966.

ii. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

iii. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

iv. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

v. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

vi. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors

(C). Employment Restrictions

i. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

ii. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations and provisions meeting the requirements of this paragraph.

iii. “Section 3” Clause

(a) Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

(b) Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(c) Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(D). Conduct

i. Assignability

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

ii. Subcontracts

(a) Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

(b) Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

(c) Content

The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

(d) Selection Process

The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

iii. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

iv. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 2 CFR Part 200.112 and 570.611, which include (but are not limited to) the following:

- (a) The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- (b) No employee, officer, or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- (c) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, 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 in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

v. Lobbying

The Subrecipient hereby certifies that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- (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 contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and
- (c) It will require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
- (d) Lobbying Certification

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

vi. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

vii. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

X. ENVIRONMENTAL CONDITIONS

(A). Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C., 7401, et seq.;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

(B). Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

(C). Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

(D). Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XI. POLICY REQUIREMENTS

(A). Prohibited Uses of Funds related to Gender Ideology

The Subrecipient shall not use grant funds to promote “gender ideology,” as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government. The Subrecipient further understands and agrees to comply with all requirements and definitions set forth in E.O. 14168 as they relate to the use of these federal funds.

(B). Compliance with Federal Anti-Discrimination Laws

i. Materiality to Payment

The Subrecipient acknowledges that compliance with applicable Federal anti-discrimination laws is material to payment decisions under the False Claims Act.

ii. Certification of Programs

The Subrecipient certifies that it does not operate any programs promoting Diversity, Equity, and Inclusion (DEI) that violate Federal anti-discrimination laws, and this certification is a material representation relied upon by the Grantee.

iii. Enforcement and False Claims Act

The Subrecipient understands that a false certification may result in civil or criminal penalties under the False Claims Act, including treble damages.

iv. Flow-Down Requirement

The Subrecipient must include these provisions in all related sub-agreements, making them binding on subsequent sub-tier recipients.

(C). Certifications and Assurances

i. Anti-Discrimination

The Subrecipient certifies that it does not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.).

ii. Scope of Compliance

This certification applies to all of the Subrecipient's operations, regardless of whether a specific program is federally funded, in accordance with the Civil Rights Restoration Act of 1987.

iii. Continued Compliance

The Subrecipient shall immediately notify Grantee if it becomes the subject of a federal civil rights investigation or if a court of law finds it in violation of any anti-discrimination statutes.

(D). Restriction on Use of Funds for Elective Abortions

The Subrecipient shall not use any grant funds provided under this Agreement to fund, perform, or promote elective abortions, as required by Executive Order 14182, "Enforcing the Hyde Amendment" (January 24, 2025). This restriction applies to all direct and indirect expenditures, except in cases of rape, incest, or where a physician certifies the abortion is necessary to save the woman's life.

(E). Compliance with Executive Orders and Federal Law

"Notwithstanding any language to the contrary in the Federal Award, the Notice of Funding Opportunity (NOFO), or the Subrecipient's Application, this Subaward shall not be governed by Executive Orders revoked by Executive Order 14154 (issued January 20, 2025), including but not limited to Executive Order 14008. Furthermore, any requirements within the NOFO or Federal Award that implement revoked Executive Orders are hereby deemed inapplicable to this Subaward."

(F). Compliance with PRWORA for Nonprofit Subrecipients

i. Statutory Exemption

Pursuant to 8 U.S.C. § 1642(d), the Subrecipient, as a nonprofit charitable organization, is exempt from the requirement to determine, verify, or require proof of an applicant's immigration status for the provision of Federal public benefits.

ii. Voluntary Verification

Notwithstanding this exemption, nothing in this agreement prohibits the Subrecipient from conducting such verifications voluntarily to ensure program integrity.

iii. Adherence to Eligibility Standards

The Subrecipient remains responsible for ensuring that the Federal funds provided under this award are used in accordance with all applicable Federal statutes, including restrictions on the provision of benefits to non-qualified aliens, even if formal verification is not mandated.

iv. Reporting and Monitoring

The Subrecipient shall cooperate with the Grantee's monitoring efforts to ensure overall program compliance with federal award terms and conditions.

(G). Immigration Compliance

The Subrecipient certifies and agrees that it shall not use any funding provided under this Agreement in a manner that, by design or effect, facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation. This includes, but is not limited to, maintaining any policy or practice that materially impedes the enforcement of federal immigration statutes and regulations.

(H). Compliance with Immigration Status Verification Requirements

i. Verification of Benefit Eligibility

The Subrecipient (Non-Profit Organization) shall ensure that any Federal public benefit provided under this Agreement is distributed only to eligible individuals. In accordance with federal law, the subrecipient must use the Systematic Alien Verification for Entitlements (SAVE) program, or an equivalent verification system approved by the federal government, to verify the immigration status of applicants. This system must be utilized to prevent the provision of benefits to any ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

ii. Administrative Responsibility

The subrecipient is responsible for registering for SAVE through USCIS and maintaining all necessary records to demonstrate compliance with these verification requirements during the term of this contract.

(I). Participation of Faith-Based Organizations

The Grantee shall ensure that faith-based organizations are eligible to be subrecipients on the same basis as any other organization. In the selection of subrecipients, the Grantee shall not discriminate against an organization based on its religious character, affiliation, or exercise. All subawards shall be made on the basis of merit, free from political or religious interference.

Provisions in 2 CFR § 200:

i. Prohibition on Inherently Religious Activities

Funds must not be used for "explicitly religious activities" such as worship, religious instruction, or proselytization.

ii. Separation of Programs

Any such religious activities must be offered separately in time or location from the programs funded by the grant.

iii. Voluntary Participation

Participation in any religious activities by beneficiaries must be strictly voluntary; they cannot be a condition for receiving services.

iv. Retention of Religious Identity

Explicitly state that the FBO retains its independence and authority over internal governance, including the right to use religious terms in its name and select board members on a religious basis.

XII. PROGRAM-SPECIFIC REQUIREMENTS

(A). Environmental Review

Environmental Review. The Grantee agrees to assume all the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to section 104(g) of title I of the Housing and Community Development Act of 1974 and published in 24 C.F.R. part 58; except that if the Grantee is a state, the Grantee must require the unit of general local government to assume that responsibility and must comply with the state's responsibilities under 24 C.F.R. 58.4.

(B). Public Use

The Grantee shall ensure that no CDBG funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for public use. For the purposes of this requirement, public use shall not be construed to include

economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport, or highway projects as well as utility projects that benefit or serve the general public (including energy-, communication-, water-, and wastewater- related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. Law No. 107–118) shall be considered a public use for purposes of eminent domain.

(C). Prohibition on Selling, Trading, and Transferring Funds

The Subrecipient or Grantee may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Housing and Community Development Act of 1974.

(D). Construction of Water and Sewer Facilities

Notwithstanding any other provision of this agreement, the Grantee may not obligate or expend award funds to plan or construct water or sewer facilities, including any new or revised activities, until after 1) it completes the review procedures required under Executive Order 12372, Intergovernmental Review of Federal Programs, and 24 C.F.R. part 52 and 2) HUD provides written notice of the release of funds.

(E). Funds for For-Profit Entities

Under 42 U.S.C. § 5305(a)(17), CDBG funds may not be provided to a for-profit entity unless such activity or project has been evaluated and selected in accordance with Appendix A to 24 C.F.R. § 570, Guidelines and Objectives for Evaluating Project Costs and Financial Requirements.

(F). Violence Against Women Act

The Subrecipient will comply with the right to report crime and emergencies protections at 34 U.S.C. § 12495 of the Violence Against Women Act.

XIII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

XIV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XV. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XVI. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, or oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

The Parties agree that any form of electronic signature, including but not limited to signatures via facsimile, standing, or electronic mail, may substitute for the original signature and shall have the same legal effect as the original signature.

IN WITNESS THEREOF, the Grantee and the Subrecipient have executed this Agreement on this the 22nd day of January, 2026.

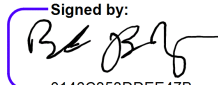
THE CITY OF HUNTSVILLE

Tommy Battle, Mayor
City of Huntsville, Alabama

ATTEST:

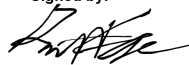
Shaundrika Edwards, City Clerk
City of Huntsville, Alabama

HATCH HSV, INC.

By:  Signed by:
0146C353DDEE47B...

Its Authorizing Official

ATTEST:

 Signed by:
C0560A81A16F45D...
