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This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to determine if the project meets statutory requirements with respect to the development and operation of the project, as well as ensuring the continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

USE AGREEMENT

For Projects Assisted Under the Section 811 Project Rental Assistance Demonstration Program

This Agreement entered into this ____ day of ____, 20__ by and between
_____ (herein called "Owner") and the
_____ (herein called "Grantee"),

Witnessed:

WHEREAS, HUD is directed, pursuant to Section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), as amended by the Frank Melville Supportive Housing Investment Act of 2010, Public Law 111 – 374, to establish the Section 811 Project Rental Assistance Demonstration Program ("PRA Demo") to provide project-based rental assistance to persons with disabilities at eligible multifamily projects; and

WHEREAS, in consideration of the Grantee promise to provide HUD funding to Owner, in accordance with HUD requirements related to the PRA Demo, or any successor program, Owner agrees to implement this Use Agreement.

NOW THEREFORE, the parties agree as follows:

Owner, for itself, its successors and assigns, covenants with the Grantee that the Owner will operate a predetermined number of Assisted Units in the Owner's project in accordance with the Rental Assistance Contract, HUD PRA Demo requirements, including but not limited to any applicable HUD regulatory, administrative, and contractual requirements, for not less than the thirty years from the date of the Use Agreement. Accordingly, this Use Agreement shall remain in effect until _____ [insert expiration date];

Subject to the availability of appropriations and so long as Owner is in compliance with all HUD requirements, including but not limited to this Use Agreement, the Grantee shall provide to the Owner Project Rental Assistance Payments for the operating costs of the units assisted by section 811 of NAHA (Assisted Units). If Congress fails to appropriate funds adequate to meet the financial needs of the Assisted Units, HUD will not require the Owner to enforce the Use Agreement.

In the event of a breach or a threatened breach of any of the above covenants and agreements by the Owner, HUD and/or any tenant as a third-party beneficiary shall be entitled to institute legal action to enforce performance and observance of such covenants and agreements and to enjoin any acts which violate such covenants and agreements. HUD and/or any tenant as a third-party beneficiary may also seek an award of damages and/or other relief as may be appropriate.

Owner shall not impede the reasonable efforts of tenants of the Assisted Units to organize pursuant to 24 CFR Part 245, or any successor regulations of Part 245, or unreasonably withhold the use of any community room or other available space appropriate for meetings which is part of the mortgaged property when requested by: (i) a resident tenant organization in connection with the representational purposes of the organization; or (ii) tenants seeking to organize or to consider collectively any matter pertaining to the operation of the mortgaged property.

Owner, for itself, its successors and assigns, hereby agrees and acknowledges that this Use Agreement shall be recorded in the appropriate land records.

With respect to the eligibility requirements for the Assisted Units, Owner will only admit extremely low-income persons with disabilities and extremely low-income households that include at least one person with a disability. Owner shall adopt the definition of "person with disabilities" as defined under Section 811 of the Cranston-Gonzalez National Affordable Housing Act, as amended. Owner shall adopt the definition of "extremely low-income" as defined by HUD's PRA Demo, or successor program. Owner will comply with all other PRA Demo, or successor program requirements as promulgated by HUD.

With respect to Assisted and non-Assisted Units, Owner will comply with the provisions of any Federal, State or local law prohibiting discrimination in housing on the grounds of race, color, religion or creed, sex, handicap, familial status or national origin, including the Fair Housing Act of 1968, as amended.

The rent charged for Assisted Units shall not exceed the upper limit of the range shown for such type of unit on a rental schedule approved in writing by HUD, and shall include the reasonable use of all utilities shown on said schedule, but in no event shall the total gross monthly rents for all Assisted Units exceed the gross monthly dwelling income for all units approved by Grantee on the rental schedule.

Any requests for rent adjustments to the Grantee by the Owner shall be consistent with the requirements of the Rental Assistance Contract and all other PRA Demo or successor program requirements.

Owner shall maintain the premises and equipment, appurtenant thereto, in good repair, safe and sanitary condition consistent with HUD requirements.

The books and accounts of the operations of the property shall be kept in accordance with the relevant HUD requirements related to the PRA Demo, or any successor program.

Within ninety (90) days following the end of each fiscal year, Owner shall provide a complete annual financial report based upon an examination of the books and records of the project prepared in accordance with the requirements of Grantee and certified by a Certified Public Accountant, or other person acceptable to HUD.

Owner further covenants and agrees that if Owner conveys title to the project prior to the Use Agreement's expiration, Owner will prior to transfer of title: (1) confirm the purchaser has been approved by Grantee and (2) require the purchaser to assume the obligations of this Use Agreement; (3) ensure purchaser will operate the project in such a way that it will remain an "Eligible Project" pursuant to 42 U.S.C 8013(b)(3)(C).

Owner shall provide to Grantee or HUD (or to such third party as HUD may, in its sole discretion, determine to have the monitoring function under this Agreement), promptly following receipt of a written request from HUD (or from such third party), copies of all business or any other documents regarding the Housing Project, so that Grantee or HUD may evaluate Owner's compliance with the terms of this Agreement. In addition, Owner shall permit Grantee or representatives of HUD (or any third party given the monitoring responsibility) following notice from Grantee or HUD (or from the third party given the monitoring responsibility), to examine the originals of all such documents, at the Project's office during regular business hours.

Owner must certify annually by _____ of each year (insert date within 30 calendar days of the anniversary date of this Agreement), to the Grantee that it is operating the Project in compliance with this Agreement and, more specifically, that all of the individual units, as well as the physical structure of the project as a whole, for example grounds and equipment, comply with all applicable codes and requirement of this Agreement or that a remedial program to correct any existing deficiencies has been implemented.

Should any of the above covenants be held invalid in whole or in part, it shall not affect or invalidate the balance of such covenant or any other covenants.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

In witness whereof, the parties hereto have hereunto caused these presents to be executed on their behalf and their seals affixed the day and year written below.

WITNESS

(Owner)

BY

And

Grantee

_____ BY
(Authorized Agent)

ACKNOWLEDGEMENT BY OWNER BEFORE
NOTARY

(Complete according to requirements of

ACKNOWLEDGEMENT BY COMMISSIONER:)

STATE OF _____)

PUBLIC

state of execution.)

SS:

CITY AND COUNTY OF _____)

On this _____ day of
_____,

20____, before me _____, a Notary Public in and for the
City and County of _____,

_____, appeared _____
to

me personally known and known to me to be the duly Authorized Agent of
_____, and

the person who executed the aforesaid instrument bearing the

date of _____, 20____, and acknowledged that he executed the aforesaid
instrument for and on behalf of

_____ for the purposes herein.

(NOTARY PUBLIC)

My Commission
Expires:_____

ACKNOWLEDGEMENT BY COMMISSIONER:)

STATE OF _____) SS:

CITY AND COUNTY OF _____)

ON this _____ day of _____,

20___, before me _____, a Notary

Public in and for the City and County of _____,

_____, appeared _____

to me personally known and known to me to be the duly Authorized Agent of the Grantee, and the person who executed the aforesaid instrument bearing the date of _____, 20___, and acknowledged that he executed the aforesaid instrument for and on behalf of the said Grantee for the purposes herein.

NOTARY PUBLIC)

My Commission Expires: _____