

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

PD-ABA-615

65347

February 12, 1990

Mr. Theodore Priftis
Vice-President
Cooperative Housing Foundation (CHF)
P.O. Box 91280
Washington D.C. 20090-1280
U.S.A.

SUBJECT: Operational Program Grant No. 519-0333-G-00-0123-00

Dear Mr. Priftis:

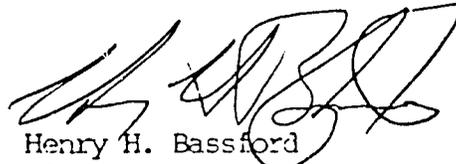
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants the Cooperative Housing Foundation (hereinafter referred to as "CHF" or "Grantee"), an Operational Program Grant (hereinafter referred to as "Grant"), for the sum of \$326,000 to provide support to CHF to carry out a housing construction project for approximately 450 families whose homes were affected by the October 10, 1986 earthquake in San Salvador, as described in the Schedule of this Grant and Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives beginning as of the date of this letter and ending July 31, 1991.

The Grant is made to CHF on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the "Schedule," Attachment 2, entitled "Program Description," Attachment 3, entitled "Illustrative Financial Plan," and Attachment 4, entitled "Standard Provisions," which are hereby agreed to by your organization.

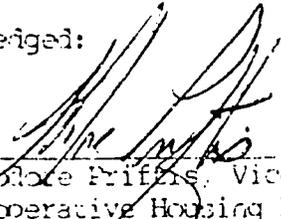
Please sign the original and six (6) copies of this letter to acknowledge your receipt of the Grant, and return the original and five (5) copies to USAID/El Salvador.

Sincerely yours,


Henry H. Bassford
Director

Acknowledged:

By:


Theodore Griffin, Vice-President
Cooperative Housing Foundation

Date:

2/5/1990

ATTACHMENTS

1. Attachment 1: "The Schedule"
2. Attachment 2: "Program Description"
3. Attachment 3: "Illustrative Financial Plan"
4. Attachment 4: "Standard Provisions"

FISCAL DATA

Appropriation:	72-118/91037
Budget Plan Code:	LES8-8825519KG13
Project No.:	519-0333
Total Amount:	\$326,000
Total Obligation Amount:	\$326,000
Funding Source:	USAID/El Salvador

SCHEDULE

A. GOAL AND PURPOSES OF GRANT

1. Goal

The goal of this Grant is to provide support to CHF to carry out a housing construction program for low-income former residents of rental housing (mesones) whose homes were adversely affected by the October 10, 1986 earthquake in San Salvador.

2. Purposes

a) To construct approximately 450 new apartments/houses for earthquake victims in approximately 15 centrally located sites in San Salvador.

b) To promote mortgage loans through Savings and Loan Institutions so that approximately 450 former residents of mesones may purchase the new apartments.

B. PERIOD OF GRANT

1. The effective date of this Grant is the date of the covering letter. The expiration date of this Grant is July 31, 1991.

2. Funds obligated hereunder are available for program expenditures for the estimated period, as shown in B.1. above and in Attachment 3 entitled "Illustrative Financial Plan".

C. AMOUNT OF GRANT AND PAYMENTS

1. A.I.D. hereby obligates the amount of \$326,000 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with the procedures set forth in paragraph 3, entitled "Payment-Letter of Credit" of Attachment 3, Standard Provisions for U.S. Grantees and Subgrantees.

D. ILLUSTRATIVE FINANCIAL PLAN

The Illustrative Financial Plan for total life-of-project funding is set forth in Attachment 3 to this Grant. Revisions to this plan shall be made in accordance with the Standard Provisions of this Grant entitled "Revision of the Grant Budget." However, the total Grant Budget of \$326,000 may not be exceeded.

E. IMPLEMENTATION PLAN AND SCHEDULE

CHF will prepare a Program Implementation Plan (PIP) and schedule and submit the plan for AID approval within 60 days after the effective date of the grant.

F. REPORTING AND EVALUATION

1. Financial Reporting Requirements

The financial reporting requirements are as detailed in paragraphs 3(a), (b) and (c) of the attached Standard Provisions. The financial reports entitled "Financial Status Report" (SF-269) and "Federal Cash Transactions Report" (SF-272) shall be submitted quarterly to AID/Washington, with copies to USAID/El Salvador (ATTN: Office of the Controller and Earthquake Reconstruction Division).

2. Program Progress Report

The Grantee shall monitor performance under the Grant and ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. Based upon this monitoring, the Grantee shall submit quarterly performance reports to USAID/El Salvador that briefly present the following information for each activity under the Grant:

- a) A comparison of actual accomplishments with the goals established for the period in the Program Implementation Plan and related Action Plans for each sub-project;
- b) Reasons why established goals were not met;
- c) Adequacy of remaining funds to reach goals; and
- d) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

3. End-of-Project Report

Upon completion of this Grant, CHF will submit to ERD, USAID/El Salvador, a End-of-Project Report summarizing information contained in the quarterly reports relative to the progress achieved in the project, including a section on "lessons learned."

4. Reports to Government of El Salvador

CHF further agrees to submit on a timely basis to the Dirección General de Reconstrucción (DGR), all reports specified in the Memorandum of Understanding (MOU) signed between the Government of El Salvador (GOES) and CHF on January 26, 1990.

5. Evaluation

CHF in coordination with USAID/El Salvador and the DGR will conduct an evaluation of the Project at the end of the first nine (9) months to determine whether or not specific program objectives are being met on schedule and in accordance with the Project Implementation Plan.

6. SPECIAL PROVISIONS

1. Conditions Precedent to First Disbursement

Prior to initial disbursement under this Grant CHF will furnish in form and substance satisfactory to USAID/El Salvador.

- a) A statement indicating the name of the person(s) and the office he/she holds in CHF who is empowered to act for CHF with reference to this Grant, along with a specimen signature of such person(s); and
- b) Evidence that CHF has established a separate account to control the receipt and disbursement of these grant funds.
- c) CHF shall confirm in writing that it has been provided with a copy of the A.I.D. Grant Agreement for Project No. 519-0333 and that this Project will be implemented in a manner consistent with the overall Earthquake Reconstruction Program and with the Memorandum of Understanding signed between the GOES and CHF on January 26, 1990.

2. Special Additional Provisions

- a) In the event that the Project does not progress according to the Project Implementation Plan and schedule, AID reserves the right to modify and or reduce the amount of the Grant.

b) CHF shall maintain a drug-free workplace in compliance with the certification provided to A.I.D. dated January 26, 1990. Violations of the requirements to maintain a drug-free workplace may subject the Grantee to suspension of disbursements, termination or suspension of this Grant, ineligibility to receive further grant assistance and such other remedies as A.I.D. may consider appropriate. Violations include the failure to comply with the certification, presentation of a false certification, or evidence that such a number of employees have been convicted of violations of criminal drug statutes for acts occurring in the workplace as to indicate that the Grantee has failed to make a good faith effort to provide a drug-free workplace.

c) Construction Requirements

CHF shall consult with AID and the DGR on site selection prior to the start of the construction. CHF shall provide AID and the DGR with site plans and architectural plans and specifications, cost estimates and schedules for the basic housing construction prior to starting construction.

No asbestos products are to be used in the Project.

d) U.S. citizen employees of the Grantee, as well as the U.S. citizen employees of its subgrantees and subcontractors, who are in El Salvador solely for purpose of working under the Grant, may be granted access to the commissary operated by the American Employees Association in El Salvador (AEAES) in accordance with the policies of the Department of State and the U.S. Embassy to El Salvador.

3. All Mandatory Standard Provisions and the Optional Standard Provisions for U.S. Non-Governmental Grantees indicated below and included as Attachment 4 are hereby incorporated in the Grant Agreement:

a) Payment - Letter of Credit	<u>X</u>
b) Payment - Periodic Advance	<u> </u>
c) Payment - Cost Reimbursement	<u> </u>
d) Air Travel and Transportation	<u>X</u>
e) Ocean Shipment of Goods	<u>X</u>
f) Procurement of Goods and Services	<u>X</u>
g) A.I.D. Eligibility Rules for Goods and Services	<u>X</u>
h) Subagreements	<u>X</u>

i) Local Cost Financing	<u>X</u>
j) Patent Rights	<u> </u>
k) Publications	<u>X</u>
l) Negotiated Indirect Costs Rates - Predetermined	<u> </u>
m) Negotiated Indirect Costs Rates - Provisional	<u>X</u>
n) Regulations Governing Employees	<u>X</u>
o) Participant Training	<u> </u>
p) Voluntary Population Planning	<u> </u>
q) Protection of Individual as a Research Subject	<u> </u>
r) Care of Laboratory Animals	<u> </u>
s) Government Furnished Excess Personal Property	<u> </u>
t) Title to and Use of Property (Grantee Title)	<u>X</u>
u) Title to and Care of Property (US Govern. Title)	<u> </u>
v) Title to and Care of Property (Coop. Country Title)	<u> </u>
w) Cost Sharing (Matching)	<u> </u>
x) Use of Pouch Facilities	<u>X</u>
y) Conversion of United States Dollars to Local Currency	<u>X</u>

H. AUTHORIZED GEOGRAPHIC CODE

All purchases except those made in El Salvador will be foreign exchange costs. The authorized geographic codes for procurement of goods and services under this Grant are 000 (The United States) and the Central American Common Market (CACM).

I. INDIRECT COST RATE

CHF's provisional indirect cost rate is estimated at 96% of salaries and fringe benefits of U.S. employees, as shown in Attachment 3 - Illustrative Financial Plan. The actual (final) rate will be the amount established by the AID/W upon completion of the audit of CHF worldwide AID contracts. Should the actual rate be higher than estimated, the Grantee shall adjust line items within the Grant so as not to exceed the total of the Grant, that is \$326,000. On the contrary, if the actual rate is lower than the estimated indirect cost rate, CHF will reimburse the U.S. Government for the net difference.

J. AUDITS

The Grantee will engage a U.S. CPA firm, or an affiliate of a U.S. CPA firm, to carry out an annual audit of CHF's financial statements using GAO auditing standards specifically segregating A.I.D. Grant funds. The annual audits of CHF's programs worldwide may be used to satisfy this requirement.

PROGRAM DESCRIPTION

A. GOAL AND PURPOSES OF GRANT

1. Goal

The goal of this Grant is to provide support to CHF to carry out a housing construction program for low income former residents of rental housing (mesones) whose homes were adversely affected by the October 10, 1986 earthquake in San Salvador.

2. Purposes

a) To construct approximately 450 new apartments/houses for earthquake victims in approximately 15 centrally located sites in El Salvador.

b) To promote mortgage loans through Savings and Loan Institutions so that approximately 450 former residents of mesones may purchase the new apartments.

B. ACTIVITIES

CHF will coordinate with other institutions providing services where CHF is active in housing construction, to ensure that activities do not overlap and are complementary.

1. Development and Construction of Apartment/Houses

A total of US\$1,500,000 is budgeted for this Component of which US\$1,300,000 will be obtained from the Savings and Loans Association (SLA) under the Housing Credit Component of the Earthquake Reconstruction Project No. 519-0333, and the remaining US\$200,000 from reflows of previous CHF Agreement No. 519-0333-G-00-8306-00. CHF will promote and implement the construction of approximately 450 apartments/houses for low-income earthquake victims on approximately 15 sites approved by A.I.D. and the DGR. Project designs will be subject to A.I.D. approval as part of the PIP and Action Plans. The projects will be developed in centrally located sites in San Salvador. Because off-site infrastructure such as sewage, water, and drainage are not included in this Grant, CHF will coordinate with other organizations responsible for the provision of infrastructure.

Prior to project execution, socio-economic surveys will be developed, which will determine the financial and economic capacity of those families acquiring the new apartments.

CHF will identify and purchase appropriate sites and complete construction of the apartments using a combination of paid skilled labor and self-help by the future residents. CHF will also be responsible for developing plans and specifications for the construction work using its own staff or contracting with private architects and engineers.

The maximum cost per unit will be \$3,333 including land, house, and infrastructure costs. The unit price to some very low income beneficiaries will be less than \$3,333 as the \$200,000 from the recovered costs will be utilized to subsidize purchases for the very poor.

CHF will facilitate and promote mortgage loans for 450 families who qualify as low-income earthquake victims, under Grant Agreement 519-0333 between A.I.D. and the GOES. The \$1,300,000 in loan funds will be channelled through a Savings and Loan institutions designated by CHF, via the Financiera Nacional de la Vivienda (FNV). These funds may also be used for short-term construction loans to CHF. Reflows will be handled according to the procedure stipulated in Section VI.C. of the Memorandum of Understanding signed between the GOES and CHF. Prior to commencement of credit promotion activities, CHF will sign a Memorandum of Understanding with the Savings and Loan institution which will describe loan facilities and procedures satisfactory to both parties and to A.I.D.

2. Project Development

In addition to the \$200,000 in reflows mentioned above, CHF will have available approximately \$212,000 in reflows to be used for the purchase of land and other project development costs. CHF will also request short term financing, as needed, from the Savings and Loan Institution in order to implement the construction projects. Upon expiration of this Grant Agreement, all unused balance of the reflows from Grant No. 519-0333-G-00-8036-00 and this Grant Agreement will be deposited in a BCR special account in the name of the Dirección General de Tesorería for subsequent incorporation into the Extraordinary Budget managed by SETEFE.

3. Administration and Operational Costs

To carry out the design and planning activities required for this Grant Agreement, CHF will use up to the total of \$326,000 provided in grant funds herein for administrative and operational expenses (i.e. salaries, technical assistance, transportation, etc.), as shown in Attachment 3, Illustrative Financial Plan.

ILLUSTRATIVE FINANCIAL PLAN
OPG No. 519-0333-G-00-0123-00
 (US DOLLARS)

A. <u>SALARIES</u>		
Field:	Country Director	67,500
Home:	Project Manager	17,502
	Short Term Tech.	4,167
	Secretary	<u>2,625</u>
		91,794
B. <u>CONSULTANTS</u>		6,250
C. <u>TRAVEL AND TRANSPORTATION</u>		
	FHE Shipping/Storage	12,637
	Air Fares	6,300
	Local Travel	1,500
	Per Diem	<u>6,000</u>
		26,437
D. <u>ALLOWANCES</u>		
	Housing	16,200
	Differential (10%)	<u>6,750</u>
		22,950
E. <u>OTHER DIRECT COSTS</u>		
	Local Hire Staff:	
	- Secretary	13,050
	- Project Sup./Coordination	10,800
	- Project Architect Supervisor	9,750
	Telecommunications	3,600
	Postage/Courier	1,500
	Copying/Printing	1,800
	Supplies	900
	Rent/Utilities	27,000
	Insurance	4,196
	Fund/Fix/Equip.	3,750
	Vehicle Repairs, Fuel	10,500
	Miscellaneous	<u>3,600</u>
		90,446
F. <u>INDIRECT COSTS (9% of Line Item A - Salaries)</u>		<u>88,123</u>
GRAND TOTAL		326,000

ESTIMATED BUDGET FOR
OTHER FUNDED ACTIVITIES UNDER THE
EARTHQUAKE RECONSTRUCTION PROJECT No. 519-0333
(US DOLLARS)

<u>ACTIVITIES</u>	<u>TOTAL</u>
1. DEVELOPMENT AND CONSTRUCTION APARTMENT/HOUSES (\$1,300,000 of other AID funding through Savings and Loans Associations plus \$200,000 from reflows of previous A.I.D. Grant Agreement No. 519-0333-G-00-8306-00)	1,500,000
2. PROJECT DEVELOPMENT (Funding from reflows of previous A.I.D. Grant Agreement No. 519-0333-G-00-8306-00)	<u>212,000</u>
GRAND TOTAL	1,712,000

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