

Oak City Affordable Communities, Inc.

The proposed lease agreement is for residents who will reside in RHA public housing communities converted to Project Based Vouchers. The proposed lease was presented on the Board of Directors' agenda for review. The lease will be put out for public comment. Comments received and the proposed lease will be presented for final Board approval on October 28, 2021. The final approved lease will need to be signed by each head of household, and will go into effect on the RAD conversion date applicable to each development.

RESIDENTIAL LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into between Berkshire Village, LLC or Terrace Park, LLC or Meadowridge, LLC or Valleybrook Housing, LLC ("Owner"), acting through its managing agent Raleigh Housing Authority (RHA), ("Landlord" or "Management") and the Resident(s) identified in Part A, Section 2 of the attached Tenancy Addendum ("Resident").

1. Lease Documents. The Lease consists of three documents:

- a. **This Residential Lease Agreement**, which includes specific provisions required for the Rental Assistance Demonstration - Project Based Voucher program in Paragraph 10, below; and
- b. **Section 8 Project-Based Voucher Program Statement of Family Responsibility** (form HUD-52578b); and
- c. **Tenancy Addendum - Section 8 Project-Based Voucher Program - Parts A and B** (Form HUD 52530.c), which is incorporated by reference as though fully set forth herein.

2. Key Lease Terms. The key Lease terms (name of resident, unit leased, authorized household members, initial lease term, initial resident rent, etc.) are set forth in Part A of the attached Tenancy Addendum.

3. Security Deposit. The Resident agrees to pay a security deposit in the amount equal to one (1) month's gross rent, but not less than \$500.00. Accordingly, Resident hereby agrees to pay a deposit of \$_____ against any damage except normal wear and tear done to the premises by the Resident, his/her family, guests or agents. The security deposit will be applied toward unpaid rent, maintenance, utility and/or any other remaining charges after Resident has vacated the unit. Owner, may, at its own option, permit gradual accumulation of the security deposit from the Resident. The security deposit is held at:

_____Raleigh, North Carolina 27_____.

4. RENTAL PAYMENT: Resident shall pay monthly rent and other charges payable to _____ owner _____ as they become due. Rent is due and payable in advance the first business day of each month. If Resident fails to make the rent payment in full by the fifth business day of the month, a Legal Notice of Termination will be issued to the Resident.

- A. During the first five (5) business days of the month, payments will be accepted in the form of check or certified funds. After the fifth business day, payments will be accepted by certified funds only.
- B. A \$15 late charge will be assessed to cover the added costs of a rent payment received after the fifth business day of the month.
- C. A check returned for non-sufficient funds shall be considered non-payment of rent and in addition to the late charge a \$25 returned check fee will be charged. However, after the first instance of a returned check for rent payment by the Resident, Management reserves the right to refuse to accept rent payment in the form of a check and require payment in the form of a money order or cashier's check.
- D. Rent should be submitted to the on-site property management office or paid online to the account number and website provided. Residents are responsible for applicable fees.

5. Other Charges. In addition to rent and the charges set forth elsewhere, the Resident will be charged for maintenance and repair of the leased premises beyond normal wear and tear, and for retroactive rent

resulting from Resident's failure to report any increase of household income. The costs assessed for maintenance and other charges shall not become due and collectible until thirty (30) days after management provides written notice of the charges to the Resident. A \$15 late charge will be assessed on any unpaid balance, including unpaid maintenance charges.

6. Utilities. Owner agrees to furnish utilities or utility allowances to the Resident in accordance with the schedule which is posted in the management office. The Authority will not be liable for failure to supply utility services for any cause whatsoever beyond its control. The Raleigh Housing Authority shall give notice to the Resident of proposed allowances, scheduled surcharges, and revisions no less than 60 days before the proposed effective date. Utilities are to be in the Resident's name at move-in and must be maintained in service continually throughout the term of occupancy. This lease is subject to termination if Landlord determines that the Resident is not residing in the unit as required by this lease or has allowed the discontinuance of utility services, which renders the unit uninhabitable.

7. Unit Size Transfer. If Resident's family size is or becomes lower than the minimum allowed under the Raleigh Housing Authority Administrative Plan for the bedroom size leased to Resident, then Resident understands that a transfer to an appropriately sized unit will be required at Resident's expense, when such a unit becomes available in the development where Resident resides.

8. Exclusive Use and Occupancy. The Resident shall have the right to exclusive use and occupancy of the leased premises. "Guest" means a person visiting in the leased unit with the consent of a household member. Any adult not included on the HUD form 50058 who has been in the unit more than 14 calendar days (including weekends) within a 12-month period without the PBV contract administrator, RHA's approval will be considered living in the unit as an unauthorized household member. Failure to obtain prior approval is a serious violation of the Lease and is grounds for termination of the Lease.

With prior written consent of the Management, the head of household or any adult member of the household may engage in legal profit-making activities in the unit, where Management determines that such activities are incidental to the primary use of the unit for residence by members of the household. All income must be reported to the PBV contract administrator, RHA.

By signing this Lease and the Unit Inspection Report, the Resident acknowledges that the dwelling unit is safe, clean and in good condition, and that all appliances and equipment in the dwelling unit are in good working order as described on the move-in Unit Inspection Report.

The Resident and those listed on the Lease as household members shall personally use and occupy the leased premises solely as their private dwelling for him/herself and shall not sublet or assign the leased premises or any part thereof. No person may establish residency without the prior written consent of the Housing Authority.

9. Owner's Obligations. The Owner agrees to do the following:

- A. To maintain the premises and the development in decent, safe and sanitary condition.
- B. To comply with requirements of applicable building codes, housing codes, and HUD regulations materially affecting health and safety.
- C. To make necessary repairs to the premises.
- D. To keep development buildings, facilities and common areas, not otherwise assigned to the Resident for maintenance and upkeep, in a clean and safe condition.
- E. To maintain in good and safe working order and condition, electrical, plumbing, sanitary, heating, ventilation, and other facilities and appliances, supplied or required to be

- supplied by the Raleigh Housing Authority. The Owner will provide a cooking range and refrigerator.
- F. To provide and maintain appropriate receptacles and facilities (except containers for exclusive use of an individual Resident family) for the deposit of garbage, rubbish and other waste removed from the premises by the Resident in accordance with requirements of this Lease.
 - G. To provide a vermin control program which shall include application of vermin control substances by the Landlord's agent as needed and/or to provide vermin control substances and applicators to the Resident.
 - H. To supply running water and reasonable amounts of hot water and reasonable amounts of heat at appropriate times of the year (according to local custom and usage) except where the building that includes the dwelling unit is not required by law to be equipped for that purpose or where heat or hot water is generated by an installation within the exclusive control of the Resident and supplied by a direct utility connection.
 - I. To ensure heating system shall be of sufficient capacity so as to heat all habitable rooms, bathrooms and water closet compartments in every dwelling unit to which it is connected during ordinary winter conditions.
 - J. To notify the Resident of the specific grounds of any adverse action or any proposed adverse action. (Such adverse action includes, but is not limited to, proposed lease termination, transfer, repair or maintenance charges).
 - K. To provide reasonable accommodation to the extent necessary to provide disabled persons an opportunity to use and occupy a dwelling unit equal to that available to a non-disabled person. At any time during the tenancy the Resident may request reasonable accommodation of a disabled household member, including reasonable accommodation so that the Resident can meet lease requirements or other requirements of tenancy.
 - L. To assist Residents who are victims of domestic violence, sexual assault, dating violence, or stalking in accordance to the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA). Residents will be provided the Notice of Occupancy Rights under the Violence Against Women Act and a certification form prior to or at the time of move-in, and with any initial notification of eviction or termination of assistance."

10. Obligations of Resident. The Resident agrees:

- A. To pay the monthly rent and other charges on or before the first business day of the calendar month. Rent will not be considered late until after the fifth business day of the month and must be received by Owner on or before the fifth business day of the month. There will be a late charge assessed monthly after the due date for any delinquent balance owed to the Owner. Acceptance of partial rent and other charges due or late payments does not create a custom nor constitute a waiver of resident obligation to pay on time. The Owner's acceptance of such payments shall not constitute a waiver of the Resident's breach; nor cancel any Notice of Intent to Terminate.
- B. To pay monthly installments as due. Failure to pay will result in acceleration of the due date of the outstanding balance and the outstanding balance is due immediately upon demand. Failure to pay is cause for termination.
- C. To report in writing to the management office any and all extended absences of any household member that is expected to be greater than 30 calendar days, changes or new information and certifications regarding family composition and income within thirty (30) days for the Raleigh Housing Authority to make determinations with respect to rent, eligibility, and the appropriateness of dwelling size.

- D. To use the dwelling unit solely as a private dwelling for the Resident and members of the Resident's household as identified in this Lease ("authorized occupants") and not to permit use of the dwelling unit for any other purpose including business and commercial purposes, except as provided in Section 8 of Lease.
- E. To prevent any member of Resident's household, guests, or other persons under Resident's control from engaging in unlawful activity, including violent or drug related criminal activity in the dwelling unit or on or off Housing Authority property.
 - 1. Drug related criminal activity means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance, as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).
 - 2. No use, distribution or possession of illegal drug substances or paraphernalia is permitted on or off the premises.
 - 3. Alcohol abuse that the landlord determines interferes with the health, safety, or right to peaceful enjoyment of the premises by other Residents is cause for termination of the Lease. In deciding to evict for criminal activity, the Housing Authority shall have discretion to consider all of the circumstances of the case, including the seriousness of the offense, the extent of participation by family members, and the effects that the eviction would have on family members not involved in the proscribed activity.
 - 4. Resident must not allow trespassed individuals into the dwelling unit or on any property owned or managed by Raleigh Housing Authority. If the Resident or members of the household allow such trespassed individuals into the dwelling unit or on the property, such action will be considered a material and serious violation of the Lease and may result in termination of the Lease. In the event a trespassed individual tries to enter the premises, the Resident must call the police to report the intrusion. The Raleigh Housing Authority will maintain a list of trespassed individuals.
 - 5. Resident must not display or discharge any firearms or any other dangerous weapons on or near the property.
 - 6. Criminal activity directly relating to domestic violence, sexual assault, dating violence, or stalking, engaged in by a member of a Resident's household or any guest or other person under the Resident's control, shall not be cause for termination of the tenancy or occupancy rights, if the Resident or immediate member of the Resident's family is a victim of that domestic violence, sexual assault, dating violence, or stalking.
- F. To conduct himself/herself and cause other persons who are on the premises with the Resident's consent to conduct themselves in a manner which will not disturb the neighbors' peaceful enjoyment of their accommodations.
- G. Not to engage in any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other Residents, Owner, Raleigh Housing Authority employees, or their Board members.
- H. To abide by and to cause his/her authorized occupants, and visitors to abide by necessary and reasonable rules declared by the Owner and Raleigh Housing Authority for the benefit and well-being of the housing development and the Residents which shall be posted in the management office and incorporated by reference in the Lease.
- I. To comply with all obligations imposed upon Resident by applicable provisions of building and housing codes materially affecting health and safety, and to use reasonable care to

keep the dwelling unit in such condition as to ensure proper health and sanitation standards for Resident, household members, and other guests. Resident shall notify the landlord immediately (or as soon as reasonably practicable) of any known need for repairs to the dwelling unit, and of known unsafe or unsanitary conditions including infestations of any kind in the dwelling unit or in common areas and grounds of the dwelling unit. The failure by Resident to promptly report unsatisfactory conditions and failure to comply with treatment measures shall be considered a contributing factor to any damages.

- J. To maintain the inside of dwelling premises and equipment assigned to him/her in a clean, safe and sanitary condition. To keep the exterior, the grounds, porches, canopies and designated roof area assigned to the dwelling unit sanitary and free of trash and debris. Resident further agrees to perform maintenance tasks including, but not limited to:
1. Washing and waxing linoleum floors and washing all other woodwork (i.e., doors, baseboards and trimmings around doors);
 2. Cleaning the walls and ceilings;
 3. Cleaning inside windows and windowsills;
 4. Cleaning and dusting vents;
 5. Cleaning plumbing fixtures (kitchen sink, bathtub/shower and toilet);
 6. Cleaning refrigerator and stove;
 7. Cleaning light globes;
 8. Removing paper, trash and debris from the yard space in front and back of assigned unit;
 9. Washing porches and steps (front and rear);
 10. Maintain the premises in a manner that will prevent the accumulation of moisture and the growth of mold and mildew.
- K. To dispose in plastic bags all garbage, rubbish and other waste from the premises in a sanitary and safe manner, and place all waste materials in appropriate receptacles as provided by the Housing Authority. To refrain from, and cause members of Resident's household or guest to refrain from, littering or leaving trash and debris in common areas.
- L. To take reasonable precautions to prevent fires and not to keep gasoline or any other explosives or highly flammable materials, machinery or equipment containing explosive or flammable materials in the dwelling unit or on the premises, or permit any act or things deemed hazardous by the Landlord which would cause fire or that will increase the rate of insurance on said premises or make void or voidable any insurance on the said premises or buildings. In the event of a Resident caused fire, or other insured peril, Resident agrees to vacate the premises and pay immediately upon demand the lesser amount of the damages or half of the current amount of deductible applicable under the Owner's current insurance policy. Nothing herein shall be interpreted as limiting the Resident's liability for the Resident's negligence.
- M. To maintain sufficient heat and water flow to avoid frozen pipes. In the event of Resident caused damages, Resident agrees to pay immediately upon demand the lesser amount of the damages or half of the current amount of deductible applicable under the Owner's current insurance policy.
- N. To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilation, air- conditioning and other facilities and appurtenances.
- O. To refrain from, and to cause Resident's household guests and/or visitors to refrain from destroying, defacing, damaging, or removing any part of the premises or development.
- P. To pay reasonable maintenance and repair charges (other than for normal wear and tear) for damages to the premises, development buildings, facilities or common areas caused by

the Resident, his/her household members or guests and visitors. The maintenance charge list is posted in each management office. If the charge for an item is not listed, the Resident shall be charged the actual cost the Owner incurred. Failure to pay maintenance charges is cause for termination of the Lease.

- Q. To refrain from and to cause his/her household guests and/or visitors to refrain from keeping pets on the property unless with prior written approval from the Landlord in accordance with the posted Pet Policy. This provision does not preclude any Resident from keeping a service/assistance animal provided the Resident or a member of the Resident's household has provided satisfactory evidence to the Raleigh Housing Authority regarding the need.
- R. Service/assistance animals are allowed in all public housing facilities and Resident agrees to maintain their unit and associated facilities in a decent, safe, and sanitary manner and to refrain from disturbing neighbors. Resident must have prior approval of the Raleigh Housing Authority before moving an animal into the unit in accordance with the Raleigh Housing Authority's policy which is incorporated in this Lease by reference and is posted in the management office.
- S. To remove any personal possessions left on the property when the unit is vacated. Upon management staff receiving surrendered keys to the unit, any possessions left by the Resident may be disposed of immediately by the Owner. If the Resident abandons the unit, the Owner will take legal action to obtain possession of the unit and dispose of its contents in accordance with State law. The same procedures will be followed for any Resident being evicted due to Lease violations.
- T. To refrain from maintaining an unlicensed or inoperable vehicle within the development. Any unlicensed or inoperable vehicle may be removed from any place within the development by the Housing Authority and be placed in storage or otherwise disposed of at the expense of the Resident.
- U. Should a grievance be requested for any disagreement relating to rent and other charges, the disputed amount must be paid by the Resident and will be deposited in escrow subject to the requirements of the Grievance Procedure in the Raleigh Housing Authority's Administrative Plan. If the Resident presents a grievance for any matter not relating to rent, such rent and other charges will be paid by the Resident as they become due during the pendency of the grievance process. The Owner's acceptance of such payments, in escrow or otherwise, shall not constitute a waiver of the Resident's breach; nor cancel any Notice of Intent to Terminate.
- V. Failure or omission of the Owner to terminate this Lease for any cause shall not waive any rights available to the Owner or preclude the right of the Owner to terminate the Lease later for the same or similar causes.
- W. That, if utility allowances are provided by the Raleigh Housing Authority, the Resident will maintain the continuous service of those utilities to the dwelling unit. The Resident must have utilities turned on by the effective date of the Lease. Failure to do so is a serious violation of a material term of the Lease and cause for termination.
- X. Not to make any structural additions or alterations to the leased premises without the prior written authorization of the Owner.
- Y. To submit a thirty (30) day written notice to terminate the Lease. Any resident who fails to provide notice will be held liable for rent, utilities and other charges in accordance with the Lease. Resident shall be responsible for utilities up to the date the unit is surrendered, signified by return of unit keys.
- Z. To notify the Landlord promptly when any repairs to the dwelling, equipment, and/or

vermin control measures are necessary. The Resident is expected to cooperate with treatment efforts and to permit the Housing Authority or its agents or employees to enter his/her dwelling.

- AA. The Landlord may refuse to accept the Resident's offer of payment on the fourth time that the Resident has failed to pay rent and/or other charges during the first five (5) business days of the month within any twelve (12) month period. The Landlord reserves the right to refuse the offer of payment from any Resident after legal proceedings have been initiated.
 - BB. To abide by the Addendums to Lease Agreement which are incorporated into this Lease by reference and which shall be posted in the management office.
 - CC. That the information provided on the application was accurate. If it is determined application information was misleading, incorrect or untrue, the Owner has the right to terminate the Lease.
 - DD. Not to commit fraud in connection with any Federal Program nor to receive assistance for occupancy from any other Federal Housing Assistance Program during the term of this Lease. Commission of fraud in connection with a Federal Program shall constitute a serious violation of a material term of this Lease and is cause for termination.
 - EE. To act in a cooperative manner with neighbors and the Landlord and Raleigh Housing Authority's staff. To refrain from and cause members of Resident's household or guests to refrain from acting or speaking in an abusive or threatening manner toward neighbors, Landlord, Owner's and Raleigh Housing Authority Board, contractors, or service providers.
 - FF. To notify the management office of all current contact information including but not limited to telephone numbers, email addresses, and emergency contacts.
 - GG. Residents are in receipt of the Notice of Occupancy Rights under the Violence Against Women Act (VAWA).
 - HH. To take no action to jeopardize the Owner's federally subsidized project based voucher compliance. Should it be determined that the Resident's continued occupancy, for whatever reason, jeopardizes the Owner's federally subsidized project based voucher compliance, the Resident agrees to voluntarily, after receipt of written notification from the Owner and/or Raleigh Housing Authority, to relinquish residency of their current unit. The Owner will allow the Resident the number of days determined by the Raleigh Housing Authority's notice to accomplish this process.
- II. Resident must notify the Landlord immediately of any evidence of mold.

11. Defects Hazardous to life, health or safety. In the event that the premises are damaged to the extent that conditions are created which are hazardous to life, health or safety of the occupants, the rights and obligations of the Resident and the Owner shall be as follows:

- A. The Resident must immediately notify the Maintenance department through the work order system.
- B. The Owner shall determine if the unit is habitable and if repairs can be made while the unit is occupied.
- C. The cost of repairs shall be charged to the Resident for damages caused by the Resident, Resident's household guests and/or visitors.
- D. The Owner may offer the Resident a replacement dwelling unit, if available, if necessary repairs cannot be made within a reasonable time. The Owner is not required to offer the Resident a replacement unit if the hazardous condition was caused by the Resident, household members, or guests or if the repairs cannot be made while the unit is occupied.
- E. Rent shall be abated in the event repairs cannot be made by the Owner or alternative accommodations are not provided. No abatement of rent shall occur if the Resident rejects

alternative accommodations or if the damage was caused by the Resident, household members, or guests.

- F. If the Owner determines that the dwelling unit is untenable because of imminent danger to the life, health, and safety of the Resident, and alternative accommodations are not available or refused by the Resident, this Lease shall be terminated.

12. Pre- Occupancy and Pre-Termination Inspections. The Owner and the Resident or his/her representative shall be obligated to inspect the premises prior to the commencement of occupancy by the Resident. The Landlord will furnish the Resident with a written statement of the condition of the premises, the dwelling unit, and the equipment provided in the dwelling unit. The statement shall be signed by the Landlord and Resident, and a copy of the statement shall be retained by the Owner in the Resident's file. The Owner shall be further obligated to inspect the unit at the time the Resident vacates the unit and to furnish the Resident a statement of any charges to be made in accordance with the Lease. Provision shall be made for the Resident's participation in the latter inspection, unless the Resident vacates without notice to the Landlord.

13. Entry of Premises During Tenancy. The Landlord may enter the premises during the Resident's possession thereof, under the following circumstance:

- A. The Landlord shall be permitted to enter the dwelling unit during reasonable hours for the purpose of performing routine inspections and maintenance for making improvements and repairs and to take photos when needed. A written notice will be provided at least two (2) days in advance. However, it is recognized that in performing inspections and exterminations that the date specified in the notice may be approximate. No notice will be given for performing systematic routine maintenance.
- B. The Landlord may enter the premises within seven (7) business days of a closed work order to perform quality control inspections and take photos.
- C. The Landlord may enter the premises at any time without advance notification when there is reasonable cause to believe that an emergency exists and take photos when needed.
- D. In the event that the Resident and all adult members of his/her household are absent from the premises at the time of entry, the Landlord shall provide notification entry took place prior to leaving the premises.

14. Notice Procedures. The procedures to be followed by the Landlord and Resident in giving notice one to the other shall be as follows:

- A. Notice to the Landlord shall be in writing delivered to the management office or sent by prepaid first-class mail to 900 Haynes Street, Raleigh, North Carolina, 27604.
- B. Notice to a Resident who is visually impaired shall be provided orally in addition to written notice.
- C. Unopened, cancelled, first class or certified mail returned by the Post Office shall be sufficient evidence that notice was given, whether signed or unsigned.

15. Termination of the Lease. In terminating the Lease, the following procedures shall be followed by the Housing Authority and by the Resident:

- A. The Landlord shall not terminate or refuse to renew the Lease other than for violation of one or more material terms of the Lease.

Such violations of material terms of the Lease shall include, but not be limited to:

- 1. Any criminal activity and/or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of the Housing Authority's public housing premises by other Residents.
- 2. Any violent or drug-related or criminal activity on or off such premises.

3. Violating probation or fleeing to avoid criminal prosecution.
 4. Failure to maintain continuous utility services.
 5. The failure to pay rent or other charges when due.
 6. Repeated late payments.
 7. Failure to supply, in a timely fashion, any certification, release of information, or documentation on family income or composition needed to process annual reexaminations or interim redeterminations.
 8. Serious damage to the dwelling unit, creation of physical hazards in the unit, common areas, grounds, or parking areas in any community.
 9. Any fire on Housing Authority premises caused by the Resident, household members or guests' actions or neglect.
 10. Failure to comply with the community service requirement.
 11. Any abusiveness to neighbors, Landlord or Raleigh Housing Authority staff, Board members, contractors, or service providers.
 12. Failure to cooperate with vermin control measures.
 13. Failure to fulfill Resident's obligations defined in Paragraph 9.
 14. Failure to adhere to the Smoke Free Housing and Building policy.
 15. In the case of transfers, failure to return keys from the previously occupied unit to Management within three days, excluding Sundays.
 16. If a unit is vacant for more than 180 consecutive days or if the household does not adequately verify that they are living in the unit as their sole place of residency.
- B. The Landlord will use the preponderance of the evidence as the standard for making all termination decisions. An arrest record will not be the sole basis of termination, but RHA may consider the following circumstances prior to terminating a lease for criminal activity:
1. The seriousness of the offending action, especially with respect to how it would affect other residents;
 2. The extent of participation and culpability of the leaseholder, or other household members in the offending action, including whether the culpable member is a minor, a person with disabilities, or a victim of domestic violence, dating violence, sexual assault or stalking;
 3. The effects that the eviction will have on other family members who were not involved in the action or failure to act;
 4. The effect on the community of the termination, or of RHA's failure to terminate the tenancy;
 5. The effect of RHA's decision on the integrity of the public housing program;
 6. The demand for housing by eligible families who will adhere to lease responsibilities;
 7. The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action; and
 8. The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future.
- C. The Landlord may permit continued occupancy by remaining family members and may impose a condition that family members who engaged in criminal activity will neither reside in nor visit the unit. The Landlord may require a family member who has engaged in the illegal use of drugs to present credible evidence of successful completion of a treatment program as a condition to being allowed to reside in the unit. In addition to all rights of the Landlord under applicable laws, any such breach of the Resident's obligations under this Lease shall terminate this Lease and work a forfeiture of the term, and the Landlord expressly reserves its right to re-enter the premises and to refuse any later tender of rent, as authorized by state law and federal regulations.
- D. The Landlord shall give written notice of termination of the Lease:
1. Fourteen (14) days in the case of failure to pay rent and/or other charges.
 2. Thirty (30) days in all other cases.
 3. In the event of violent criminal, drug related, or threatening activity, or uninhabitable

conditions, the Resident will be required to vacate the premises as notified.

- E. The notice of termination to the Resident shall state reason(s) for the termination; shall inform the Resident of his/her right to examine the Landlords documents concerning the termination of tenancy or eviction before hearing or trial; shall inform the Resident of his/her right to make such reply as he/she may wish and of his/her right to request a grievance in accordance with the Grievance Procedure as determined in the Raleigh Housing Authority's Administrative Plan.
- F. Notwithstanding any other provision of this Lease, the Landlord may terminate this Lease on any day during the month provided that the Housing Authority gives adequate written notice as set forth in the Lease.
- G. The failure or omission of the Landlord to terminate this Lease for any cause given in Section 15 shall not destroy the right of the Landlord to do so later for similar or other causes.
- H. By signing a new or amended Lease with the Resident, the Owner does not in any way waive its right to pursue termination based on Resident's breach(es) of the previous Lease, nor does the Landlord waive its right to seek payment of any monies due and owing or any balance carried forward from the previous Lease.
- I. The Resident may terminate this Lease by giving thirty (30) days written notice, which must be delivered to the management office or to 900 Haynes Street, Raleigh, North Carolina, 27604.
- J. In the event that the Owner must seek legal proceedings against a Resident or member(s) of the household, the Owner may require the Resident to pay any attorney fees and court costs associated with the action.

16. Grievance Procedure. The Grievance Procedure is intended to effectively and efficiently resolve disagreements between the Owner, Raleigh Housing Authority and Resident and shall be resolved in accordance with the grievance process in the Raleigh Housing Authority's Administrative Plan, which is incorporated by mention into this Lease.

17. House Rules

- 1. The use of contact paper, wallpaper, scotch tape, large nails, wall tile, floor tile, mirror tile, or decals on walls or other surfaces is prohibited. Installation of TV or radio antennas on roofs or premises is prohibited. The use of radio scanners is prohibited on premises.
- 2. No rubber backed or affixed carpets, rugs, linoleum, floor tile installation or any materials that can stain floors.
- 3. No painting of wooden or tile floors, or kitchen cabinets.
- 4. No waterbeds.
- 5. No rewiring, plumbing alterations or additions of any kind.
- 6. Nothing shall be stored in or around a water heater, space heater or any heat vent.
- 7. All heat vents will be free and clear from any item which may ignite from heat or any item which would prevent adequate heat circulation.
- 8. All curtains must be hung within a safe distance from any flammable source.
- 9. Refrain from utilizing home pest control products without prior approval of Management.
- 10. No hanging of rugs, clothing or other items on railings.
- 11. No additional locks of any kind or changing of locks on any door in the unit.
- 12. No outside garbage cans or bags of trash on porches or grounds assigned to the units where dumpsters are provided.
- 13. No throwing of garbage, trash or debris in front, side and back yards, common areas or on roofs.
- 14. No writing or painting on buildings or exterior walls on the premises.
- 15. No parking except in designated areas, no parking on lawn and no repairing of vehicles on the premises with the exception of repairing flat tires and changing batteries. Vehicles improperly parked will be towed at owner's expense. Resident will not leave any motor vehicle unattended which has been raised off of the ground on jacks, blocks or other means. Residents are not permitted to wash vehicles while parked on Owner's property except in communities where water is not supplied by the Owner. All vehicles must be properly registered and tagged according to state law. Boats, campers, trailers, buses, or commercial vehicles are not to be parked, kept, or stored on the premises without prior written approval of the

Landlord.

16. No blocking of dumpsters, access ramps, mailboxes, parking spaces or fire lanes; vehicles will be towed at the owner's expense.
17. No use of public and/or common areas for group meetings unless approved by the Landlord in writing, in advance.
18. No open display of alcoholic beverages on the premises is allowed.
19. The following must have prior management approval:
 - a. Clothes dryers, air conditioners, ceiling fans or any other alterations (specifications required).
 - b. Painting of units (only Landlord's paint may be used).
 - c. Lawn and porch furniture and decorations.
 - d. Fence installation.
 - e. Planting beds or gardens.
 - f. Items in stairwells, hallways, on porches, balconies or the grounds.
 - g. Legal profit-making activity.
 - h. Installation of satellites, cable, and telephone connections.
 - i. Any outside apparatus including but not limited to basketball goals, trampolines, and swimming pools.
20. No use of grills and hibachis on porches or stoops. These must be used on the grounds away from buildings for safety reasons.
21. No outside storage building or shed is allowed, except as provided by the Owner.
22. No disabling the smoke or carbon monoxide detectors. If devices are malfunctioning or are not working, contact the Maintenance department immediately for service.
23. No loitering by the Resident(s), his/her family members and/or guests or visitors anywhere on the premises at any time of the day or night.
24. To refrain from placing signs of any type in or about the dwelling except those approved by the Landlord.
25. Light globes must be installed on all light fixtures and lamps.
26. Resident will not be permitted to install or activate any home security system.
27. Displayed holiday decorations should be limited to the assigned lease space such as windows, porches and patios. Do not use nails, screws or staples when hanging decorations. Holiday decorations should not be displayed earlier than 30 days prior to the holiday for which the decorations are displayed. Holiday decorations must be removed within one week following the holiday. Any decorations or displays the Landlord determines to be inappropriate must be removed within 24 hours of notice or may be removed by the Landlord at the Residents expense.
28. Existing security cameras located on the property are not actively monitored. Cameras are mounted in set locations to record data only in areas that are considered public. These cameras are not continuously monitored, but are intended to be used to assist with investigations of alleged criminal activity. RHA may employ fake surveillance equipment in the management of its properties. Residents and visitors are encouraged to exercise good personal safety habits and common sense to remain safe. If you witness criminal activity, call 911.
29. No skateboarding on the property.
30. Reduce indoor humidity levels by utilizing ventilation fans and air conditioning when supplied by the Owner.

18. Rental Assistance Demonstration Lease Rider Provisions. Because this Lease applies to a Rental Assistance Demonstration (RAD) conversion unit under the Project Based Voucher (PBV) component, the following terms also apply. For cross references, refer to HUD Notice PIH-2012-32 Rev-1 (July 2, 2013) Rental Assistance Demonstration – Final Implementation.

a. *Termination Notification.* HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- i. A reasonable period of time, but not to exceed 30 days if the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or in the event of any drug-related or violent criminal activity or any felony conviction. *For purposes of this Lease, that reasonable period of time is seven days.*
- ii. 14 days in the case of nonpayment of rent.
- iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply. *For purposes of this Lease, the time period in such cases is 30 days.*

19. Modifications, Amendments, Changes and New Leases. Modification of the Lease must be accompanied by a written amendment to the Lease executed by both parties, except for matters involving rent determinations and posted policies, rules and regulations. The Owner reserves the right to change this Lease from time to time, at its option. The Owner shall provide at least thirty (30) days written notice to Resident setting forth the proposed changes in the Lease and providing the Resident an opportunity to present written comments which, subject to the requirements of law, shall be taken into consideration by the Owner and Raleigh Housing Authority.

This Lease has been executed by all parties on this _____ day of _____, _____

HEAD OF HOUSEHOLD

PROPERTY MANAGER

SPOUSE

OTHER ADULT (18 YRS AND OLDER)

**Section 8 Project-Based Voucher Program
Statement of Family Responsibility**

PRA Burden Statement. Public reporting burden for this collection of information is estimated to average 0.25 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.252(b), under which the PHA must give the family a packet that includes the family obligations under the program. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of family members' name and address is mandatory. The information is used to certify the members of the family participating in the Section 8 project-based voucher program and the family's awareness of their family responsibilities under the program. HUD may disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family eligibility approval.

- 1. Certification.** The undersigned public housing agency (PHA) hereby certifies that the family consisting of the following members:

is eligible to participate in the Section 8 project-based voucher program of this PHA and is approved to occupy a unit at:

Under this program, the PHA makes housing assistance payments to owners for units leased and occupied by participating families.

2. **Tenant Rent.** The tenant rent is the portion of the monthly rent to owner paid by the family, and is based on the family's income, composition, and expenses. The PHA determines the tenant rent in accordance with HUD requirements.
3. **Changes in Tenant Rent.** A family's tenant rent may change because of changes in program requirements or changes in family income, composition, or expenses. Any change in a family's tenant rent will be effective on the date stated in a notice by the PHA to the family and owner.
4. **PHA Housing Assistance Payment.** The monthly housing assistance payment by the PHA to the owner for a unit leased by a family is the rent to owner minus the tenant rent (total tenant payment minus any applicable utility allowance). The family is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment.

5. Family Right to Move.

- (A) The family may terminate its lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. If the family elects to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in accordance with HUD requirements.
- (B) Before providing notice to terminate the lease under paragraph (A), the family must first contact the PHA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

6. Family Obligations.

- (A) Any family participating in the project-based voucher program of the undersigned PHA must follow the rules listed below in order to continue to receive housing assistance under the program. Any information the family supplies must be true and complete.
- (B) Each family member must:
 1. Supply any information that the PHA or HUD determines to be necessary for administration of the program.

2. Supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
3. Disclose and verify social security numbers and sign and submit consent forms for obtaining information.
4. Supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
5. Promptly notify the PHA in writing when the family is away from the unit for an extended period of time in accordance with PHA policies.
6. Allow the PHA to inspect the unit at reasonable times and after reasonable notice.
7. Notify the PHA and the owner in writing before moving out of the unit or terminating the lease.
8. Use the assisted unit for residence by eligible family members. The unit must be the family's only residence.
9. Promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child.
10. Request PHA written approval to add any other family member as an occupant of the unit.

11. Promptly notify the PHA in writing if any family member no longer lives in the unit.
12. Give the PHA a copy of any owner eviction notice.
13. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
14. Submit evidence of citizenship or eligible immigration status if they are seeking assistance. Families in which all members are U.S. citizens or have eligible immigration status are eligible for assistance. Mixed families, in which at least one member is a U.S. citizen or has eligible immigration status and at least one member does not contend eligible immigration status, are eligible for pro-rated assistance.

- (C) The family (including each family member) must not:
1. Own or have any interest in the unit.
 2. Commit any serious or repeated violation of the lease.
 3. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
 4. Engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

5. Sublease or let the unit or assign the lease or transfer the unit.
 6. Receive project-based voucher assistance while receiving another housing subsidy for the same unit or a different unit under any other Federal, State or local housing assistance program.
 7. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
 8. Receive project-based voucher assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
 9. Engage in abuse of alcohol in a way that threatens the health, safety or right of peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
7. **Termination of Assistance.** The PHA may terminate housing assistance for any grounds authorized in accordance with HUD requirements, including family violation of any obligation under Section 6 of this Statement of Family Responsibility.
8. **Illegal Discrimination.** If the family has reason to believe that it has been discriminated against on the basis of age, race, color, religion, sex, disability,

national origin, or familial status, the family may file a housing discrimination complaint with any HUD office in person, by mail, or by telephone. The PHA will give the family information on how to fill out and file a complaint.

Eligibility for HUD's programs must be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

- 9. Violence Against Women Act (VAWA).** VAWA and HUD's implementing regulations provide housing protections for victims of domestic violence, dating violence, sexual assault, and stalking. The PHA will provide the Notice of Occupancy Rights and Certification Form and is responsible for having an emergency transfer plan. The lease addendum also includes a description of specific protections.
- 10. HUD Requirements.** HUD requirements for the Section 8 project-based voucher program are issued by Headquarters as regulations, Federal Register notices, or other binding directives. The Statement of Family Responsibility shall be interpreted and implemented in accordance with HUD requirements.

KEEP THIS DOCUMENT FOR YOUR RECORDS

Family

Name of Family Representative:

Address, Telephone Number:

Signature of Family Representative, Date:

Public Housing Agency

Name of PHA:

Address, Telephone Number:

Signature of PHA Representative, Title, Date:

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT**

EXISTING HOUSING

PART 1 OF HAP CONTRACT

Public reporting burden for this collection of information is estimated to average 2 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.202, which requires the PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families, and, as applicable, 24 CFR 983.10. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) contract is entered into between:

_____ (PHA) and
_____ (owner).

b. Contents of contract

The HAP contract consists of Part 1, Part 2, and the contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP contract includes the following exhibits:

**EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY
THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND**

**Project-Based Voucher Program
HAP Contract for Existing Housing**

DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.)

- EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER**
- EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITIY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS**
- EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973**

ADDITIONAL EXHIBITS

d. Effective date and term of the HAP contract

1. Effective date

- a. The PHA may not enter into a HAP contract for any contract unit until the PHA (or an independent entity, as applicable) has determined that the unit meets the PBV inspection requirements.
- b. For all contract units, the effective date of the HAP contract is:

_____.

- c. The term of the HAP contract begins on the effective date.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP contract for all contract units is:

_____.

- b. The initial term of the HAP contract may not be less than one year, nor more than twenty years.

3. Extension of term

The PHA and owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution, or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements. A PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.
- b. The availability of sufficient funding must be determined by HUD or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

e. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP contract, the PHA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH e.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

- a. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- b. The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.
- c. The PHA may make vacancy payments to the owner only if:
 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
 4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- d. The PHA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The owner may refer families to the PHA and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
- f. The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the

amount of any vacancy payments.

3. PHA is not responsible for family damage or debt to owner

Except as provided in this paragraph e (Occupancy and Payment), the PHA will not make any other payment to the owner under the HAP contract. The PHA will not make any payment to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

f. Income-mixing requirement

1. Except as provided in paragraphs f.2 through f.5 below, the PHA will not make housing assistance payments under the HAP contract for more than the greater of 25 units or 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term "project" means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.
2. The limitation in paragraph f.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 unit or 25 percent limitation under paragraph f.1, the PHA shall give preference to elderly families or to families eligible for supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.
4. Up to the greater of 25 units or 40 percent of units (instead of the greater of 25 units or 25 percent of units) in a project may be project-based if the project is located in a census tract with a poverty rate of 20 percent or less.
5. Units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD do not count toward the income-mixing requirement if, in the five years prior to issuance of the Request for Proposal or notice of owner selection (for projects selected based on a prior competition or without competition), the unit received one of the forms of HUD assistance or was under a federal rent restriction as described in f.6 and f.7, below.
6. The following specifies the number of contract units (if any) that received one of the following forms of HUD assistance (enter the number of

contract units in front of the applicable form of assistance):

- Public Housing or Operating Funds;
- Project-Based Rental Assistance (including Mod Rehab and Mod Rehab Single-Room Occupancy);
- Housing for the Elderly (Section 202 or the Housing Act of 1959);
- Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);
- Rent Supplement Program;
- Rental Assistance Program;
- Flexible Subsidy Program.

The following total number of contract units received a form of HUD assistance listed above: _____. If all of the units in the project received such assistance, you may skip sections g.7 and g.8, below.

7. The following specifies the number of contract units (if any) that were under any of the following federal rent restrictions (enter the number of contract units in front of the applicable type of federal rent restriction):

- Section 236;
- Section 221(d)(3) or (d)(4) BMIR (below-market interest rate);
- Housing for the Elderly (Section 202 or the Housing Act of 1959);
- Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);
- Flexible Subsidy Program.

The following total number of contract units were subject to a federal rent restriction listed above: _____. If all of the units in the project were subject to a federal rent restriction, you may skip section g.8, below.

8. The following specifies the number of contract units (if any) designated for occupancy by elderly families or by families eligible for supportive services:
 - a. Place a check mark here ____ if any contract units are designated for occupancy by elderly families; The following number of contract units shall be rented to elderly families:
_____.
 - b. Place a check mark here ____ if any contract units are designated for occupancy by families eligible for supportive services. The following number of contract units shall be rented to families eligible for supportive services:
_____.
9. The PHA and owner must comply with all HUD requirements regarding income mixing.

EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING

PUBLIC HOUSING AGENCY (PHA)**Name of PHA (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

OWNER**Name of Owner (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**ADDENDUM TO THE SECTION 8 PROJECT-BASED VOUCHER PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT – EXISTING HOUSING**

**FOR PROJECT-BASED CERTIFICATE CONVERSIONS
TO PROJECT-BASED VOUCHERS**

Purpose: This addendum must only be used when an expiring project-based certificate (PBC) HAP contract is renewed or extended (hereinafter, renewed) under the project-based voucher (PBV) program pursuant to section 6904 of the Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Pub. L. No. 110-28, as implemented in HUD regulations at 24 CFR §983.10.

Renewal Process: Upon the request of the owner, the PHA may, at its sole discretion, renew an expiring PBC contract under the PBV program for an initial renewal term of not less than one year and not more than twenty years, subject to the availability of sufficient appropriated funding. The PHA must determine, within one year before expiration of the PBC contract, that renewal of the contract under the PBV program is appropriate to continue providing affordable housing for low-income families. The renewal is effectuated by executing this addendum along with the PBV Existing Housing HAP Contract.

HUD Requirements: The owner must comply with all HUD requirements, as stated in the PBV Existing Housing HAP Contract. This addendum must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including any amendments or changes in HUD requirements.

Renewal Rents: Initial and re-determined rents for a PBC contract renewed under the PBV program shall be established in accordance with HUD requirements, including 24 CFR part 983, subpart G—Rent to Owner.

Provisions Not Applicable to PBC Contracts Renewed Under the PBV Program: The following regulatory provisions do not apply to PBC contracts renewed under the PBV program: 24 CFR §983.51 concerning owner proposal selection procedures, 24 CFR §983.56 concerning income-mixing requirements, and 24 CFR §983.57(b)(1) concerning site selection standards. Additionally, Section 8(o)(13)(C) of the 1937 Act - Consistency with PHA Plans and Other Goals, does not apply to PBC contracts renewed under the PBV program.

EXECUTION OF THE PBC TO PBV ADDENDUM

PUBLIC HOUSING AGENCY (PHA)	
Name of PHA (Print)	
By:	
Signature of authorized representative	
Name and official title (Print)	
Date	
OWNER	
Name of Owner (Print)	
By:	
Signature of authorized representative	
Name and official title (Print)	
Date	

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

**MOVING TO WORK (MTW) RIDER TO THE HOUSING ASSISTANCE PAYMENT (HAP)
CONTRACT FOR THE SECTION 8 TENANT-BASED ASSISTANCE HOUSING CHOICE VOUCHER
PROGRAM (HCV) AND/OR THE SECTION 8 PROJECT-BASED VOUCHER (PBV) PROGRAM**

Pursuant to the Public Housing Agency's (PHA) participation in the MTW demonstration, the PHA may establish Section 8 HCV or PBV policies or requirements that differ from statutory requirements for both programs contained in the U.S. Housing Act of 1937, the relevant regulatory requirements, and applicable Public and Indian Housing Notices. Where any particular provisions of this HAP Contract differ from or conflict with the MTW activities included in the PHA's approved MTW Supplement to its PHA Plan, the provisions of the MTW Operations Notice and the approved MTW Supplement to the PHA Plan shall supersede any conflicting or differing HAP Contract language. Further, the MTW Activity authorized by the MTW Operations Notice shall govern the PHA's administration of the program notwithstanding a conflicting or differing provision of the HAP Contact. This rider shall be in effect for the term of the HAP Contract or the term of the PHA's participation in the MTW demonstration, whichever ends sooner.

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
EXISTING HOUSING**

PART 2 OF HAP CONTRACT

Public reporting burden for this collection of information is estimated to average 2 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.202, which requires the PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

2. DEFINITIONS

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A.

Controlling interest. In the context of PHA-owned units (see definition below), controlling interest means:

- (a) Holding more than 50 percent of the stock of any corporation; or
- (b) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; or
- (d) Holding more than 50 percent of all managing member interests in an LLC; or
- (e) Holding more than 50 percent of all general partner interests in a partnership; or

(f) Having equivalent levels of control in other ownership structures.

Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the housing quality standards on that date. The units must fully comply with the housing quality standards before execution of the HAP contract.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

HAP contract. This housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP contract).

Household. The family and any PHA-approved live-in aide.

Housing assistance payment. The monthly assistance payment by the PHA for a contract unit, which includes: (1) a payment to the owner for rent to the owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

Housing quality standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

Owner. Any person or entity who has the legal right to lease or sublease a unit to a participant.

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Program. The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

**Project-Based Voucher Program
HAP Contract for Existing Housing**

PHA. Public Housing Agency. The agency that has entered into the HAP contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

PHA-owned units. A unit is “owned by a PHA” if the unit is in a project that is:

- (a) Owned by the PHA (which includes a PHA having a “controlling interest” in the entity that owns the unit; see definition above);
- (b) Owned by an entity wholly controlled by the PHA; or
- (c) Owned by a limited liability company (LLC) or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner.

Proposal selection date. The date the PHA gives written notice of proposal selection to the owner whose proposal is selected in accordance with the criteria established in the PHA’s administrative plan.

Rent to owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant. The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

Tenant rent. The portion of the rent to owner payable by the family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

3. PURPOSE

- a. This is a HAP contract between the PHA and the owner.
- b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the owner.
- c. The PHA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

The initial rent to owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP contract. At the beginning of the HAP contract term, and until rent to owner is adjusted in accordance with section 5 of the HAP contract, the rent to owner for each bedroom size (number of bedrooms) shall be the initial rent to owner amount listed in Exhibit A.

Place a check mark here ____ if the PHA has elected not to reduce rents below the initial rent to owner.

b. HUD rent requirements

Notwithstanding any other provision of the HAP contract, the rent to owner may in no event exceed the amount authorized in accordance with HUD requirements. The PHA has the right to reduce the rent to owner, at any time, to correct any errors in establishing or adjusting the rent to owner in accordance with HUD requirements. The PHA may recover any overpayment from the owner.

c. PHA payment to owner

1. Each month the PHA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the HAP contract.
2. The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the rent to owner exceeds the tenant rent.
3. Payment of the tenant rent is the responsibility of the family. The PHA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The PHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.
4. The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

5. To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
6. If the PHA determines that the owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
7. The owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

d. Termination of assistance for family

The PHA may terminate housing assistance for a family under the HAP contract in accordance with HUD requirements. The PHA must notify the owner in writing of its decision to terminate housing assistance for the family in such case.

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. At each annual anniversary during the term of the HAP contract, the PHA shall adjust the amount of rent to owner, upon request to the PHA by the owner, in accordance with law and HUD requirements. In addition, the PHA shall adjust the rent to owner when there is a ten percent decrease in the published, applicable Fair Market Rent in accordance with 24 CFR 983.302. However, if the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner except in those cases described in 24 CFR 983.302(c)(2).
2. The adjustment of rent to owner shall always be determined in accordance with all HUD requirements. The amount of the rent to owner may be adjusted up or down, in the amount defined by the PHA in accordance with HUD requirements.

b. Reasonable rent

The rent to owner for each contract unit, as adjusted by the PHA in accordance with 24 CFR 983.303, may at no time exceed the reasonable rent charged for comparable units in the private unassisted market, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner. The reasonable rent shall be determined by the PHA in accordance with HUD requirements.

c. No special adjustments

The PHA will not make any special adjustments of the rent to owner.

d. Owner compliance with HAP contract

The PHA shall not approve, and the owner shall not receive, any increase of rent to owner unless all contract units are in accordance with the HQS, and the owner has complied with the terms of the assisted leases and the HAP contract.

e. Notice of rent adjustment

Rent to owner shall be adjusted by written notice by the PHA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

6. OWNER RESPONSIBILITY

The owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.
- c. Complying with equal opportunity requirements.
- d. Enforcing tenant obligations under the lease.
- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
 1. Any security deposit;

2. The tenant rent; and
3. Any charge for unit damage by the family.

7. **OWNER CERTIFICATION**

The owner certifies that at all times during the term of the HAP contract:

- a. All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
- b. The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- c. Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements.
- d. To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- e. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit unless the PHA has determined that approving leasing of the unit would provide a reasonable accommodation for a family member who is a person with disabilities.
- f. The amount of the housing assistance payment is the correct amount due under the HAP contract.
- g. The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
- h. Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit.
- i. The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

8. CONDITION OF UNITS

a. Owner maintenance and operation

The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

b. PHA inspections

1. The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.
2. Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.
3. At least biennially during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections pursuant to paragraph 2 of this section are not counted toward meeting this biennial inspection requirement.
4. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.
5. The PHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information that comes to its attention in scheduling inspections.

c. Violation of the housing quality standards

1. If the PHA determines a contract unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include

termination, suspension or reduction of housing assistance payments, and termination of the HAP contract.

2. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension).

d. Maintenance and replacement—owner's standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

9. LEASING CONTRACT UNITS

a. Selection of tenants

1. During the term of the HAP contract, the owner must lease all contract units to eligible families selected and referred by the PHA from the PHA waiting list. (See 24 CFR 983.251.)
2. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.
3. Consistent with HUD requirements and Federal civil rights and fair housing requirements, the owner may apply its own nondiscriminatory admission procedures in determining whether to admit a family referred by the PHA for occupancy of a contract unit. The owner may refer families to the PHA, and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
4. The owner must promptly notify in writing any rejected applicant of the grounds for rejection.

5. The PHA must determine family eligibility in accordance with HUD requirements.
6. The contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.
7. If a contract unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP contract.
8. The owner is responsible for screening and selecting tenants from the families referred by the PHA from its waiting list.

b. Vacancies

1. The owner must promptly notify the PHA of any vacancy in a contract unit. After receiving the owner notice, the PHA shall make every reasonable effort to refer a sufficient number of families for owner to fill the vacancy.
2. The owner must rent vacant contract units to eligible families on the PHA waiting list referred by the PHA.
3. The PHA and the owner must make reasonable, good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable, good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

10. TENANCY

a. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

b. Termination of tenancy

1. The owner may terminate a tenancy only in accordance with the lease and HUD requirements.
2. The owner must give the PHA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

c. Family payment

1. The portion of the monthly rent to owner payable by the family (“tenant rent”) will be determined by the PHA in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.
2. The amount of the tenant rent as determined by the PHA is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the HAP contract and the lease.
3. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess rent payment to the tenant.
4. The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the PHA housing assistance payment.
5. The PHA is responsible only for making the housing assistance payments to the owner on behalf of the family in accordance with the HAP contract. The PHA is not responsible for paying the tenant rent, or any other claim by the owner.

d. Other owner charges

1. Except as provided in paragraph 2, the owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.
2. In assisted living developments receiving project-based voucher assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.
3. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

e. Security deposit

1. The owner may collect a security deposit from the family.
2. The owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a tenant.
3. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted families.
4. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.
5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance

from the family. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

11. FAMILY RIGHT TO MOVE

- a. The family may terminate its lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.
- b. Before providing notice to terminate the lease under paragraph a, the family must first contact the PHA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PHA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.

12. OVERRATED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

The PHA subsidy standards determine the appropriate unit size for the family size and composition. The PHA and owner must comply with the requirements in 24 CFR 983.260. If the PHA determines that a family is occupying a wrong-size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the PHA must promptly notify the family and the owner of this determination, and of the PHA's offer of continued assistance in another unit. 24 CFR 983.260(a).

13. PROHIBITION OF DISCRIMINATION

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.
- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted

Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).

- c. The owner must comply with HUD’s Equal Access to HUD-assisted or -insured housing rule (24 CFR 5.105(a)(2)).
- d. The owner must comply with the Violence Against Women Act, as amended, and HUD’s implementing regulation at 24 CFR part 5, Subpart L, and program regulations.
- e. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

14. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with the HAP contract, or has failed to take appropriate action to HUD’s satisfaction or as directed by HUD, for enforcement of the PHA’s rights under the HAP contract, HUD may assume the PHA’s rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under the HAP contract.

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

Any of the following is a default by the owner under the HAP contract:

1. The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the housing quality standards.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the HAP contract.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - a. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - b. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. PHA remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP contract.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in

the notice.

3. The PHA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.

c. PHA remedy is not waived

The PHA's exercise or non-exercise of any remedy for owner breach of the HAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

16. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA

a. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.

b. PHA and HUD access to premises

The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

The PHA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

b. Legal relationship

The owner is not the agent of the PHA. The HAP contract does not create or affect any relationship between the PHA and any lender to the owner or

any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

c. Exclusion of third-party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract.

d. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

18. PHA-OWNED UNITS

Notwithstanding Section 17 of this HAP contract, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

19. CONFLICT OF INTEREST

a. Interest of members, officers, or employees of PHA, members of local governing body, or other public officials

1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP contract.
2. HUD may waive this provision for good cause.

b. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the HAP contract. The owner must fully and promptly update such disclosures.

c. **Interest of member of or delegate to Congress**

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP Contract or to any benefits arising from the contract.

20. EXCLUSION FROM FEDERAL PROGRAMS

a. **Federal requirements**

The owner must comply with and is subject to requirements of 2 CFR part 2424.

b. **Disclosure**

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. **When consent is required**

1. The owner agrees that neither the HAP contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD requirements.
2. “Transfer” includes:
 - i. Any sale or assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - ii. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract;

- iii. The creation of a security interest in the HAP contract or the property;
 - iv. Foreclosure or other execution on a security interest; or
 - v. A creditor's lien, or transfer in bankruptcy.
3. If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the PHA pursuant to paragraph a for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a for transfer of any interest of a general partner.

b. Transferee assumption of HAP contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with HUD requirements, to assume the obligations of the owner under the HAP contract, and to comply with all the terms of the HAP contract.

c. Effect of consent to transfer

- 1. The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
- 2. The PHA's consent to transfer of the HAP contract or the property does not change the terms of the HAP contract in any way, and does not change the rights or obligations of the PHA or the owner under the HAP contract.
- 3. The PHA's consent to transfer of the HAP contract or the property to any transferee does not constitute consent to any further transfers of the HAP contract or the property, including further transfers to any successors or assigns of an approved transferee.

d. When transfer is prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

22. SUBSIDY LAYERING

A subsidy layering review is not required for existing housing projects.

23. OWNER LOBBYING CERTIFICATIONS

- a. The owner certifies, to the best of owner's knowledge and belief, that:
 1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to 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 the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
 2. If any funds other than Federally appropriated funds have been paid or will be paid to 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 the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

25. NOTICES AND OWNER CERTIFICATIONS

- a. Where the owner is required to give any notice to the PHA pursuant to the

HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.

- b. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

26. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION

- a. An owner must provide notice to the PHA, and to the affected tenants, not less than 1 year prior to the termination or expiration without extension of a HAP contract.
- b. An owner who fails to provide such notice must permit tenants to remain in their units for the required notice period with no increase in the tenant portion of the rent. During this time period, an owner may not evict a tenant as a result of the owner's inability to collect an increased tenant portion of rent. With PHA agreement, an owner may extend the terminating contract for a period of time sufficient to give tenants 1 year advance notice.

27. FAMILY'S RIGHT TO REMAIN

Upon termination or expiration of the contract without extension, each family assisted under the contract may elect to use its assistance to remain in the project if the family's unit complies with the inspection requirements under section 8(o)(8) (42 U.S.C. 1437f(o)(8) of the U.S. Housing Act of 1937 ("the 1937 Act")), the rent for the unit is reasonable as required by section 8(o)(10)(A) of the 1937 Act, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard.

28. ENTIRE AGREEMENT; INTERPRETATION

- a. The HAP contract, including the exhibits, is the entire agreement between the PHA and the owner.
- b. The HAP contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP contract. The owner agrees to comply with all such laws and HUD requirements. Any regulatory citation specifically included in this HAP contract is subject to any subsequent revision of such citation.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

**MOVING TO WORK (MTW) RIDER TO THE HOUSING ASSISTANCE PAYMENT (HAP)
CONTRACT FOR THE SECTION 8 TENANT-BASED ASSISTANCE HOUSING CHOICE VOUCHER
PROGRAM (HCV) AND/OR THE SECTION 8 PROJECT-BASED VOUCHER (PBV) PROGRAM**

Pursuant to the Public Housing Agency's (PHA) participation in the MTW demonstration, the PHA may establish Section 8 HCV or PBV policies or requirements that differ from statutory requirements for both programs contained in the U.S. Housing Act of 1937, the relevant regulatory requirements, and applicable Public and Indian Housing Notices. Where any particular provisions of this HAP Contract differ from or conflict with the MTW activities included in the PHA's approved MTW Supplement to its PHA Plan, the provisions of the MTW Operations Notice and the approved MTW Supplement to the PHA Plan shall supersede any conflicting or differing HAP Contract language. Further, the MTW Activity authorized by the MTW Operations Notice shall govern the PHA's administration of the program notwithstanding a conflicting or differing provision of the HAP Contact. This rider shall be in effect for the term of the HAP Contract or the term of the PHA's participation in the MTW demonstration, whichever ends sooner.