

**FEMA-HUD  
INTERAGENCY AGREEMENT**

**TERMS AND CONDITIONS**

**IAA Number HSFEHQ-07-X-0249**

**1.0 GENERAL DESCRIPTION OF AGREEMENT**

These Terms and Conditions and the attached Statement of Work constitute an Interagency Agreement (IAA) between the requesting agency, Federal Emergency Management Agency (FEMA)/U.S. Department of Homeland Security (DHS), and the servicing agency, U.S. Department of Housing and Urban Development (HUD). Under the parameters of the FEMA-HUD Disaster Housing Assistance Program (DHAP), local Public Housing Agencies will be awarded grants from FEMA to administer the Program. FEMA will provide resources for up to 18 months of rental assistance and case management services for approximately 45,000 families as determined by FEMA at a total estimated cost of \$565 million (see Appendix A). Funding for this program is the sole responsibility of FEMA. This agreement shall be effective on the award/effective date, and shall remain in effect until 30 September 2008, with the option to extend this IAA to March 1, 2009 based on mutual agreement of the parties, unless terminated in accordance with Termination provisions of this agreement. FEMA will provide funds from the disaster relief fund (DRF) to HUD to administer DHAP. The total duration of the Payable IAA, including the exercise of any options shall therefore not exceed March 1, 2009. Both parties reserve the right to extend, for one additional year, for program completion and close-out.

**2.0 PURPOSE**

The parties enter into this IAA in order that HUD, which has the expertise in administering various federal housing programs, may design, implement, and administer on behalf of FEMA a pilot grant program called Disaster Housing Assistance Program to provide temporary long-term housing rental assistance and case management to identified individuals and households displaced by Hurricanes Katrina and Rita.

**3.0 LEGAL AUTHORITIES**

Legal authority for DHAP is based on the Department of Homeland Security's general grant authority under section 102(b)(2) of the Homeland Security Act, 6 U.S.C. § 112, and sections 408(b)(1), 426 and 306(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. § 5174(b)(1), § 5189d and § 5149(a), respectively.

Legal authority to enter into this agreement is based on the Economy Act, 31 U.S.C. § 1535. As set forth in the attached Determination and Finding pursuant to 48 CFR 17.503, it is in the best interest of the government to enter into this interagency acquisition, under the Economy Act, for the purposes of administering the DHAP program. These administrative services cannot be obtained as conveniently or economically by

contracting directly with a private source. Further, should HUD determine that it is appropriate to enter into contracts in furtherance of its administrative responsibilities under this program, HUD and FEMA agree that HUD has capabilities and expertise to enter into such contracts which are not available within FEMA. HUD and FEMA also agree that HUD has currently existing supply or service contracts, entered into prior to this agreement; and HUD may rely upon such existing supply or service contracts for supplies or services that are the same or similar to those required by HUD in the performance of its responsibilities under this agreement. HUD has reviewed the legal opinion provided by FEMA which provides the legal authority for HUD's responsibilities as further described in this IAA, and HUD concurs with the legal opinion.

#### 4.0 DEFINITIONS

For purposes of this IAA, the following definitions apply:

Contracts: For purpose of this agreement, the means by which HUD may acquire property or services for the direct benefit or use of HUD in the administration of DHAP

Housing Choice Voucher Program: The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Disaster Housing Assistance Program (DHAP) : As used in this agreement, DHAP is defined as the pilot federal housing assistance program whereby HUD is designing, implementing, and administering direct rental assistance and case management services, pursuant to the issuance of a presidential declaration of a major disaster relating to Hurricanes Katrina and Rita, to respond to disaster-related housing needs of individuals and households who are displaced from their pre-disaster primary residences or whose pre-disaster primary residences are rendered uninhabitable as a result of damage caused by the disaster.

Disaster Voucher Program: The DVP provides temporary rental assistance for certain HUD-assisted and special needs/homeless families displaced as a result of Hurricanes Katrina and Rita.

Grants: For purpose of this agreement, the mechanism by which funds will be provided to Public Housing Authorities (PHAs) so that the PHAs may administer DHAP and provide direct rental assistance and case management services for the benefit of FEMA qualified individuals and families

Inter-Agency Agreement (IAA): A written agreement entered into between two Federal Agencies, or major organizational units within an agency, which specifies the goods to be furnished or tasks to be accomplished by one agency (the servicing agency) in support of the other (the requesting agency).

Real-Estate Owned (REO) HUD Properties: A 1 to 4 unit residential property acquired by HUD as a result of a foreclosure action on an FHA-insured mortgage. HUD becomes

the property owner and offers it for sale to recover the loss on the foreclosure claim. REO properties were rented to evacuees displaced by Hurricane Katrina, Rita or Wilma.

Requesting/Receiving Agency: The Federal Emergency Management Agency (FEMA) of the U.S. Department of Homeland Security (DHS) is the requesting agency for this agreement.

Servicing Agency: The U.S. Department of Housing and Urban Development (HUD) is the servicing agency for this agreement to assist in administering the grants that FEMA enters into with the PHAs.

Public Housing Agencies (PHAs): Refers to those organizations, as used in the U.S. Housing Act of 1937, 42 USC § 1437a.

## **5.0 RESPONSIBILITIES**

FEMA/HUD responsibilities include the following:

5.1 FEMA will create a pilot grant program pursuant to the Department of Homeland Security's general grant authority under Section 102(b)(2) of the Homeland Security Act for purposes of establishing the Disaster Housing Assistance Program no later than June 30, 2007 and in accordance with all legal and regulatory requirements. This program will allow FEMA to provide housing assistance and case management services to individuals and households through grants to parties other than individuals and households such as PHAs.

5.2 HUD shall develop, subject to FEMA approval, the Grant Agreement which will be used by PHAs to govern the use of the grant funds. The Grant Agreement will acknowledge HUD's right to administer and enforce the provisions under this IAA, the Standard Operating Procedures, and the Grant Agreement. HUD shall detail a grant manager and a back-up grant manager to FEMA both of which shall be given the authority to sign grant agreements on FEMA's behalf. These two full-time staff shall be located in the HUD building in order to expedite the grant process with PHAs.

5.3 FEMA shall make initial determinations of program eligibility and provide HUD with the names of eligible families no later than the date of this IAA. FEMA will continue to make such eligibility determination after the November 1, 2007 transition date and provide HUD with the names of eligible families, as required by HUD. Any families currently assisted under the Disaster Voucher Program (DVP), as permitted by law, excluding families previously assisted under the Housing Choice Voucher Program, shall be considered eligible once the DVP expires. In addition, families residing in HUD provided REO properties shall also be eligible for the program.

5.4 FEMA has provided 15 days notice to Congress for the creation of this pilot grant program and any reprogramming of funds, pursuant to General Provision 503 of the Department of Homeland Security FY07 Appropriations Act (P.L. 109-295).

5.5 HUD will, under the terms of this interagency agreement, have the authority to design, implement, and administer the new grant program. HUD is hereby authorized to prepare and present to FEMA for FEMA approval, the Grant Agreement and a list of

grantees (PHAs) which will implement the program locally. HUD shall develop and execute, as needed, all documents necessary to implement the DHAP.

5.6 In the event that any PHA is unwilling or unable to accept grant funding, HUD will designate another intermediary agency with the ability and legal capability to accept and administer the DHAP assistance on behalf of individuals and households.

5.7 HUD will operate this program in accordance with Standard Operating Procedures (SOPs) developed by HUD and which shall be submitted to FEMA for approval by July 27, 2007. The SOPs will include HUD's provision of rental assistance as well as case management. HUD may make substantive changes to SOPs during the course of the program, but must obtain approval from FEMA with regard to any significant substantive changes. FEMA will not unreasonably withhold approval. As the SOPs are critical to the timely and successful operation of this program, the parties agree that FEMA's lack of response within 10 days of initial submission of the SOPs or the notification of proposed changes shall be deemed approval by FEMA.

5.8 No later than July 27, 2007, FEMA will obligate to HUD the initial \$9.95 million for the first 12 months of HUD's administrative costs and shall obligate to HUD the additional \$4.82 million no later than July 21, 2008. HUD's administrative costs will include but not be limited to, salaries and benefits, overtime, travel, communications, equipment, Information Technology, and other related services associated with the administrative needs of the program whose estimated cost will be approximately \$14.773 million (see Appendix A).

5.9 By July 27, 2007, FEMA/DHS will make available from the DRF up to \$214.3 million (see Appendix A) in grant funds (including funds for HUD start-up administrative costs) to cover housing assistance payments for approximately 30,000 initial families referred to DHAP during the first four months of the grant. This initial funding will also cover PHA administrative fees for the 16 month period starting November 1, 2007, PHA conversion fees, and case management services for the 6 month period starting September 1, 2007 for eligible families thru February 28, 2008. FEMA will also provide any additional necessary funding in the same manner described herein for additional families determined eligible by FEMA after the November 1, 2007 transition date. FEMA/DHS will then obligate sufficient additional grant funds to fully fund and continuously extend all grant agreements in at least 3-month (quarterly) increments in advance of payments due to PHAs. FEMA's funding will enable the PHAs to provide seamless coverage to all qualifying families for the entirety of the program until March 1, 2009, subject to the availability of funds. All modifications to grant agreements shall also be subject to HUD approval.

5.10 After FEMA has obligated the funds to the PHAs, HUD will execute the applicable disbursements to the PHAs through HUD's payment system. HUD, under its Agency Location Code (ALC), will request payment by the Department of the Treasury on behalf of FEMA. The payments by the Department of the Treasury will be credited against the appropriate FEMA Treasury Account Symbol (TAS). HUD will provide to FEMA, on a monthly basis, necessary detail to enable FEMA to properly reconcile the disbursements against the obligations FEMA previously recorded.

5.11 FEMA shall retain responsibility for meeting the financial reporting requirements for the overall program in FEMA's financial statements. HUD shall be responsible for monitoring the financial and performance reporting of all grantees.

5.12. HUD will provide to FEMA at a minimum the following documents to meet DHS' financial reporting and audit requirements:

- a. Organization Chart and listing of appropriate personnel (including phone numbers and email) to update grant process documents
- b. Copies of Grant Administration SOPs
- c. Monthly electronic file of grant disbursements
- d. Monthly electronic file of grant accounts payable
- e. Monthly electronic file of grant accruals
  - i. Validation of the Estimate
- f. Monthly electronic file of grant receipts
- g. Monthly electronic file of grants that are financially closed
  - i. At minimum
    1. Grant number
    2. Program number
- h. Quarterly electronic program status reports in data files shall be provided within 21 calendar days after the end of every quarter starting with the December 31, 2007 quarter and shall include:
  1. A list of those applicants housed by name and FEMA registration ID. Upon FEMA's request, HUD shall provide the applicant address, landlord information, rent amount for each applicant, and which PHA or other third party that is paying the rent. Also, a listing of DVP families transferred over after conclusion of the DVP program
  2. A list of applicants no longer being housed by name and FEMA registration ID, the ending date of their assistance, and the reason why their assistance discontinued.
  3. Management Summary reports on case management outputs and resident outcomes reported to HUD by the PHAs.
- i. A list of troubled PHAs, as determined through the Single Audit under OMB Circular A-133 and other administrative measures performed by HUD's Public Housing Assessment System (PHAS) and Section Eight Management Assessment System (SEMAP), on a quarterly basis.
- j. In addition to the item detailed a through i, HUD agrees to provide information to FEMA required for its annual audited financial statements, the Improper Payment Act, the OMB Circular A-123 requirements, and any other OMB reporting requirements

5.13 HUD shall develop and provide to FEMA the necessary waivers from existing federal requirements, both grantee requirements and requirements of the federal agency, necessary to implement DHAP, in accordance with the SOPs, to be submitted to the Office of Management and Budget by FEMA for approval. These waivers shall be to more closely align DHAP with the disaster voucher programs managed by HUD. The justification for these waivers is that the DHAP is substituting one complete oversight and compliance framework for another that has been well tested and well received under HUD's implementation of current programs to the PHAs. This IAA is contingent upon

OMB approval of the requested waivers. HUD is responsible for compliance with all Federal grant requirements on the Federal Agency that OMB does not waive.

## **6.0 PUBLICITY**

The parties agree to coordinate all public statements and other disclosures with regard to the IAA. The parties further agree that no party to the IAA may enter into any publicity regarding the IAA unless it has consulted with the other party in advance and received prior agreement regarding the form, timing and contents of any such publicity, announcement or disclosure. HUD shall provide FEMA timely program information, points-of-contact for referrals, and "canned" public statements for FEMA to use in responding to public inquiries, including from applicants and landlords.

## **7.0 AMENDMENT/MODIFICATION**

This agreement may be formally amended or modified in writing by the mutual agreement of the parties.

## **8.0 CANCELLATION/TERMINATION**

This agreement may be terminated by either agency by giving the other agency at least 60 calendar days advance written notice in order to provide each agency time to adjust their planning and budgeting. Should this agreement terminate, HUD shall return to FEMA all unobligated funds made available for HUD administrative costs subject to final settlement.

## **9.0 OPTION TO EXTEND SERVICES/TERM OF THE AGREEMENT**

The requesting agency may exercise the option identified in Section 1.0 by written notice to the servicing agency provided that the requesting agency shall give the servicing agency a preliminary written notice of its intent to exercise the option at least 90 calendar days before the agreement expires. The preliminary notice does not commit the requesting agency to an extension. Exercise of options shall be contingent upon the continued need for the services and the availability of funding for the next fiscal year.

## **10.0 REGULATIONS**

There are no promulgated programmatic regulations for this new pilot grant program.

## **11.0 LITIGATION LIABILITY**

FEMA is responsible for defending against all litigation related to the program where that litigation arises from alleged acts or omissions that occurred after the effective date of this agreement, if that litigation is based entirely upon alleged acts or omissions of FEMA, including but not limited to, determinations of participant eligibility.

HUD is responsible for defending against all litigation founded upon or related to the program where that litigation arises from acts or omissions that occurred after the effective date of this agreement, where that litigation is based entirely upon alleged acts

or omissions of HUD. In litigation that HUD defends, FEMA will provide all necessary support to HUD, including but not limited to, full and timely access to FEMA documents and FEMA personnel. Similarly in litigation where FEMA defends, HUD will provide all necessary support to FEMA, including but not limited to, full and timely access to HUD documents and HUD personnel. FEMA will reimburse HUD for all reasonable litigation costs incurred by HUD, including but not limited to costs for document reproduction, deposition transcripts, court transcripts, attorney fees, attorney travel costs, services of a litigation support contractor, and the costs of expert witnesses. This provision recognizes that DOJ may pay judgments, litigation costs, expert witness fees and other litigation expenses from the judgment fund and does not contemplate reimbursement to HUD for costs paid by the DOJ. FEMA's responsibility to reimburse HUD's litigation costs is in addition to any other monetary obligations created by this agreement.

FEMA is solely responsible for the satisfaction of any and all judgments in all litigation related to the program, including but not limited to costs, interest, and attorney fees. FEMA's responsibility to satisfy judgments and pay costs, interest, and attorney fees specifically includes cases that were defended by HUD. This obligation may be met by payment from FEMA or by payment from the judgment fund where appropriate. FEMA's responsibility to satisfy judgments and pay costs, interest, and attorney fees is in addition to any other monetary obligations created by this agreement.

Personnel actions, including actions before the MSPB, EEOC, Office of Special Counsel, or any other administrative tribunal or court brought by a HUD employee or contractor are not considered litigation related to or arising out of this IAA.

## **12.0 PROGRAM ADMINISTRATIVE NOTICE**

FEMA shall issue and publish in the Federal Register, no later than August 10, 2007, a Notice setting forth the obligations and rights of participants in this new program. The Notice shall also include a description of, and authority for, the program and shall further set forth in the Notice that HUD, as a servicing agency, derives all authority under the program from FEMA and that any and all actions originate from FEMA's authority. The rights and obligations described in the Notice shall include description of the \$50 per month per family incremental, rent-transition decrease, beginning March 1, 2008, excluding elderly and disabled families. It shall also explain that: 1. All eligible tenants wishing to participate in this extended assistance must execute a lease addendum setting forth the new obligations to receive the benefits of the extension of this program; and 2. Current owners wishing to participate in this program must execute a contract addendum setting forth the new obligations to receive the benefits of the extension of this program.

HUD shall issue and publish in the Federal Register, no later than August 17, 2007, a Notice setting forth the operating requirements of the DHAP program along with the necessary contract and lease addendums to be used by PHAs participating in the program.

## **13.0 DISPUTES**

Nothing in this agreement is intended to conflict with current requesting agency, servicing agency or Treasury directives. However, should disagreement arise as to the interpretation of the provisions of this agreement that cannot be resolved among the requesting and servicing agencies' Contracting Officers and Government Technical

Monitors, the area(s) of disagreement will be reduced to writing by each agency and presented to the authorized officials at the respective agencies for resolution. If settlement cannot be reached at this level, the disagreement will be raised to the next level for oversight in accordance with servicing agency and requesting agency procedures for final resolution.

#### **14.0 FUNDING**

Not later than July 27, 2007, or as otherwise modified by written agreement of the parties, as set forth in the attached DHS-Form 710-1A and program budget, the requesting agency shall obligate the amount stated in Clause 5.8 above to the servicing agency for agency administrative expenses. The servicing agency is limited to actual costs only. The availability of funds provided under this agreement will be no-year.

The servicing agency shall make no other commitments or expenditures beyond 100% of funds made available under this IAA and shall obligate and expend any funds received under this IAA for the specified purposes only.

#### **15.0 PROPERTY**

Non-expendable property purchased from funds supplied under this agreement shall become an asset of the Requesting Agency unless otherwise agreed to in writing by both agencies. Purchase of equipment that is required for performance of the work must be authorized under this IAA.

#### **16.0 DURATION OF IAA**

The total duration of this IAA, including the exercise of any options shall not exceed March 1, 2009 and provide for an additional one year for grant close out purposes. FEMA's exercise of its option under this agreement shall be contingent upon the continuation of the need for the next fiscal year and availability of funding.

#### **17.0 BILLING/PAYMENT TERMS FOR HUD ADMINISTRATIVE COSTS**

Payment and collections for HUD administrative expenses shall be handled through the Intra-governmental Payment and Collection (IPAC) system. The Payable IAA number, the Agency Locator Codes, appropriate accounting code(s), and associated dollar amounts must be referenced on all IPAC transactions. The servicing agency shall provide documentation supporting all charges to the requesting agency's TM on a monthly basis.

##### Required Treasury Fields

ALC Transaction Contact (Technical COTR/POC)

Contact Phone

Purchase Order Number

Invoice Number

Sender's Treasury Account Symbol

Receiver's Department Code

Obligating Document Number (FEMA's)

Sender's SGL Transaction

Transaction Description filed should identify if advance or disbursement



	FEMA	HUD
Common Agreement Number	HSFEHQ-07-X-0249	HSFEHQ-07-X-0249
Treasury Account Symbol	70X0702	86X0143
Business Partner Network or DUNS	03-775-1583	042080940
Business Events Type Code		DISB

New IPAC transactions will not be initiated or accepted during the last three business days of the month. Only adjustments entered or charged will be accepted. Additionally, the receiving agency has the right to reverse any transaction that does not contain the required information referenced above or exceeds authorized funding.

Both agencies agree to comply with the applicable intragovernmental business rules prescribed in Treasury Financial Manual, Vol I, Bulletin No. 2007-03, promptly discussing and resolving issues and questions regarding payments and reconciliation of intergovernmental transactions. The servicing agency will promptly initiate year end and closeout adjustments, as appropriate, once final costs are known.

#### **18.0 REPORTING REQUIREMENTS FOR HUD ADMINISTRATIVE EXPENSES**

HUD shall provide to FEMA quarterly financial status reports. HUD shall also maintain records relating to expenditures in sufficient level to allow identification of the nature of the expenditures made and HUD representatives shall make these records available for inspection.

- a. Quarterly financial status reports shall include work performed and administrative funds remaining and unexpended for all funding provided under this IAA. Quarterly status reports shall be provided by the third workday after the end of each Federal fiscal year quarter in which services were provided under this IAA or until services under the IAA are no longer needed, whichever is sooner.
- b. A final financial status report shall be provided no later than 180 days after the completion of this IAA.

#### **19.0 PROJECT COMPLETION AND CLOSE-OUT**

When the servicing agency has completed performance under this agreement, the servicing agency will provide a written project evaluation and final accounting of project costs to the requesting agency's Contracting Officer/ Government Technical Monitor. The servicing agency account will then be closed and any remaining funds will be returned to the requesting agency immediately. After final accounting, the remaining balance in the project account will be de-obligated by Payable IAA modification.

This IAA expires no later than March 1, 2009 except for the additional one year close-out period.

## **20.0 AGENCY POINTS- OF- CONTACT**

### **FEMA POC**

Donna Dannels  
Director, Individual Assistance Division  
Disaster Assistance Directorate  
Federal Emergency Management Agency  
U.S. Department of Homeland Security  
500 C St., SW, Room 622  
Washington, DC 20472  
202-646-3662  
[Donna.Dannels@dhs.gov](mailto:Donna.Dannels@dhs.gov)

### **HUD POC**

David A. Vargas  
DHAP Government Technical Monitor (GTM)  
Director  
Office of Housing Voucher Programs, PIH  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW, Room 4206  
Washington, DC 20410  
202-402-6192  
[David.Vargas@hud.gov](mailto:David.Vargas@hud.gov)

## **21.0 ACCESSIBILITY OF ELECTRONIC AND INFORMATION TECHNOLOGY**

Each Electronic and Information Technology (EIT) product or service furnished under this agreement shall comply with the Electronic and Information Technology Accessibility Standards (36 CFR Part 1194), which implements section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794d). Unless otherwise agreed to in writing by both parties, any IT equipment purchased by HUD in support of this IAA shall become the property of FEMA upon conclusion of this IAA.

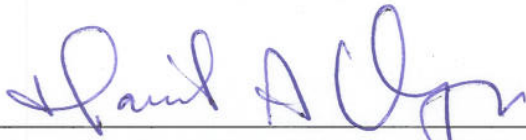
**AUTHORIZED SIGNATURES**

**FOR HUD:**



\_\_\_\_\_  
KEITH W. SURBER, CONTRACTING OFFICER, HUD

DATE 7/26/07



*For* \_\_\_\_\_  
MILAN M. OZDINEC, DEPUTY ASSISTANT SECRETARY,  
OFFICE OF PUBLIC AND INDIAN HOUSING

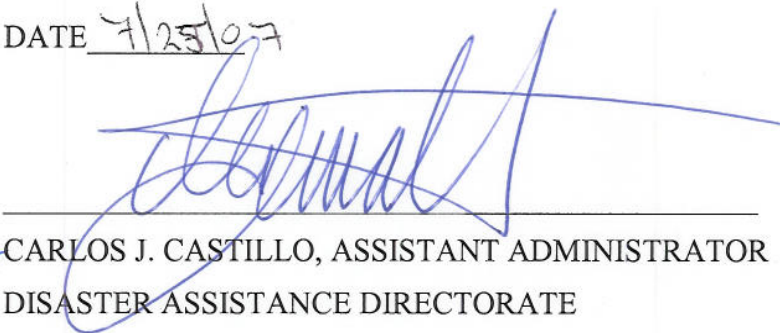
DATE 7/25/07

**FOR FEMA:**



\_\_\_\_\_  
NANCY GUNDERSON, CONTRACTING OFFICER, FEMA

DATE 7/25/07



*For* \_\_\_\_\_  
CARLOS J. CASTILLO, ASSISTANT ADMINISTRATOR  
DISASTER ASSISTANCE DIRECTORATE

DATE 7/25/07