

**PROJECT RENTAL ASSISTANCE PROGRAM OF SECTION
811 SUPPORTIVE HOUSING FOR PERSONS WITH
DISABILITIES (811 PRA)**

**COOPERATIVE AGREEMENT
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FISCAL YEAR _____

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FISCAL YEAR _____
SECTION 811 PROJECT RENTAL ASSISTANCE 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 _____, _____, by and between the U.S. Department of Housing and Urban Development ("HUD") and _____ (the "Grantee(s)").

I. GRANTEE INFORMATION

Cooperative Grant Agreement Rental Assistance Number: _____
Cooperative Grant Agreement Administrative Cost Number: _____
Total Grant Amount: _____
Rental Assistance: _____
Administrative Costs: _____
Total Units: _____
Grantee Unique Entity Identifier (UEI): _____
Grantee Taxpayer Identification Number (TIN): _____
Grantee Mailing Address: _____

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 Program ("PRA") and receipt of the Grant. This PRA is authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act ("NAHA"), 42 U.S.C. § 8013, as amended. The PRA Notice of Funding Opportunity ("NOFO") was published

on _____, refer to Exhibit 2. The Grantee has been awarded and has accepted the Grant under the NOFO. The Grantee hereby takes full responsibility to administer, manage, and perform oversight of the PRA Program in accordance with the terms and conditions of this Agreement and all applicable HUD requirements.

IV. STATUTORY AUTHORITY AND PURPOSE

The PRA Program is authorized under 42 U.S.C. § 8013(b)(3)(A), as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111-374). Funding authority is authorized by [Insert applicable NOFO funding appropriation]. The purpose of the program is to provide project-based rental assistance to develop-supportive housing for Extremely Low-Income Persons with Disabilities.

V. INTERAGENCY PARTNERSHIP AGREEMENT

The Inter-Agency Partnership Agreement between the Grantee and State Health and Human Services/Medicaid Agency(ies) provides evidence of a formal structure for collaboration to participate in the state's PRA Program to develop permanent supportive housing for extremely low-income persons with disabilities. The Agreement was a required component of the Grantee's application for funding under the NOFO.

The Inter-Agency Partnership Agreement, Exhibit 3, is acceptable to HUD and herein made part of this Agreement and shall remain co-terminus with the term of this Agreement. Any substantive changes to the Agreement related to the target population, or appropriate services made available to tenants requires a written notice to HUD. Grantee must provide a copy of the Inter-Agency Agreement to HUD when it is revised or updated.

VI. GRANT AMOUNT AND TOTAL ASSISTED UNITS

A. Grant Amount. HUD shall provide the maximum amount of the Grant in Section I, Grantee Information and in Exhibit 4. HUD will distribute the amount during the initial five (5) year period of all Rental Assistance Contracts (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 as maybe amended, or in any other frequency as determined by HUD, subject to appropriations.

1. Grant Funds Obligated. The funding authorized under this Agreement must be disbursed by _____. If all funds are not disbursed by HUD/Grantee to the Owner by the disbursement date, the funds, even though obligated, will be cancelled and no further disbursements will be made.

- B. Grant Restrictions. PRA Program Funds must only be used for: (1) Rental Assistance Payments and (2) Administrative Costs of the Grantee.
- C. Total Assisted Units. The Grantee has committed to executing RACs and Use Agreements for the total number of Assisted Units identified in Exhibit 4, HUD acknowledges that market conditions and other factors will determine the final total number of Assisted Units and that number of Assisted Units may fluctuate over the five (5) year period of the award.

Within 30 days of the execution of the last RAC which results in Grantee fully encumbering funds provided under this Agreement, the Grantee shall provide HUD with confirmation of the final number of Assisted Units. The final number of Assisted Units will be compared with the number of units listed on Exhibit 4 of this Agreement.

Under no circumstances shall the program funding for the initial five (5) year period of this program exceed the maximum amount of grant funds awarded in Exhibit 4 of this Agreement.

VII. PERIOD OF PERFORMANCE

- A. Period of Performance. The Agreement will begin on _____ (execution date) of this Agreement for a period of 20 years and terminate on _____ (expiration date) and the expiration date will be amended to align with expiration date of the very last RAC which results in Grantee fully encumbering funds provided under this Agreement.

The Grantee will provide official notification to HUD of the expiration date of the very last RAC within 30 days of execution of this RAC. Based on this date, HUD will amend the period of performance date for this Agreement.

- B. Termination for Default. **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. HUD shall provide the Grantee with 90 days advance notice of the default and intent to terminate this Agreement. In the event of termination of the Cooperative Agreement by HUD the Grantee shall have no financial or legal recourse against HUD. Owners of Eligible Multifamily Properties shall have no financial or legal recourse against the Grantee or HUD if the Cooperative Agreement is terminated for any reason. Grantee shall be paid for all amounts owed and that are not in dispute up to the time of termination.**
- C. Renewal Upon Expiration of the Cooperative Agreement. 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 (2) 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 or successor program, approve a renewal depending on the PRA Program or successor program funding levels and Program Requirements that may be imposed at that time.

- D. **Program 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.** In the event the Agreement is terminated, HUD will not require the Grantee to enforce the RAC or PRA Program Use agreement. Under these circumstances, 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 and current/future regulations published by HUD and any other program guidance issued by HUD such as handbooks, notices, etc. 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 use its best efforts to complete certain milestones on or before the deadlines stated in the attached Exhibit 6.

X. GRANTEE PROGRAM BUDGET AND REPORTING

Grantee's annual budget for this Agreement is attached as Exhibit 6. Grantee must deliver quarterly programmatic and budget reports to HUD until the very last RAC is executed which results in Grantee fully encumbering funds provided under this Agreement. In the quarterly budget, Grantees report must contain the amounts expended in the quarter for the rental assistance and Administrative Costs. For the quarterly programmatic report, Grantees must include quarterly outcome on the number of referrals, move-ins, data regarding the target populations, and other programmatic metrics. Grantee acknowledges that the **total Administrative Costs given to the Grantee over the initial funding award period of the Agreement** shall not exceed eight percent of the rental assistance grant amount awarded, unless approved by HUD. Grantee acknowledges after the initial five (5) year period the Administrative Costs shall remain at eight percent of the rental assistance Grant amount awarded.

Thereafter, Grantee will provide an annual, updated budget and programmatic report.

The annual budget must include the amount expended in the following year, and based on that amount, evidence that the Grantee will not expend funds in excess of the total Grant amount. 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. The annual programmatic budget should be the expected programmatic outcomes. Grantees must report the number of referrals, move-ins, data regarding the target populations, and other programmatic metrics.

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 (see Exhibit 7, 8, and 9). The Grantee will not disburse Project Rental Assistance Payments to the owners of 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 or any statutory regulatory or program requirements.

XII. GRANTEE PROGRAM ADMINISTRATION

- A. Grantee Responsibilities. Grantee shall ensure the PRA Program will be executed in accordance with this Agreement, including but not limited to ensuring Owner of an Eligible Multifamily Property records the HUD required Section 811 Project Rental Assistance Use Agreement (see Exhibit 10) and utilizes the Section 811 Project Rental Assistance Model Lease (see Exhibit 11) for all Assisted Units. Additionally, Grantee, if any, covenants, agrees to, and assumes responsibility for all activities relative to implementing the PRA Program under this Agreement, and shall comply with the NAHA and all other applicable federal laws and requirements, including all applicable fair housing and civil rights laws.
- B. Changes in Organizational Structure. Grantee mergers, acquisitions, or other changes in the legal structure of the organization must be reported to HUD as soon as Grantee is aware of such change.
- 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 is 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 Supervision of 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 in a timely manner and establish positive relations and communications with residents of the property and in the community.

XIII. ADMINISTRATIVE COST 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 costs through HUD's Electronic Line of Credit Control System (*eLOCCS*). The forms referred to in this section are available through HUD's HUDClips website, under the forms section, <http://www.hud.gov/offices/adm/hudclips/index.cfm>.

1. Direct Deposit. Grantee is required to separately account for grant funds under this Agreement. Grantee may use a pooled cash account with separate funds and general ledger accounts maintained by the funding 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 banking information (deposit slips, cancelled checks or letter from banking institution on bank's letterhead) to:

U.S. Dept. of Housing and Urban Development
CFO Accounting Center

Attention: Director, Reports and Control Division

NOTE: SF-1199A must include the Grantee's Rental Assistance number (RDD), Administrative Cost number (DRD), and the Grantee's UEI number.

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 it is not necessary to submit another one for *eLOCCS* access. The completed forms (which must be notarized) are sent to the PRA Program Office for review and verification. Following review, the Program Office 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 in writing the PRA Program Official who will communicate to the LOCCS Security Office at HUD 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 Official must be notified of the Grantee's actions in writing. The PRA 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

6. Supplemental Information to PRA. 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 and in accordance with the terms and conditions of any program issued guidance. The supporting documentation may include invoices, receipts, cancelled checks, or salary reports. Vouchers will not be approved for payment, if the Grantee has any outstanding reports as it relates to the grant requirements of this agreement.
- B. Payment Procedures. Without limiting the general applicability of 2 CFR 200.305 as previously stated, with respect to payment procedures, Grantee shall comply with 2 CFR 200 in its entirety.
 - C. Allowable Costs. As part of the Grant, HUD shall pay Grantee for the Eligible Activities as determined by this Agreement and 2 CFR Part 200.405.
 - 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.
 - 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 2 CFR 200.302 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 (3) years after the initial funding cycle, or the date of last payment, whichever occurs last. For example, documentation of expenses from year one (1) to year five (5) can be purged at year eight (8). Documentation of expenses from year six (6) can be purged at year nine (9).

G. Grantee Audit.

Requirements

1. The Grantee must submit audited annual financial statements that comply with the requirements of OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) [2 CFR Part 200] 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). Grantees are not required to submit an audited financial statement specific to this grant award.
2. The audit must be performed by an independent auditor, procured using the standards in the OMB Uniform Guidance (2 CFR Part 200 Subpart F) and other documents referenced in the OMB Uniform Guidance.
3. If there are audit findings that require corrective actions relate to the PRA Program, the Grantee must complete the corrective actions described in the audit submission package. If HUD requires a different corrective action plan after consulting with the Grantee, the Grantee will by the first day of each month, until all corrective actions are completed as required by HUD, submit a status report to HUD of corrective actions being implemented. Corrective actions must proceed as rapidly as possible. If 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 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’s Tenant Rental Assistance Certification System (TRACS). 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 financial institution whose deposits or accounts are insured either by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Funds and must be 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.

D. Grantee Contractors

The Grantee may subcontract any or all the Grantee Communications requirements included in Section XIV. However, if the Grantee chooses to subcontract any or all these requirements, the Grantee remains responsible for ensuring all the requirements in Sections XIV are met.

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 these requirements to another entity.

As defined under the "Automation Rule" (24 CFR 208.108 - Electronic Transmission of Required Data for Certification and recertification and Subsidy Billing Procedures), the Grantee will monitor the compliance of Assisted Units. 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 assisted units and related facilities comply with the terms of their RAC and conform to National Standards for the Physical Inspection of Real Estate (NSPIRE) as well as all relevant federal and state fair housing and nondiscrimination statutes and regulations.

B. Monthly Tenant Reporting Requirements. As defined under the "Automation Rule" (24 CFR 208.108) - 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.

- C. Monthly Voucher Reporting Requirements. As defined under the “Automation Rule” (24 CFR part 208)- Electronic Transmission of Required Data for Certification and Recertification and Subsidy Billing Procedures, Grantees are required to submit monthly electronic requests for subsidy payment to TRACS.

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 vouchers and special claims to owners of Eligible Multifamily Properties with Assisted Units. The Grantee will make payments to Owners by the first business day of every month.

- D. Subsidy Payment for Occupied Unit. The Grantee makes rental assistance payments to the Owner for the months during which a contract unit is leased by an Eligible Family during the term of the RAC contract.

Except for vacancy payments as provided in Section XV, paragraph H, if an Eligible Family moves out of the Assisted Unit occupied by the family, the Grantee will not make any rental assistance payments to the Owner for any month after the month when the family moves out.

- E. 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.

- F. 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 to ensure that all tenant and contract data is accurate and current. Based on the Grantee’s TRACS submissions, HUD calculates a developments 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

- G. Rent Increase Request Requirements. The Grantee will ensure that at the anniversary of the RAC, Owners of Eligible Multifamily Properties submit a written request to the Grantee to obtain an annual increase of gross rent (including utilities, if applicable). 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 (if applicable) on a rent schedule (Form HUD-92458) and update iREMS with the approved rent increase.
- H. Special Claims. Grantees can determine whether to include payment of vacancies for Owners of 811 PRA multifamily developments, but in no case may vacancy payments exceed 80% of contract rent for up to 60 days for each vacancy. Vacancy payments may be made from the effective date of the RAC.

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; (2) reviewing Grantee's administrative process as it relates to implementing the PRA Program, including review of Grantee's forms, verifications, and other documentation; (3) reviewing outreach and training materials belonging to the Grantee; and (4) conducting civil rights compliance reviews of the Grantee's activities. The Grantee understands HUD's desire for involvement and will timely and cooperate fully. HUD will provide instructions and guidance on the requirements for data and program materials for all HUD reviews and evaluations in a timely manner.
- 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 Owners of Eligible Multifamily Properties. Grantee shall monitor Owners to ensure that program and audit requirements are met as delineated in 2 CFR part 200.

Grantee acknowledges that HUD or its designees may develop and implement practices to monitor and detect fraud related to PRA Program, 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 Program, including those proposed by independent auditing firms including state auditors, to enable HUD to examine Grantee for compliance with applicable provisions of PRA Program, 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, where applicable, shall comply with the conflict-of-interest requirements in 2 CFR 200.112.
- 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 CFR 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 CFR § 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. Grantee 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 without providing an adequate explanation, as approved by HUD.
 3. Any material misrepresentation, 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. HUD shall give Grantee written notice of the occurrence of an Event of Default and a reasonable opportunity but at least 30 days 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 2 CFR 200.339, as part of Grantee's required corrective action

XX. DEPOSITORY AGREEMENT

- A. Grant amounts shall be promptly deposited with a financial institution whose deposits are accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.
- B. The Grantee shall enter an agreement with the depository institution.
- C. The Grantee may only withdraw deposited Grant amounts pursuant to this Agreement.

If HUD determines that the Grantee has committed any default under the Agreement, and has given the Grantee notice of such determination and a reasonable opportunity to cure, and HUD, at its sole discretion, determines that the Grantee fails to cure the default, then HUD may issue a letter of default and collect any amounts due in accordance with 2 CFR 200.339. To expedite repayment to HUD, Grantee shall permit HUD to withdraw Section 811 PRA funds from the Grantee's account upon notice from HUD and receipt of the Automated Clearing House (ACH) identification number and amount due.

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. HUD will allow the Grantee to utilize the Grantee's state self-insurance/fidelity bond program upon evidence that under the state program the Grantee and HUD shall also be compensated for any theft, fraud, or other loss of program property resulting from the misconduct of Grantee's employees. Evidence may come in the form of an opinion letter from the Grantee's legal counsel or director indicating the

state law authorizing the coverage and that the coverage includes the Grantee and any contracts entered into by the Grantee.

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 during normal business hours after reasonable notice, 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 2 CFR 200.334, as well other applicable provisions of part 200. 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 part 100), to include the obligation to affirmatively further fair housing.
 - 2. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-2000d-4 (implementing regulations at 24 CFR part 1).
 - 3. 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).
 - 4. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8).
 - 5. Title II of the Americans with Disabilities Act, as applicable, 42 U.S.C. 12131-12134 (implementing regulations at 28 CFR part 35).
 - 6. The Age Discrimination Act, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146).
 - 7. The Violence Against Women Act (VAWA), 34 U.S.C. 12471 (implementing regulations at 24 CFR part 5, subpart L)
- B. By signing this Agreement, the Grantee certifies to HUD that it shall comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Age Discrimination Act, and any other applicable Federal fair housing and nondiscrimination requirements.
- C. The Grantee will 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

No changes in the Cooperative Agreement may be made except in writing signed by both HUD and the Grantee. 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 must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Applicants' and Tenants' personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Applicants', Tenants' or from another source. The Grantee must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any 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

In cases where the Grantees awards to non-profit organizations, such contracts awarded by Grantee shall contain the appropriate provisions set forth in Appendix A 2 CFR Part 200, titled "Contract Provisions."

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; and/or
 2. A final Federal Financial Report.
- B. Subsequent Adjustments and Continuing Responsibilities. Further to the applicability of 2 CFR Part 200, 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 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 and consistent with state law.

- 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 is or will be disbarred from doing business with the Federal Government.

GRANTEE

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 _____ Section 811 Project Rental Assistance NOFO
- Exhibit 3 Inter-Agency Partnership 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 Agreement to Enter into Rental Assistance Contract, Form HUD-92240-PRA
- Exhibit 8 Rental Assistance Contract Part I, Form HUD-92235-PRA
- Exhibit 9 Rental Assistance Contract Part II, Form HUD-92237-PRA
- Exhibit 10 Use Agreement, Form HUD-92238-PRA
- Exhibit 11 Section 811 Project Rental Assistance Model Lease, Form HUD-92236-PRA
- Exhibit 12 Grantee Addendums

Exhibit 1 of the Cooperative Agreement

DEFINITIONS

[NOTE: The definitions below are applicable to the Section 811 Project Rental Assistance program (811 PRA) 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 document.]

- A. Administrative Costs are allowable at a rate of no more than eight (8) percent of the rental assistance Grant amount awarded, unless approved by HUD. These funds may be used for planning and other costs associated with developing and operating the Section 811 PRA program, including infrastructure and technology needed to operate the program and costs incurred after applicant's receipt of an Award Letter from HUD and before the execution of the Cooperative Agreement. The costs can include both direct and indirect costs. 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 NOFO.
- B. Agreement means the Cooperative Agreement, Exhibits, and Addendum(s), if any, and any amendment to the documents.
- C. Annual Income as defined in 24 CFR part 5.
- D. 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).
- E. 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.
- F. Contract Administrator may mean Grantee's designated entity to administer the 811 PRA.
- G. Contract Rent means the total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Units.
- H. 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.
- I. Safe, Habitable Dwelling means such housing that meets the physical condition requirements of 24 CFR part 5, subpart G.

- J. 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 Grantee's program. The target population can be revised with HUD approval.
- K. Eligible Families will have the same meaning as "Eligible Tenant".
- L. Eligible Multifamily Properties means any new or existing property owned by a nonprofit, public, or a private entity with at least 5 housing units. Financing commitments have been made by the Eligible Applicants or any housing agency currently allocating: LIHTC under Section 42 of the Internal Revenue Service Code of 1986 (IRC) or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships Act (HOME); and/or 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 Funds are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term (longer than 6 months), project-based operating housing subsidy, such as assistance under Section 8, within a six-month period prior to receiving 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 Rental Assistance Payments.
- M. Eligible Tenants means Eligible Applicants who are being referred to available Assisted Units in accordance with a Grantee's Inter-Agency Agreement and from whom community-based, long-term care services are available at time of referral. Such services are voluntary; referral will not be based on tenant's willingness to accept or not accept such services.
- N. 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 CFR § 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.
- O. Grant means the funds made available by HUD to Grantee for purposes of providing long-term rental supportive rental assistance for Eligible Tenants. The Grant will fund the difference between the Contract Rent and the Tenant Rent for the Assisted Units. The term "PRA Funds" will have the same meaning as Grant.

- P. Grantee means the applicant selected by HUD under a Section 811 PRA (PRA) Notice of Funding Opportunity to administer the Section 811 PRA program, or any successor program. Grantee will be a state housing agency or other appropriate entity, as approved by HUD.
- Q. HUD means the Department of Housing and Urban Development.
- R. 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 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. Resident participation in any available supportive services is voluntary.
- S. Notice of Funding Opportunity (NOFO) means the Fiscal Year _____ Project Rental Assistance Program of Section 811 Supportive Housing for Persons with Disabilities NOFO published on _____.
- T. Owner means the nonprofit, public, or for-profit entity which owns the Eligible Multifamily Property.
- U. Persons with Disabilities has the same meaning as defined under 42 U.S.C. § 8013(k)(2) and will also include the following, as found in 24 CFR § 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.

The definition of Persons with Disabilities is different for civil rights purposes. For civil rights protections, Persons with Disabilities shall have the meaning provided in Section 504 of the Rehabilitation Act (24 CFR § 8.3), the Fair Housing Act (24 CFR § 100.201), and the Americans with Disabilities Act (28 CFR § 35.108).

- V. Program Requirements means NAHA, the statutory requirements under a successor program, the NOFO, 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.
- W. Rental Assistance Payments means the payment made by 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.
- X. Rental Assistance Contract (RAC) is the contract (form HUD-92235-PRA and form HUD-92237-PRA), as prescribed by HUD, between Grantee and the Owner of the property which sets forth the rights and duties of the parties with respect to the assisted units in the property.
- Y. Target Population means the specific group or groups of Eligible Applicants and Tenants described in Grantee's Inter-Agency Partnership Agreement who are intended to be solely served or to be prioritized under Grantee's Program.
- Z. Tenant Rent as defined in 24 CFR part 5.
- AA. Total Tenant Payment as defined in 24 CFR part 5.

- BB. Utility Allowance has the same meaning as defined in 24 CFR part 5.
- CC. National Standards for the Physical Inspection of Real Estate (NSPIRE). The NSPIRE model prioritizes health, safety, and functional defects over appearance. It implements inspections that better reflect the true physical conditions of the property. The NSPIRE model supports the adoption of sound, year-round maintenance practices. The NSPIRE final rule establishes a new approach to defining and assessing housing quality called the NSPIRE. NSPIRE strengthens HUD’s physical condition standards and improves HUD oversight by aligning and consolidating the inspection regulations used to evaluate “HUD housing” as defined in 24 CFR 5.701(c), across multiple programs. Implementation of the NSPIRE final rule ensures that residents of HUD housing live in safe, habitable dwellings. It also ensures that the items and components located both inside and outside, and within the units of HUD housing are functionally adequate, operable, and free of health and safety hazards.
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The public reporting burden for this collection of information is estimated to average 1 hour 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. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to U.S. Department of Housing and Urban Development, Office of the Chief Data Officer, 2415 Eisenhower Avenue, Alexandria, VA 22314-4684. **Do not send completed forms to this address.** This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. HUD collects this information to assist HUD in determining an applicant's eligibility and capacity to administer Project Rental Assistance Program funds to qualified multifamily rental owners for housing for persons with disabilities consistent with prescribed statutory and regulatory criteria for Direct Endorsement lenders to perform quality control reviews of loans originated by sponsored third party originators and to self-report findings of fraud, material misrepresentation, and other material findings to FHA. HUD uses this information to evaluate applications and make selection recommendations. This information is required, under Pub L. 111-374. This information collected will not be held confidential.