

FISCAL YEAR 2012
SECTION 811 PROJECT RENTAL ASSISTANCE
DEMONSTRATION PROGRAM
COOPERATIVE AGREEMENT
TABLE OF CONTENTS

I.	Grantee Information
II.	Definitions
III.	General Statutory Authority and Purpose
IV.	Inter-Agency Agreement
V.	Grant Amount and Total Assisted Units
VI.	Period of Performance
VII.	Program Guidelines
VIII.	Critical Milestones
IX.	Grantee Program Budget and Proposal
X.	Rental Assistance Contracts
XI.	Grantee Program Administration
XII.	Administrative Fee Payment Method, Administrative Costs, Grantee Audit, and Grantee Fund Transfer and Payment
XIII.	Grantee Communication Requirements
XIV.	Compliance Reporting Requirements, Monthly Tenant and Voucher Reporting Requirements, Tenant Certifications, TRACS, Rent Increase Request Requirements, and Special Claims
XV.	HUD Oversight and Internal Controls
XVI.	Conflicts of Interest
XVII.	Limitations On Use of Appropriate Funds to Influence Certain Federal Contracting and Financial Transactions
XVIII.	Defaults and Remedies
XIX.	Depository Agreement
XX.	Fidelity Bond Coverage
XXI.	Program Records
XXII.	Equal Opportunity
XXIII.	Exclusion of Third Party Rights
XXIV.	Amendments
XXV.	Security of Confidential Information
XXVI.	Additional Contract Provisions
XXVII.	Closeout
XXVIII.	Miscellaneous

FISCAL YEAR 2012
SECTION 811 PROJECT RENTAL ASSISTANCE
DEMONSTRATION PROGRAM

COOPERATIVE AGREEMENT

**By and Between the
U.S. DEPT. OF HOUSING AND URBAN
DEVELOPMENT
AND**

This COOPERATIVE AGREEMENT (the “Agreement”) is made and entered into this _____ day of _____, 2013, by and between the U.S. Department of Housing and Urban Development (“HUD”) and _____ (the “Grantee(s”).

I. GRANTEE INFORMATION

Cooperative Grant Agreement Number: _____
Grant Amount: _____
Grantee Data Universal Numbering System (DUNS): _____
Grantee Taxpayer Identification Number (TIN): _____

II. DEFINITIONS

Please refer to Exhibit 1 for the definitions.

III. GENERAL

The Grantee and HUD hereby enter into this Agreement as a condition to and in consideration of the Grantee's participation in the Section 811 Project Rental Assistance Demonstration Program (“PRA Demo”) and receipt of the Grant. The PRA Demo is authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (“NAHA”), 42 U.S.C. § 8013, as amended by the Frank Melville Supportive Housing Investment Act of 2010, (Public Law 111-374). The PRA Demo Notice of Funding

Availability (“NOFA”) was published on May 15, 2012, refer to Exhibit 2. The Grantee has been awarded and has accepted the Grant under the NOFA. The Grantee hereby takes full responsibility to administer, manage, and perform oversight of the PRA Demo in accordance with the terms and conditions of this Agreement and all applicable HUD requirement.

IV. STATUTORY AUTHORITY AND PURPOSE

On November 18, 2011, the President signed the Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55. The PRA Demo is authorized under 42 U.S.C. § 8013(b)(3)(A). The purpose of the program is to provide project-based rental assistance in the development of supportive housing for Extremely Low-Income Persons with Disabilities.

V. INTERAGENCY AGREEMENT

NEED TO ADD DISCUSSION ON INTERAGENCY AGREEMENT. Please refer to Exhibit 3.

VI. GRANT AMOUNT AND TOTAL ASSISTED UNITS

- A. Grant Amount. HUD shall provide the Grant in the amount identified in Section I, Grantee Information and Exhibit 4. HUD will distribute the amount during the initial five (5) year period of the all Rental Assistance Contract (RACs) executed under this Agreement. Grantee will provide the Rental Assistance Payments to owners of Eligible Multifamily Properties consistent with this Agreement. After the initial five (5) year period, HUD shall provide the Grant annually, or in any other frequency as determined by HUD, subject to appropriations.
- B. Grant Restrictions. PRA Demo Funds must only be used for: (1) Project Rental Assistance Payments and; (2) Administrative Costs of the Grantee.
- C. Total Assisted Units. Grantee shall within a reasonable time execute RACs with owners of Eligible Multifamily Properties totaling the number of Assisted Units as identified in Exhibit 4.

VII. PERIOD OF PERFORMANCE

- A. Period of Performance. The Agreement shall begin on the execution date of this Agreement and terminate on the expiration date of the very last RAC.

AS SOON AS THE LAST RAC IS EXECUTED, GRANTEE SHALL WITHIN THREE BUSINESS DAYS SEND A COPY TO HUD SO HUD MAY DETERMINE A CLOSE OUT DATE FOR THE AGREEMENT.

- B. **Termination.** This Agreement, in full or in part, including without limitation, any of the initiatives to be undertaken by Grantee, may be terminated by HUD prior to the end of the Agreement. In the event of termination of the Cooperative Agreement by HUD the Grantee shall have no financial or legal recourse against HUD, and the Sub-recipients, including owners of Eligible Multifamily Properties shall have no financial or legal recourse against Grantee or HUD.
- C. **Renewal.** Subject to future appropriations, at the Agreement expiration, it may be renewed upon written approval by HUD. Should the Grantee desire to renew the Agreement, Grantee shall make a written request for renewal and provide the request to HUD at least 120 days prior to the expiration of the Agreement. Grantee's request must: (1) state the specific time frame of the proposed renewal, and (3) outline how Grant funds will be effectively spent within the proposed renewal period. Upon receipt of the written request, HUD may, by and through the PRA Demo or successor program, approve a renewal depending on the PRA Demo Program or successor program funding levels and Program Requirements that may be imposed at that time.
- D. **Amendment Funding.** If Congress fails to appropriate funds adequate to meet the funding needs of the Agreement after the initial five (5) year funding period, HUD may terminate the Agreement. Under this circumstance, HUD will not require the Grantee to enforce the PRA Demo use agreement. Under this circumstance, Grantee may, at its discretion, continue to enforce or terminate such RACs and use agreements. For example, if Grantee can obtain other funding for the Assisted Units Grantee may continue to enforce the RAC and use agreement for these units.

VIII. PROGRAM GUIDELINES

Grantee shall comply and ensure owners of Eligible Multifamily Properties comply with the applicable provisions of the Program Guidelines identified in Exhibit 5. Grantee and owners of Eligible Multifamily Properties may not modify any part of the Program Guidelines without written consent from HUD.

IX. CRITICAL MILESTONES

Grantee agrees to complete certain milestones on or before the deadlines stated in the attached Exhibit 6.

X. GRANTEE PROGRAM BUDGET AND PROPOSAL

Grantee's annual budget for this Agreement is attached as Exhibit 6. No later than 120 days prior the anniversary date of this Agreement, Grantee shall provide an updated budget request to HUD for the following year. Grantee shall not request funds in excess of the total amount listed in the Budget. Each budget must include a running total of Administrative Costs the Grantee has requested/received thus far and how much is remaining for the Period of Performance. Grantee acknowledges that the **total Administrative Costs given to the Grantee over the initial five (5) year period of the**

Agreement shall not exceed 5 (five) percent of the total Grant. Grantee acknowledges after the initial five (5) year period the Administrative Costs shall remain at five (5) percent, unless otherwise amended by HUD.

XI. RENTAL ASSISTANCE CONTRACTS (RACs)

The Grantee shall execute the HUD required RAC with each owner of an Eligible Multifamily Property that agrees to provide Eligible Tenants with rental assistance in accordance with this Agreement is attached as Exhibit 8, 9, and 10. The Grantee will not disburse Project Rental Assistance Payments to the owners of an Eligible Multifamily Properties until the RAC is executed. All RACs executed pursuant to this Agreement shall, to the extent applicable, incorporate and impose all terms and conditions found under this Agreement. Grantee shall not waive any terms of this Agreement for the benefit of any owner of an Eligible Multifamily Property.

The Grantee may include an addendum to the RAC, with HUD approval, provided that the provisions of the addendum do not conflict with the Agreement.

XII. GRANTEE PROGRAM ADMINISTRATION

- A. Grantee Responsibilities. Grantee shall ensure the PRA Demo will be executed in accordance with this Agreement. Additionally, Grantee, for itself and its Sub-recipients, if any, covenants, agrees to and assumes responsibility for all activities relative to implementing the PRA Demo under this Agreement, and shall be in compliance with NAHA and all other applicable federal laws and requirements.
- B. Changes in Organizational Structure. Grantee mergers, acquisitions, or other changes in the legal structure must be reported to HUD as soon as Grantee is aware such change is likely.
- C. Systems. Grantee shall develop and maintain adequate system functionality that allows for the flow of documentation and information between Grantee and HUD. **Grantee shall ensure its systems have adequate security measures and its staff are appropriately trained to protect the confidentiality of certain records, including but not limited to income and tenancy information of families assisted under the RAC.**
- D. Grantee's Administration of the RACs. Health and safety issues and community/resident concerns. The Grantee must accept and review complaints from Eligible Tenants residing in Assisted Units and ensure that owners take appropriate action. The Grantee must resolve health and safety issues related to the property and establish positive relations and communications with residents of the property and in the community.

XIII. ADMINISTRATIVE FEE PAYMENT METHOD, ADMINISTRATIVE COSTS, GRANTEE AUDIT, AND GRANTEE FUND TRANSFER AND PAYMENT

A. Payment Method. Unless otherwise determined by HUD, Grantee shall request and receive payment of administrative fees through HUD's Electronic Line of Credit Control System (eLOCCS). The forms referred to in this section are available: (1) from HUD's HUDClips website, under the forms section, *available at*: <http://www.hud.gov/offices/adm/hudclips/index.cfm>.; and (2) upon request, from HUD, by contacting the PRA Demo. The LOCCS Security Office may be reached at (202) 708-0764 or toll free at (877) 705-7504 for assistance, including authorization and access issues. The SF-1199A is also available at local banking institutions.

1. Direct Deposit. Grantee is required to separately account for Grant funds under this Agreement. Grantee is not permitted to commingle the Grant with any other funds, regardless of the source. If the Grantee is not currently signed up to receive payments via direct deposit from HUD, then Grantee must submit a completed SF-1199A, Direct Deposit Sign-Up Form and to:

U.S. Dept. of Housing and Urban Development
CFO Accounting Center
801 Cherry Street, Unit 45, Suite 2500
Fort Worth, TX 76102

Attention: Director, Reports and Control Division

2. Password. The Grantee is responsible for changing and maintaining an eLOCCS password as required.
3. Authorization. Each individual in Grantee's organization who will be authorized to access eLOCCS to perform query or draw down/request funds under this Agreement must request access authorization from HUD by submitting a form HUD-27054, eLOCCS Access Authorization. A new form HUD-27054 is not required for any individual who currently has access to eLOCCS for prior year grant funds for the same Grantee. If a User already has a valid form HUD-27054 for VRS it is not necessary to submit another one for eLOCCS access. The completed forms (which must be notarized) are sent to the PRA Demo for review and verification. Following review, the Grantee will send the original forms to the LOCCS Security Officer for assignment of a LOCCS User ID. The form HUD-27054 must be recertified every 6 months by each LOCCS User's Approving Official.
4. Access Changes. Grantee shall immediately notify the LOCCS Security Office at HUD in writing when any individual with current access to eLOCCS is no longer employed by the Grantee and/or should be denied access to grant funds for any reason. The PRA Demo Official must be notified of the Grantee's actions in writing. The PRA Demo Official may provide additional instructions on accessing and using eLOCCS.
5. Requests for Administrative Fee Payment. All requests for payment of administrative fees must be submitted to HUD electronically in accordance with

section XIII of this Agreement for eLOCCS purposes, the “Program Area” is “PRA Demo”. The following line items are applicable to this Agreement:

Line Item No.	Type of Funds Requested
1000	Administrative
8000	Project Rental Assistance Funds

6. Supplemental Information to PRA Demo. In addition to the required eLOCCS payment voucher, Grantee shall submit documentation to support payment requests for costs to be incurred in the performance of this Agreement in accordance with the terms and conditions of the Billing Documentation for Administrative Costs Instructions and Grantee Payment Invoice Request, attached hereto as Exhibit ???? and incorporated herein by reference.
 7. Advances. Pursuant to 24 C.F.R. part 85, Grantee acknowledges that advance payments to Grantee shall be limited to the amounts needed for the first program operating year plus Administrative Costs. Grantee acknowledges that the timing and amount of each advance payment shall be as close as is administratively feasible to the actual disbursements by Grantee for direct program of project costs and the proportionate share of any allowable indirect costs. Grantee shall not be required to disburse its own funds to cover HUD-approved Budget costs.
 8. Interest Bearing Account. If advance Grant funds are received by Grantee, Grantee shall maintain the funds in accordance with 24 CFR part 85.
- B. Payment Procedures. Without limiting the general applicability of 24 CFR Part 85 as previously stated, with respect to payment procedures, Grantee shall comply with 24 CFR 85 in its entirety. Grantee shall ensure that the Grantee, where applicable, and all Sub-recipients comply with these provisions. In the event they do not, Grantee shall take immediate steps to correct non-compliance.
 - C. Allowable Costs. As part of the Grant, HUD shall pay Grantee for the Eligible Activities as determined by this Agreement and 24 CFR 85.
 - D. Period of Availability of Funds. Grantee may charge to the Grant only Administrative Costs and Eligible Activities during the Period of Performance. Any expense outside the scope of Administrative Cost or Eligible Activities shall not be paid to the Grantee or any Sub-recipient.
 - E. Standards for Financial Management Systems. Grantee shall maintain and operate financial management systems that meet or exceed the Federal requirements for funds control and accountability as established by the applicable regulations in 24 CFR 85 and as otherwise directed by HUD.

F. Documentation of Expenses. Grantee shall maintain source documentation of direct costs, such as invoices, receipts, cancelled checks, and salary reports, to support all eLOCCS draw requests for payment. This information must be made available to HUD upon request and maintained for a period of at least three years after the expiration of the Performance Period, or the date of last payment, whichever occurs last.

G. Grantee Audit.

Requirements

1. The Grantee must submit audited annual financial statements that comply with the requirements of OMB Circular A-133 by the earlier of:(1) 30 days after receipt of the auditor's report or (2) 9 months after the Grantee's fiscal year end (FYE). This audit must be performed by an independent public accountant (IPA). If the Grantee submits its audited financial statements more than 90 days after the Grantee's fiscal year end, the Grantee must submit all financial reports required by HUD in unaudited form within 0 days after the Grantee's fiscal year end.
2. Submission of financial information must also be in accordance with the requirements of HUD's Uniform Financial Reporting Standards (24 CFR, Part 5, Subpart H). The audit must be performed by an independent auditor, procured using the standards in Circular A-133 and other documents referenced in Circular A-133.
3. If there are audit findings that require corrective actions, the Grantee must provide HUD with a proposed plan of corrective actions as part of the audit submission package. By the first day of each month, until all corrective actions are completed as required by HUD, the Grantee must submit a status report to HUD of corrective actions being implemented. Corrective actions must proceed as rapidly as possible. If the Grantee fails to timely provide all required audited financial statements, or fails to proceed with timely implementation of required corrective actions, HUD may determine that such failure is a default by the Grantee in performance of its obligations under this Agreement.

XIV. GRANTEE COMMUNICATION REQUIREMENTS

A. Communication with Owners.

The Grantee must have the capability to receive Eligible Tenant's certification and recertification data (form HUD 50059) and voucher data (form HUD 52670) electronically from owners of Eligible Multifamily Properties in a form consistent with HUD reporting requirements for the HUD TRACS System. The Grantee must have the capability, in the form acceptable to HUD, for communicating errors in HUD 50059 and HUD 52670 submissions to owners.

B. Communication with HUD.

The Grantee must provide HUD with data on RACs, rent adjustments and payments to owners, contract renewal processing, and other documents and information

relevant to the Grantee responsibilities under this Agreement. The Grantee must have the capability to transmit data to HUD over the Internet. The Grantee must have the capability to transmit HUD 50059 data to the HUD TRACS Tenant System and HUD 52670 data to the HUD TRACS Voucher/Payment System, and to receive return messages transmitted from TRACS. The Grantee's Internet access must provide the Grantee with the capability to review the resident and voucher data that the Grantee has transmitted to HUD, to ensure that the data maintained by HUD is correct and consistent with the data maintained in Grantee files. Resident reporting requirements specified for HUD's TRACS Tenant System and voucher reporting requirements specified for the TRACS Voucher/Payment System are published on the TRACS Documents Page on the world wide web. The Grantee must meet the requirements specified in these documents.

C. Fund transfer and payment.

The Grantee must have a depository account with a federally insured financial institution capable of receiving and sending electronic fund transfer (EFT) transactions. The Grantee must have facilities acceptable to HUD for making timely and accurate rental assistance payments to owners. The Grantee must also transmit budget, requisition, and year-end settlement data to HUD via the Internet, or as otherwise specified by HUD.

XV. COMPLIANCE REPORTING REQUIREMENTS, MONTHLY TENANT AND VOUCHER REPORTING REQUIREMENTS, TENANT CERTIFICATIONS, TRACS, RENT INCREASE REQUEST REQUIREMENTS, AND SPECIAL CLAIMS

The Grantee is responsible for the following requirements. The Grantee can contract any or all of these requirements to another entity approved by HUD.

As defined under the "Automation Rule" (24 CFR Section 108, Part 208 - Electronic Transmission of Required Data for Certification and recertification and Subsidy Billing Procedures), the Grantee will monitor the compliance of 811 PRA Demo multifamily developments. The Grantee is responsible for conducting monthly voucher reviews; adjusting rent and utility allowances when needed; paying monthly rental assistance subsidies directly to owners and responding to health and safety issues when required by HUD.

A. General HUD Compliance Requirements. The Grantee will ensure that all 811 PRA Demo multifamily developments comply with the terms of their Agreement and conform to HUD Housing Quality Standards as well as all relevant federal and state fair housing statutes and regulations.

B. Monthly Tenant and Voucher Reporting Requirements. As defined under the "Automation Rule" (24 CFR Section 108, Part 208) - Electronic Transmission of Required Data for Certification and Recertification and Subsidy Billing Procedures, Grantees are required to submit monthly tenant and voucher data electronically to TRACS.

Tenant data includes the current certification of the residents of the subsidized units and tracks any changes, transfers, and moves within that population.

Voucher data includes request for payment of regular subsidy, special claims, and miscellaneous adjustments. The Grantee will ensure that owners submit vouchers to the Grantee by the tenth day of the month preceding the month for which the owner is requesting payment. A Grantee may not pay owners until owner vouchers are received and reviewed for accuracy. The Grantee will only authorize payments of 811 PRA Demo vouchers and special claims to owners of Eligible Multifamily Properties with Assisted Units. The Grantee will make payments to owners by the first day of every month.

- C. Tenant Certification. The Grantee will ensure that owners certify residents at least annually and verify their income through the Enterprise Income Verification (EIV) system. Access to the EIV system is provided by HUD and requires a secured password. Grantees shall refer owners to consult HUD's portal to obtain authorization to use the EIV system at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/uivsystem.
- D. TRACS - Tenant Rental Assistance Certification System. The Tenant Rental Assistance Certification System (TRACS) is a computer system created by HUD that enables Grantee to electronically submit their monthly tenant certifications and voucher information. Grantees are required to use software that interfaces with TRACS for these submissions in order to ensure that all tenant and contract data is accurate and current. Based on the Grantee's TRACS submissions, HUD calculates a development's monthly rental subsidy and wires the payments to the Grantee, for the benefit of the property. The Grantee shall consult HUD's portal to obtain authorization to use the TRACS system at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum
- E. Rent Increase Request Requirements. The Grantee will ensure that at the anniversary of a Rental Assistance Contract (RAC), owners of 811 PRA Demo housing development submits a written request to the Grantee to obtain an annual increase of pre-renewal gross rent (including utilities). The Grantee will review and approve each written request and ensure that the approved annual rent adjustment coincides with Part II of the RAC, section 2.7(b). The Grantee will document the approved contract rent increase and utility allowance adjustment on a rent schedule (Form HUD-92458) and update iREMS with the approved rent increase.

The Grantee should coordinate with owners under contract renewal whenever requesting a contract rent adjustment to determine appropriate requirements for submission.

- F. Special Claims. Grantees can determine whether to include payment of vacancies for owners of 811 PRA Demo multifamily developments. Specific submission requirements for vacancy payments can be found in the HUD Special Claims Processing Guide.

XVI. HUD OVERSIGHT AND INTERNAL CONTROL

- A. HUD's Involvement. HUD will have ongoing involvement in the review, development, approval and targeting of the work to be carried out under this Agreement. HUD's involvement may include, but is not limited to: (1) conducting evaluation and research, based on quarterly reports and annual financial statements submitted by Grantee and Sub-recipient; (2) reviewing Grantee's administrative process as it relates to implementing the PRA Demo, including review of Grantee's forms, verifications, and other documentation; (3) reviewing outreach and training materials belonging to the Grantee and/or Sub-recipient. Grantee understands HUD's desire for involvement and will timely and cooperate fully.
- B. Fraud Monitoring. Grantee is solely responsible for the administration, management and oversight of the Grant and the program as described in this Agreement, including monitoring Sub-recipients, including owners of Eligible Multifamily Properties. Grantee shall monitor owners to ensure that program and audit requirements are met as delineated in 24 C.F.R part 85.

Grantee acknowledges that HUD or its designees may develop and implement practices to monitor and detect fraud related to PRA Demo, and any successor program, and to monitor compliance of authorizing laws, as well as other laws that govern these funds. Grantee covenants that it will fully and promptly cooperate with HUD's or its designees' inquiries about any alleged, perceived or actual fraud and comply with any anti-fraud and legal compliance procedures which HUD may require.

- C. Internal Control Reviews. Grantee shall provide HUD or its designee with access to all internal control reviews and reports that relate to the PRA Demo, including those proposed by independent auditing firms, to enable HUD to examine Grantee for compliance with applicable provisions of PRA Demo, this Agreement and applicable laws. A copy of the reviews and reports will be provided to HUD upon request.

XVII. CONFLICT OF INTEREST

- A. General Requirements. Grantee, and its Sub-recipients, where applicable, shall comply with the conflict of interest requirements in 24 C.F.R. parts 84 and 85.
- B. HUD Reform Disclosures. Grantee shall comply with the disclosure requirements of section 102(b) of the HUD Reform Act of 1989 (42 U.S.C. § 3545(b)) and its implementing regulations, 24 C.F.R part 4. To initially satisfy this requirement, Grantee shall complete the form HUD-2880, Applicant/Recipient Disclosure Update Report, and this completed Form is hereby incorporated into this Agreement. Grantee

shall update the form HUD-2880 as required by the HUD Reform Act of 1989 and 24 C.F.R § 4.11.

XVIII. LIMITATIONS ON USE OF APPROPRIATE FUNDS TO INFLUENCE CERTAIN FEDERAL CONTRACTING AND FINANCIAL TRANSACTIONS

Under 31 USC § 1352 none of the funds appropriated by any Act may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay 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 any Federal action.

XIX. DEFAULTS AND REMEDIES

A. Events of Default. Any of the following shall be an Event of Default:

1. Any material failure by Grantee to comply with this Agreement or the Program Requirements.
2. The failure by Grantee to expend the Grant in a timely manner.
3. Any material misrepresentation, regardless of whether it was intentional or not, by the Grantee at any time which, if known by HUD, would have resulted in the Grant not being awarded the Grantee or the funds not being disbursed from HUD.

B. Notice of Default. In the Event of Default, HUD shall give Grantee written notice of the occurrence of the Event of Default and a reasonable opportunity to take corrective action. The notice shall identify: (1) the Event of Default, (2) the required corrective action by Grantee, (3) the date by which the corrective action must be taken, and (4) the consequences for failing to take corrective action.

C. Remedies. If the Event of Default is not remedied by the Grantee, HUD may take any of the following action(s):

1. Terminate this Agreement and may assume Grantee's rights and obligations under the RAC;
2. Temporarily suspend providing the Grant to the Grantee;
3. Suspend any Grant amounts held by Grantee;
4. Impose special additional requirements or conditions on the Grantee, subject to 24 C.F.R. part 85, as part of Grantee's required corrective action

XX. DEPOSITORY AGREEMENT

- A. Unless approved by HUD, all Grant amounts shall be promptly deposited with a federally insured financial institution selected as depository institution by the Grantee in accordance with HUD requirements.
- B. The Grantee shall enter an agreement with the depository institution in the form required by HUD.
- C. The Grantee may only withdraw deposited Grant amounts pursuant to this Agreement.
- D. If HUD determines that the Grantee has committed any default under the Agreement, and has given the Grantee notice of such determination, HUD may suspend deposited Grant amounts held by the depository institution, and may withdraw deposited funds. The Grantee agreement with the depository institution shall provide that if required under a written freeze notice from HUD to the depository:
 - 1. The depository institution shall not permit any withdrawal of deposited funds by the Grantee unless withdrawals by the Grantee are expressly authorized by written notice from HUD to the depository institution.
 - 2. The depository institution shall permit withdrawals of deposited funds by HUD, without the consent of the Grantee.
- E. Unless approved by HUD, the Grantee may not deposit under the depository agreement monies received or held by the Grantee in connection with any non-Section 811 PRA Demo or successor program activity.

XXI. FIDELITY BOND COVERAGE

The Grantee shall carry adequate fidelity bond coverage, as required by HUD, to compensate the Grantee and HUD for any theft, fraud or other loss of program property resulting from action or non-action by Grantee officers or employees or other individuals with administrative functions or responsibility for contract administration under the Agreement.

XXII. PROGRAM RECORDS

- A. The Grantee shall maintain complete and accurate accounts and other records related to operations under the Agreement. The records shall be maintained in the form and manner required by HUD, including requirements governing computerized or electronic forms of recordkeeping. The accounts and records shall be maintained in a form and manner that permits a speedy and effective audit.
- B. The Grantee shall maintain complete and accurate accounts and records for each RAC.

- C. The Grantee shall furnish to HUD such accounts, records, reports, documents and information at such times, in such form and manner, and accompanied by such supporting data, as required by HUD, including electronic transmission of data as required by HUD.
- D. The Grantee shall furnish HUD with such reports and information as may be required by HUD to support HUD data systems.
- E. HUD and the Comptroller General of the United States, or their duly authorized representatives, shall have full and free access to all Grantee offices and facilities, and to all accounts and other records of the Grantee that are relevant to Grantee operations under the Agreement, including the right to examine or audit the records and to make copies. The Grantee shall provide any information or assistance needed to access the records.
- F. HUD may review and audit Grantee performance of its responsibilities under the Agreement. The Grantee shall comply with Federal audit requirements. The Grantee shall engage an independent public accountant to conduct audits that are required by HUD. The Grantee shall cooperate with HUD to promptly resolve all audit findings, including audit findings by the HUD Inspector General or the General Accounting Office.
- G. Grantee shall comply with the requirements for record retention and access to records specified in the applicable regulations in 24 C.F.R part 85, as well other applicable provisions of part 85. As a condition of funding, the Grantee is required to provide documentation as to their financial management systems. Grantee may also be subject to record retention requirements under other applicable laws and regulations, including but not limited to, the nondiscrimination regulations cited in section XXIII of this Agreement.

XXIII. EQUAL OPPORTUNITY

- A. The Grantee shall comply with all equal opportunity requirements imposed by Federal law, including applicable requirements under:
 - 1. The Fair Housing Act, 42 U.S.C. 3601-3619 (implementing regulations at 24 CFR parts 100 et seq.).
 - 2. Title VI of the Civil rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR part 1).
 - 3. The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146).
 - 4. Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892,

59 FR 2939 (1994) (implementing regulations at 24 CFR part 107).

5. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8).
- B. The Grantee, where applicable, shall submit a signed certification to HUD that it shall comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act.
- C. The Grantee shall cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to applicable civil rights statutes, Executive Orders, and related rules and regulations.

XXIV. EXCLUSION OF THIRD PARTY RIGHTS

- A. Eligible Applicants and Tenants and owners of Eligible Multifamily Properties described in the Agreement are not a party to or a third party beneficiary of the Agreement.
- B. Nothing in the Agreement shall be construed as creating any right of any third party to enforce any provision of the Agreement, or to assert any claim against HUD or the Grantee.

XXV. AMENDMENTS

This Agreement may only be amended with HUD's consent. Additionally, the Agreement shall be construed, and the rights and obligations of the parties determined, in accordance with all statutory requirements, and with all HUD requirements, including regulatory and administrative requirements, as may be amended from time to time.

XXVI. SECURITY OF CONFIDENTIAL INFORMATION

Systems Confidentiality Protocols. The Grantee and Sub-Recipients must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Eligible Applicants' and Eligible Tenants' personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Eligible Applicants', Tenants' or from another source. The Grantee and any Sub-Recipient must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any Eligible Applicants' or Tenants' personal or financial information to any third party, except for authorized personnel in accordance with this Agreement, without their consent.

XXVII. ADDITIONAL CONTRACT PROVISIONS

All contracts awarded by Grantee shall contain the appropriate provisions set forth in

XXVIII. CLOSEOUT

- A. General. The Grantee shall provide HUD with closeout documentation within 90 days after the end of the Performance Period, or within 90 days of termination of this Agreement, which will include, without limitation, the following:
1. Final Narrative Report summarizing activities conducted under the Grant, including significant outcomes resulting from the Grant activities and problems encountered during the Performance Period;
 2. A final Federal Financial Report; and/or
 3. Any other reports deemed necessary by HUD.
- B. Subsequent Adjustments and Continuing Responsibilities. Further to the applicability of 24 CFR Part 85, at the end of the Performance Period, upon the earlier termination of this Agreement, the Grantee remains subject to the closeout procedures, subsequent adjustments and continuing responsibilities. All records must be kept in a safe place and be accessible to auditors and other government officials.

XXIX. MISCELLANEOUS

- A. No waiver. No delay or omission by HUD to exercise any right or remedy available to it under this Agreement or applicable law or to insist upon strict compliance by the Grantee with its obligations hereunder shall impair any such right or remedy or constitute a waiver of HUD's right to demand exact compliance with the terms of this Agreement.
- B. Waiver of Jury Trial. Each of the parties hereto hereby expressly waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement, any other principal agreement, or under any amendment, instrument, or document delivered or that may in the future be delivered in connection herewith or arising from any such action or proceeding shall be tried before a Federal court and not before a jury.
- C. Counterparts. This Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of each of the parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.
- D. 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.

- E. Further Assurances. Each party hereto may execute and deliver such additional documents as may be necessary or desirable to consummate the rights and obligations contemplated by this Agreement.
- F. Parties in Interest; Assignment. This Agreement shall not be assigned by the Grantee without the prior written consent of HUD.
- G. Relationship of the Parties. Neither of the parties is an agent of the other party and neither party has the authority to represent or bind the other party to anyone else as to any matter.
- H. Survival. Any provisions of this Agreement that expressly or by their operation should reasonably continue to apply to a party after the termination or suspension (in whole or in part) of this Agreement shall continue in full force and effect for such time as is necessary to fully carry out the intent of such provisions.
- I. Applicable Laws. This Agreement shall be construed, and the rights and obligations of the parties determined, in accordance with all statutory requirements, and with all HUD requirements, including regulatory and administrative requirements, as may be amended from time to time.
- J. 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.
- K. Entire Agreement. This Agreement constitutes the entire agreement by and between Grantee and HUD with respect to the Grant, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written, by and between Grantee and HUD with respect to this Agreement.
- L. Disbarment. Neither Grantee nor any entity participating in the administration of the program will have been disbarred from doing business with the Federal Government.

GRANTEE

[INSERT FULL LEGAL NAME]

UNITED STATES DEPARTMENT
OF HOUSING AND URBAN
DEVELOPMENT

By: _____

State or Commonwealth of

Authorized Official

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ATTACHMENTS

- Exhibit 1 Definitions
- Exhibit 2 Fiscal Year 2012 Section 811 Project Rental Assistance Demonstration NOFA
- Exhibit 3 InterAgency Agreement
- Exhibit 4 Grantee Program Description (identifying Grant Amount, Total Assisted Units & Identification of Other Parties Assisting Grantee in Executing the Cooperative Agreement)
- Exhibit 5 Program Guidelines
- Exhibit 6 Budget / Schedule
- Exhibit 7 Section 811 Project Rental Assistance Use Agreement
- Exhibit 8 Agreement to Enter into Rental Assistance Contract
- Exhibit 9 Rental Assistance Contract Part I
- Exhibit 10 Rental Assistance Contract Part II
- Exhibit 11 Section 811 Project Rental Assistance Model Lease
- Exhibit 12 Grantee Addendums

Exhibit 1: DEFINITIONS

[NOTE: The definitions below are applicable to the Section 811 Project Rental Assistance Demonstration program (811 PRA Demo) and related contracts, such as the Cooperative Agreement and Exhibits, including the Rental Assistance Contract and Program Guidelines. All the terms below do not necessarily appear in every 811 PRA Demo document.]

- A. Act means the Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55.
- B. Administrative Costs are Grantee's costs associated with developing and operating the PRA Demo, which may include infrastructure and technology costs needed to operate the program. The costs should include both direct and indirect costs. Administrative costs are allowable at a rate of no more than five (5) percent of the annual amount based upon the range of tasks undertaken by the Grantee. If a Grantee includes administrative costs in their budget as a direct cost, they cannot charge these costs as part of their indirect cost rate as well, and should instruct their auditor or the government auditor setting the rate of the availability and use of the administrative costs as described in the NOFA. The cumulative maximum amount Grantee may charge against the Grant as administrative costs shall not exceed five (5) percent of the total Grant.
- C. Agreement means the Cooperative Agreement, Exhibits, and Addendum(s), if any, and any amendment to the documents.
- D. Annual Income as defined in 24 C.F.R. part 5.
- E. Assisted Units means rental units made available to or occupied by Eligible Tenants in Eligible Multifamily Properties receiving assistance under 42 U.S.C. § 8013(b)(3)(A).
- F. Closeout means the process by which HUD determines that all applicable administrative actions and all required work of the Agreement have been completed by Grantee and HUD. The closeout can occur after the period of performance or sooner if necessitated under the Agreement.
- G. Contract Administrator may mean the Grantee's designated entity to administer the 811 PRA Demo.
- H. Contract Rent means the total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Units.
- I. Contract Rent Adjustment means the contract rent that is adjusted at the anniversary of the Rental Assistance Contract (RAC). The contract rent adjustment must be approved in accordance with the RAC and HUD requirements.
- J. Decent, Safe, and Sanitary means such housing that meets the physical condition requirements of 24 C.F.R. part 5, subpart G.

- K. Eligible Applicants means an Extremely Low-Income Person with Disabilities, between the ages of 18 and 62, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 62 at the time of admission. The Person with a Disability must be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, comparable state funded services or other appropriate services related to the type of disability(ies) targeted under the Inter-Agency Partnership Agreement. The Inter-Agency Agreement describes the specific target population eligible for the Grantee's program. The target population can be revised with HUD approval.
- L. Eligible Families shall have the same meaning as "Eligible Tenant".
- M. Eligible Multifamily Properties means any new or existing property owned by a nonprofit or a private entity with at least 5 housing units. Financing commitments have been made by the Grantee and is currently allocating: (i) LIHTC under Section 42 of the Internal Revenue Service Code of 1986 (IRC); or (ii) assistance under the HOME Investment Partnerships Act (HOME); or (iii) assistance under any federal agency or any state or local government program. Development costs, if any, are paid with other public or private resources. Section 811 and Section 202 Capital Advances may not be used. Properties with existing use restrictions for persons with disabilities are not eligible, unless such PRA Demo Funds are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term operating housing subsidy, such as assistance under Section 8, within a six-month period prior to receiving Project Rental Assistance Payments are ineligible to receive this assistance. In addition, units with use agreements requiring housing for persons 62 or older would not be eligible to receive Project Rental Assistance Payments.
- N. Eligible Tenants means Eligible Tenant means an Extremely Low-Income Person with a Disability, between the ages of 18 and 62 at the time of admission, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 62 at the time of admission. The Person with Disabilities must be eligible for community-based, long-term services as provided through Medicaid waivers, Medicaid state plan options, state funded services or other appropriate services related to the target populations under the Inter-Agency Partnership Agreement.
- O. Extremely Low-Income means annual income which does not exceed thirty percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than thirty percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. HUD's income exclusions, as defined under 24 C.F.R. § 5.609, apply in determining income eligibility at the time of admission and in calculating the Eligible Tenant's income during the interim/annual recertification stages.
- P. Grant means the funds made available by HUD to the Grantee for purposes of providing long-term rental supportive rental assistance for non-elderly, Extremely Low-Income Persons

with Disabilities and for Extremely Low-Income households that include at least one non-elderly Person with a Disability. The Person(s) with Disability must be eligible for community-based long term care services and supports provided under the state's plan for medical assistance under Title XIX of the Social Security Act, such as Medicaid 1915(c) waivers, the Medicaid 1915(i) option, the Medicaid Rehabilitation option, certain Medicaid 1115 demonstration waivers and similar successor programs, or other federal or state appropriated or other targeted community-based long-term services and supports program comparable to Medicaid long-term care services. The Grant will fund the difference between the Contract Rent and the Tenant Rent for the Assisted Units. The term "PRA Demo Funds" shall have the same meaning as Grant.

- Q. Grantee means the applicant selected by HUD under a Section 811 PRA (PRA) Notice of Funding Availability to administer the Section 811 PRA program, or any successor program. Grantee shall be a state housing agency or other appropriate entity, as approved by HUD.
- R. HUD means the Department of Housing and Urban Development.
- S. Inter-Agency Partnership Agreement means the formal structure for collaboration to participate in the state's PRA Program to develop permanent supportive housing for extremely low-income persons with disabilities. This Partnership Agreement must include the Grantee and the state agency that is charged with administering State Health and Human Services programs and policies, and the State's Medicaid programs. In states where the State Health and Human Service Agency is not also the State Medicaid Agency, both agencies' participation must be evidenced. The agreement must include: 1) detailed description of the target population(s) to be served, 2) methods for outreach and referral, and 3) a commitment to make appropriate services available for residents in PRA units in multifamily properties. In the agreement, states must identify the available state administered services and other appropriate services and describe how such services will be made available to the tenants. Participation in any available supportive services is voluntary.
- T. Notice of Funding Availability (NOFA) means the Fiscal Year 2012 Section 811 Project Rental Assistance Demonstration NOFA published on May 15, 2012. For the purpose of this Agreement, the only sections I through III, VII and IX are applicable.
- U. Owner means the nonprofit or for-profit entity which owns the Eligible Multifamily Property.
- V. Persons with Disabilities shall have the same meaning as defined under 42 U.S.C. § 8013(k) (2) and shall also include the following, as found in 24 C.F.R. § 891.305:

A person who has a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)), i.e., if he or she has a severe chronic disability which:

- (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) Is manifested before the person attains age twenty-two;

- (iii) Is likely to continue indefinitely;
- (iv) Results in substantial functional limitation in three or more of the following areas of major life activity:
 - (a) Self-care;
 - (b) Receptive and expressive language;
 - (c) Learning;
 - (d) Mobility;
 - (e) Self-direction;
 - (f) Capacity for independent living;
 - (g) Economic self-sufficiency; and
 - (h) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; or

A person with a chronic mental illness, i.e., a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently, and which impairment could be improved by more suitable housing conditions; or

A person infected with the human acquired immunodeficiency virus (HIV) and a person who suffers from alcoholism or drug addiction, provided they meet the definition of "person with disabilities" in 42 U.S.C. § 8013(k)(2).

A person whose sole impairment is a diagnosis of HIV positive or alcoholism or drug addiction (i.e., does not meet the qualifying criteria in section 811 (42 U.S.C. § 8013(k)(2)) will not be eligible for occupancy in an Assisted Unit.

- W. Program Requirements means NAHA, the statutory requirements under a successor program, the NOFA, and any requirements that may be required by HUD, including but not limited to regulations, and administrative requirements that may be in the form of notices, handbooks, or guidebooks, as may be amended from time to time.
- X. Project Rental Assistance Payments means the payment made by the Grantee or Contract Administrator to the owner, as provided in the Rental Assistance Contract. Where the Assisted Unit is leased to an Eligible Tenants, the payment is the difference between the Contract Rent and the Tenant Rent. An additional payment is made to or on behalf of the Eligible Tenant when the Utility Allowance is greater than the total tenant payment. A vacancy payment may be made to the owner when an Assisted Unit is vacant, in accordance with the Rental Assistance Contract and Program Requirements.
- Y. Rental Assistance Contract (RAC) is the contract, as prescribed by HUD, between the Grantee and the owner of the Eligible Multifamily Property which sets forth the rights and duties of the parties with respect to the Assisted Units in the Eligible Multifamily Property..
- Z. Sub-grant means the portion of the Grant provided by the Grantee to a Sub-recipient, which is subject to the terms of this Agreement.
- AA. Sub-recipient means a non-Federal entity that expends Grant funds received from the

Grantee, as a pass-through entity (as defined in OMB Circular A-133), to carry out the PRA Demo.

- BB. Target Population means the specific group or groups of Eligible Applicants and Tenants described in the Grantee's Inter-Agency Partnership Agreement who are intended to be solely served or to be prioritized under the Grantee's Program.
- CC. Tenant Rent as defined in 24 C.F.R. part 5.
- DD. Total Tenant Payment as defined in 24 C.F.R. part 5.
- EE. Utility Allowance has the same meaning as defined in 24 C.F.R. part 5.
- FF. Uniform Physical Condition Standards (UPCS). Uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. UPCS requires that items in five categories (site, building exterior, building systems, dwelling units, and common areas) and as more specifically described in 24 C.F.R § 5.703 must be inspected in any physical inspection of the property.

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

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.