

HUD Addendum 1 Subrecipient Agreement Provisions

Part I: Incorporation of PY 2025 Federal Policy Provisions

I. Purpose and Authority

The Town of Manchester is a recipient of FY 2025 Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). HUD's FY 2025 grant agreement includes Addendum 1 – Policy Requirements, issued pursuant to Executive Orders 14168, 14182, 14154, 14218, and related statues and regulations. These policy provisions are binding on all recipients and subrecipients of CDBG funds.

II. Incorporation by Reference

To ensure full compliance, the Town of Manchester hereby incorporates into Subrecipient Agreements, by reference without attaching the federal Addendum 1 itself, the specific policy provisions derived from Addendum 1 and outlined in this Exhibit E (FY 2025 Federal Policy Clauses). Exhibit E is made part of the Agreement as if fully stated herein and may be administratively updated by the Town of Manchester as HUD issues subsequent guidance or amendments to Addendum 1.

III. Applicability and Flow-Down

The Subrecipient shall comply with all requirements stated in this Exhibit E, and shall ensure that its employees, contractors, and consultants likewise comply with those requirements for all activities funded in whole or in part with CDBG funds. These provisions shall “flow down” to all covered agreements.

IV. Compliance and Enforcement

Compliance with the policies in Exhibit E is a material condition of the Agreement and of the Subrecipient's eligibility for reimbursement. The Grantee may require the Subrecipient to provide program materials (including flyers, outreach publications, or participant documentation) to verify compliance. Failure to comply may result in corrective action, suspension of payments, or termination of the Agreement in accordance with 2 CFR 200.339-343.

V. Relationship to other Federal Requirements

These FY 2025 policy provisions are in addition to, and do not supersede, other Federal requirements applicable to the Agreement. In the event of a conflict, the more restrictive provision shall apply unless HUD provides written direction otherwise.

VI. Reference Authorities

The policy provisions in Exhibit E implement the following federal authorities:

- * a. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
- b. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity
- * c. Executive Order 14182 – Enforcing the Hyde Amendment
- d. Executive Order 14154 – Unleashing American Energy
- e. Executive Order 14218 – Ending Taxpayer Subsidization of Open Borders
- f. Executive Order 14205 – Establishment of the White House Faith Office
- * g. 8 U.S.C. 1601 et seq. (PRWORA – Immigration Eligibility and Verification)
- h. 31 U.S.C. 3729(b)(4) (False Claims Act-Material Compliance Provision)

* Policies marked with an asterisk are subject to pending litigation and are not currently applicable. Addendum 1 may be updated administratively as HUD issues subsequent guidance or amendments.

Part II: PY 2025 FEDERAL POLICY CLAUSES (CDBG PROGRAM)

This Exhibit sets forth the Federal policy requirements that apply to the Subrecipient as a condition of participation in the CDBG Program. These provisions are incorporated into and made a material part of the Subrecipient Agreement.

* Section 1. Prohibition on Use of Funds to Promote “Gender Ideology”

- 1.1. Policy Requirement. In accordance with Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government, the Subrecipient shall not use any CDBG funds to promote “gender ideology”.
- 1.2. Definitions. For purposes of this section:
 - a. “Gender Ideology” means any theory or policy asserting that sex is determined by subjective identity rather than biological reality as defined in Section 2(f) of E.O. 14168 and any subsequent HUD or OMB guidance.
 - b. For the purposes of this section, “Promote” means to publicly advocate, endorse, distribute, advertise, or otherwise support, through funded publications, events, or materials, the prohibited ideology.
- 1.3. Agency Forms and Data Collection. All forms, applications, surveys, or data-collection instruments developed or used by the Subrecipient for CDBG-funded activities that request information on an individual’s sex shall list only the options “Male” or “Female.”

- a. Such forms shall not include questions or fields requesting or recording gender identity, gender expression, or similar classifications.
 - b. Existing forms containing such fields shall be modified or replaced for CDBG-funded purposes to ensure compliance with E.O. 14168
- 1.4. Grantee Review. At the request of the Grantee, the Subrecipient shall provide advance copies of flyers, brochures, social media posts, or other public materials related to CDBG-funded activities for Grantee review to ensure compliance with this provision prior to release or posting.
 - 1.5. Consistency with Existing Civil Rights Requirements. Nothing in this section shall be construed to limit or modify the Subrecipient's obligations under any other law protecting individuals from unlawful discrimination.

Section 2. Compliance with Federal Anti-Discrimination Laws and False Claim Act Provisions.

- 2.1 General Requirement. The Subrecipient shall comply in all respects applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. Seq.)
- 2.2. Material Compliance under the False Claims Act. Pursuant to E.O. 14173 and 31 U.S.C. § 3729(b)(4), the Subrecipient acknowledges that compliance with Federal civil-rights and antidiscrimination laws is material to the U.S. Government's payment decisions under the False Claims Act.
- 2.3. Certification. By execution of this Agreement, the Subrecipient certifies that it does not and will not operate any program in violation of these laws and shall promptly report to the Grantee any filed or pending civil-rights complaint, investigation, or finding of non-compliance related to any CDBG-funded activity.

* Section 3. Prohibition on Use of Funds for Elective Abortions

- 3.1 Policy Requirement. Pursuant to E.O. 14182, Enforcing the Hyde Amendment, the Subrecipient shall not use any CDBG funds to fund or promote elective abortions.
- 3.2 Definition. For the purposes of this section, "Promote" means to publicly advocate, endorse, distribute, advertise, or otherwise support, through funded publications, events, or materials, the performance of elective abortions.
- 3.3 Grantee Review. At the request of the Grantee, the Subrecipient shall provide advance copies of flyers, brochures, or other outreach materials for Grantee review to ensure compliance with this provision.

Section 4. Environmental Considerations

- 4.1 Policy Requirement. Notwithstanding any prior Notice of Funding Opportunity (NOFO) or application materials, the Agreement shall not be governed by orders revoked in E.O. 14154, Restoring the Rule of Law in Federal Administration, including E.O. 14008, Tackling the Climate Crisis at Home and Abroad.

- 4.2 NEPA Unchanged. Nothing in this section shall alter or exempt the Subrecipient from compliance with existing environmental-review requirements under 24 CFR Part 58 or the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 et seq. If the NEPA statute or its implementing regulations—including those at 24 CFR Part 58—are amended or superseded during the term of this Agreement, this provision shall be automatically deemed amended to reflect and require compliance with such updated authority, as interpreted by HUD or other applicable Federal agencies.

Section 5. Immigration Status and Verification and SAVE System Compliance

- 5.1 Policy Requirement. To ensure implementation and compliance with Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, 8 U.S.C. 1601-1646) and E.O. 14218, Ending Taxpayer Subsidization of Open Borders, the Subrecipient shall assist the Grantee in ensuring that CDBG assistance is not provided to ineligible aliens.
- 5.2 Subrecipient Role. Subrecipients serving as program administrators shall assist the Grantee in ensuring compliance with PRWORA. Subrecipients may collect intake information and supporting documentation. The Subrecipient shall transmit the documentation to the Grantee for verification through the Systematic Alien Verification for Entitlements (SAVE) Program or an equivalent verification system approved by the Federal Government.
- 5.3 Grantee Role and Determinations. The Grantee shall perform all SAVE verifications and maintain the official verification record. Any denial decisions issued by the Grantee based on SAVE results or Federal guidance are final and binding on the Subrecipient.
- 5.4 Prohibition. No Subrecipient shall use CDBG funds in a manner that, by design or effect, facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation, including by maintaining policies or practices that materially impede enforcement of Federal immigration laws.

Section 6. Equal Treatment for Faith-Based Organizations.

- 6.1 Policy Requirement. Faith-based organizations are eligible to participate as Subrecipients on the same basis as any other organization, consistent with E.O. 14205.
- 6.2 Prohibition on Religious Activities. No CDBG funds may be used for inherently religious activities such as worship, instruction, or proselytization. Any such religious activities must be separate in time or location from HUD-funded activities and voluntary for participants.
- 6.3 Non-Discrimination. The Subrecipient shall not, in the selection of contractors, vendors, or beneficiaries, discriminate on the basis of religious character, affiliation, or exercise.

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