

**Contract Renewal
Request Form
Multifamily Section 8 Contracts**

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

OMB No. 2502-0533 (exp. 07/31/2006)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 106-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Cover Sheet

PROJECT NAME:

PROJECT ADDRESS:

PROJECT OWNER:

FHA PROJECT NO.:

TOTAL UNITS IN PROJECT: TOTAL SECTION 8 UNITS IN PROJECT:

DATE OF SUBMISSION: DATE RECEIVED BY HUD:

Section 8 contracts and stages in the project:

Section 8 Contract Number	Stage Number (if applicable)	Combine (Yes?)	# Units	Expiration Date	Renew (Yes?)

I hereby elect to renew the above indicated contracts under the following option (Check the appropriate box(es) below and provide the corresponding worksheet(s)):

____ **OPTION 1 - Request Renewal Under Mark-Up-To-Market Procedures**

- ◇ **Initial Renewal**
- ◇ **Subsequent Renewal**

____ **OPTION 2 - Request Renewal With Rents At or Below Comparable Market Rents And Without Restructuring**

- ◇ **Initial Renewal**
- ◇ **Subsequent Renewal**

I request a contract renewal for a ____-year term.

____ **OPTION 3 - Request Referral to OAHP for :**

Choose One

- ◇ **OPTION 3A** - Reduction of Section 8 Rents to Comparable Market Rents without Restructuring (Lite)
- ◇ **OPTION 3B** - Restructure of the mortgage and reduction of Section 8 Rents to Comparable Market Rents (Full)

____ **OPTION 4 - Request Renewal of the Contract for Projects Exempted from OAHP**

- ◇ **Initial Renewal**
- ◇ **Subsequent Renewal**

I request a contract renewal for a ____-year term.

____ **OPTION 5 - Portfolio Reengineering Demonstration and Preservation Contract Renewals**

- ◇ **I request a contract renewal of my Demonstration Program Contract.**
- ◇ **I request a contract renewal of my Preservation Program Contract.**

____ **OPTION 6 - Opt-Out of the Section 8 Contract**

Owner's signature: _____ **Date:** _____

RENEWAL WORKSHEET FOR OPTION ONE

Requesting a Contract Renewal Under the Mark-Up-To-Market Procedure

I hereby request a renewal of my contract under the Mark-Up-To-Market procedures. I am attaching a **Rent Comparability Study** (RCS) and a completed "Initial Eligibility Worksheet" for the Section 8 contract(s) eligible under this Option (*Owners should check the appropriate statement*):

_____ Based on the RCS and the attached "Initial Eligibility Worksheet," the Comparable Market Rent Potential is at or above **100%** of the published Fair Market Rents (FMRs);

OR

_____ I request a waiver of the Mark-Up-To-Market eligibility requirements because (*check the statement(s) that apply*):

- ◇ The project has a high percentage ($\geq 50\%$) of units rented to elderly, disabled or large families;
- ◇ The project is located in a low-vacancy area ($\leq 3\%$) where tenant-based assistance is difficult to be used and there is a lack of comparable rental housing; *and/or*
- ◇ The project is a high priority for the local community as the attached documentation of State or local funds demonstrates.

I hereby certify that:

_____ The property does not have any low or moderate-income use restrictions that I cannot eliminate;
AND

_____ Neither I, nor any of my affiliates, are suspended or debarred, OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval;

AND

_____ This information is true and complete.

Project Name _____

Owner's Name _____

Owner's signature: _____ **Date** _____

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION TWO

Requesting An Initial Contract Renewal At or Below Comparable Market Rent

I hereby request an **INITIAL RENEWAL** of my contract without restructuring and am attaching a **Rent Comparability Study (RCS)** and the OCAF Adjustment Worksheet. The comparison chart below reflects the results of the study and compares them to the expiring Section 8 units in my project.

(I)	(II)	(III)	(IV)	(V)	(VI)
UNIT TYPE AND CONTRACT/STAGE NUMBER	# OF UNITS	CURRENT SECTION 8 CONTRACT RENTS	<u>COMPS</u> ESTIMATED SUBJECT MARKET RENTS	CURRENT SECTION 8 RENT POTENTIAL (II x III)	<u>COMPS</u> ESTIMATED SUBJECT MARKET RENT POTENTIAL (II x IV)

*For Option Two, the total of Column V must be less than the total of Column VI.**

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*For Owners of “exception” projects (see Option Four) that have current rents above the comparable market rents:

◇ I am electing to renew under Option Two. I understand that my rents will be reduced to a level not to exceed the comparable market rents as indicated in the attached Rent Comparability Study.

Based on the attached RCS, the current contract rent potential of the project is **less than or equal to** the market rent potential of the comparable market rents (*check the appropriate statement*):

_____ I understand that the initial renewal rents will be set at current rent adjusted by OCAF but not to exceed comparable market rents.

◇ I am submitting the required OCAF calculation worksheet;

OR

_____ I request a budget-based rent increase rather than an OCAF adjustment.

◇ I am submitting an attached budget that reflects the projected costs for the first 12 months covered by the renewal contract. I understand that the increase cannot take the rents above the comparable market rents.

◦ I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase; and

◦ The attached budget and rent schedule was available to tenants upon their request.

OR

_____ I request a budget-based rent increase for capital repairs, not to exceed market.

◇ The ownership entity is an eligible nonprofit and meets all of the requirements outlined in Chapter 15 of this Guide;

◇ The ownership entity agrees to accept a 20-year recorded Use Agreement.

OR

_____ I request that HUD use its discretionary authority to mark rents up to market to facilitate a change in ownership to an eligible nonprofit. The nonprofit owner is not an affiliated entity.

I hereby certify that:

_____ Neither I, nor any of my affiliates, are suspended or debarred, OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval;

AND

_____ This information is true and complete.

Project Name _____

Owner's Name _____

Owner's signature: _____ **Date:** _____

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RENEWAL WORKSHEET FOR OPTION TWO

Requesting Subsequent Renewal of Contract At or Below Comparable Market Rent

I hereby request a **SUBSEQUENT RENEWAL** of my Section 524 contract without restructuring and (*Owner should check ONE of the following*):

_____ My Rent Comparability Study is less than five years old. I request that the contract rents be adjusted by the currently published OCAF.

- ◇ The date of my comparability study is _____.
- ◇ I am submitting the OCAF Adjustment Worksheet.

_____ My Rent Comparability Study is less than five years old. I request a budget-based rent adjustment.

- ◇ The date of my Rent Comparability Study is _____.
- ◇ I am submitting an attached budget which reflects the projected costs for the first 12 months covered by the renewal contract. I understand that the increase cannot take the rents above the New Comparable Market Rent Potential.
 - I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase.
 - The attached budget and rent schedule was available to tenants upon their request.

◇ The *New Comparable Market Rent Potential* is:

Comparable Rent Potential from original RCS: _____

OCAF	year _____:	_____	Adjusted Rent Potential	_____
OCAF	year _____:	_____	Adjusted Rent Potential	_____
OCAF	year _____:	_____	Adjusted Rent Potential	_____
OCAF	year _____:	_____	Adjusted Rent Potential	_____

New Comparable Market Rent Potential : _____

Rent Potential Based on Attached Budget: _____

- ◇ I request a budget-based rent increase for capital repairs, not to exceed market.
 - The ownership entity is an eligible nonprofit and meets all of the requirements outlined in Chapter 15 of the Operating Procedures Guide;
 - The ownership entity agrees to accept a 20-year recorded Use Agreement.

_____ My Rent Comparability Study is five years old. I request that the contract rents be adjusted by the currently published OCAF.

- ◇ I am submitting a new Rent Comparability Study.
- ◇ I am submitting the comparison chart from the Option Two Initial Renewal Request that reflects the results of the study and compares them to the expiring Section 8 units in my project.
- ◇ I am submitting the OCAF Adjustment Worksheet.

_____ My Rent Comparability Study is five years old. I request a budget-based rent adjustment. I understand that the increase cannot take the rents above the comparable market rents.

- ◇ I am submitting a new Rent Comparability Study.
- ◇ I am submitting the comparison chart from the Option Two Initial Renewal Request that reflects the results of the study and compares them to the expiring Section 8 units in my project.
- ◇ I am submitting an attached budget which reflects the projected costs for the first 12 months covered by the renewal contract. I understand that the increase cannot take the rents above the comparable market rents.
 - I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase.
 - The attached budget and rent schedule was available to tenants upon their request.
- ◇ I request a budget-based rent increase for capital repairs, not to exceed market.
 - The ownership entity is an eligible nonprofit and meets all of the requirements outlined in Chapter 15 of the Operating Procedures Guide;
 - The ownership entity agrees to accept a 20-year recorded Use Agreement.

I hereby certify that:

_____ neither I, nor any of my affiliates, are suspended or debarred, OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

_____ this information is true and complete.

Project Name _____

Owner's Name _____

Owner's signature: _____ **Date:** _____

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION 3A

Requesting Referral to OAHP

I hereby elect to participate in the **Mark-To-Market program** and request a renewal of the Section 8 contract(s) shown on the attached Cover Sheet (*Select one of the following Options*):

- _____ 3A - Based on the RCS, the current contract rent potential of the project is **greater than** the market rent potential of the comparable market rents. I would like a contract renewal at rents that do not exceed the comparable market rents, without a restructuring of the mortgage (**OAHP-Lite**);
- ◇ I understand that I will receive a Interim Lite contract renewal at current rents while my renewal request is being processed.
- ◇ I understand that an Interim Lite contract renewal does not establish a binding commitment for the purposes of Section 579(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended (MAHRA). As a consequence, I understand that, upon the repeal of certain provisions of MAHRA on September 30, 2006, neither the Owner nor the Project will maintain eligibility for debt restructuring under MAHRA after September 30, 2006.

I hereby certify that:

- _____ the project rents exceed comparable market rents; AND
- _____ the project currently has a HUD-insured (or HUD-held) mortgage; AND
- _____ neither I, nor any of my affiliates, are suspended or debarred, OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND
- _____ this information is true and complete.

Project Name _____

Owner's Name _____

Owner's signature: _____ **Date:** _____

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION 3B

Requesting Referral to OAHP

I hereby elect to participate in the **Mark-To-Market program** and request a renewal of the Section 8 contract(s) shown on the attached Cover Sheet (*Select one of the following Options*):

_____ 3B - I believe that the current contract rent rents are **greater than** the market rent potential of the comparable market rents. I would like to restructure the mortgage and reduce the Section 8 contract rents to market (**Mortgage Restructuring**).

- ◇ Upon acceptance by HUD, as evidenced by the timely submission by Owner and receipt and execution by an authorized representative of HUD of this Renewal Worksheet for Option 3B by September 30, 2006, a bonding commitment shall be established for the purposes of Section 579(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384ff), as amended (MAHRA). Thereafter, notwithstanding the repeal of certain provisions of MAHRA on September 30, 2006, provided that the Owner and / or Project maintain eligibility for debt restructuring under MAHRA, the debt restructuring process shall continue, all subject to MAHRA, the MAHRA regulations, and the Operating Procedures Guide for the Mark-to-Market Program.
- ◇ I understand that I will receive an Interim Full contract renewal at current rents while my project goes through the restructuring process if this Renewal Worksheet for Option 3B is accepted by HUD as specified above, subject to Appropriations.

I hereby certify that:

_____ the project rents exceed comparable market rents; AND

_____ the project currently has a HUD-insured (or HUD-held) mortgage; AND

_____ neither I, nor any of my affiliates, are suspended or debarred, OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

_____ this information is true and complete.

Project Name _____

Owner's Name _____

Owner's signature: _____ **Date:** _____

Name and Title of Authorized Representative of HUD

(Print)

By: _____ **Date:** _____

Signature

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In

addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION FOUR 4

Request Initial Renewal of Contract for Projects Exempted From OAHP

I hereby request an **INITIAL RENEWAL** of my contract under Option Four and I am submitting an OCAF Worksheet and a budget calculation to determine which adjustment meets the “**lesser of**” test. My project is eligible to renew under this option because it falls in the following category (*choose one*):

- ◇ State or Local Government financing. I am submitting:
 - Copies of the original financing documents;
 - The underlying statutory authority which I believe conflicts with a Mark-To-Market restructuring plan;
 - My bond counsel’s opinion as to the conflict.

- ◇ Section 202/8 and 515/8 Project;
- ◇ SRO Moderate Rehabilitation Project;
OR
- ◇ Section 512(2) of MAHRA.
 - I am submitting a Rent Comparability Study.

_____ I understand that **Initial Renewal** rent is set at the **lesser of**:

- ◇ The Annual Adjusted Rent Potential of the Expiring Contracts (based on the attached OCAF Worksheet)

OR

- ◇ The Section 8 Contract Rent Potential from the budget-based rent determination (reflected in the attached budget)

I hereby certify that:

_____ neither I, nor any of my affiliates, are suspended or debarred OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

_____ this information is true and complete.

Project Name: _____

Owner’s Name: _____

Owner’s signature: _____ **Date:** _____

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION FOUR

Request Subsequent Renewal of Contract for Projects Exempted From OAHP

I hereby request a **SUBSEQUENT RENEWAL** of my contract under Option Four. I request the current rents be adjusted by:

◇ the currently published OCAF. I have attached the completed OCAF Worksheet;

OR

◇ a budget-based rent adjustment. I am including a budget and rent schedule completed in accordance with the requirements of HUD Handbook 4350.1 Chapter 7 and Attachment 5 or, for Section 515/8 projects, an RHS-approved budget.

- I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase.
- The attached budget and rent schedule was available to tenants upon their request.

I hereby certify that:

_____ neither I, nor any of my affiliates, are suspended or debarred OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND
 _____ this information is true and complete.

Project Name: _____

Owner's Name: _____

Owner's signature: _____ **Date:** _____

Warning: There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION FIVE

Request Renewal of Contract for Portfolio Reengineering Demonstration or Preservation Projects

_____ My project is a **Portfolio Reengineering Demonstration Project**. I hereby request an **INITIAL RENEWAL** of my contract under Option Five. (*Select the statements that apply*):

- ◇ The project had the mortgage restructured, and/or had the rents reduced to market.
 - I understand that the contract renewal will be processed in accordance the Department's policies for renewing contracts at or below market;
 - I am submitting the OCAF Worksheet. I understand that the contract will receive an annual OCAF adjustment; *and*
 - on the fifth year I will follow the renewal procedures for projects at or below market, including submitting a RCS.

OR

- ◇ The project did not have the mortgage restructured, nor did it have the rents reduced down to market. I am attaching rationale as to why debt restructuring is inappropriate for this project. I understand that the rationale and this renewal request shall be referred to the Office of Housing Assistance and Grant Administration in Washington, DC, for processing.

_____ My project is a **Preservation Project** (LIPHRA or ELIPHRA). I hereby request a **RENEWAL** of my contract under Option Five in accordance with the approved Plan Of Action. I understand that the contract term will be for one year.

I hereby certify that:

_____ neither I, nor any of my affiliates, are suspended or debarred OR _____ I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval; AND

_____ this information is true and complete.

Project Name: _____

Owner's Name: _____

Owner's signature: _____ **Date:** _____

Warning There are fines and imprisonment--\$250,000/5 years--for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal government (18 USC 1001). In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

RENEWAL WORKSHEET FOR OPTION SIX

Notification of Non-Renewal of Contract

I hereby elect to **OPT-OUT** of the Section 8 program. I understand that notification of this opt-out is required to be given to the Department of Housing and Urban Development 120 days prior to the expiration of the contract.

I hereby certify:

_____ I provided the assisted tenants and HUD with a one-year written notification of the contract expiration and our intention not to renew the contract as required by Section 8(c)(8) of the United States Housing Act of 1937. This notification was provided on _____. A copy of the notification letter is attached.

- ◇ I am willing to execute a short-term renewal of my contract if HUD needs additional time to provide the tenant-based assistance.

Or,

_____ I provided written notification to the tenants and HUD of the contract expiration and our intention not to renew the contract however, a full year has not elapsed. I agree to execute a contract renewal for a term that will fulfill the entire one-year notification requirement.

I hereby certify that:

_____ the property does not have any Use Agreement in effect; AND

_____ I agree to honor the tenants right to remain at the property, provided that the PHA approves a rent equal to the new rent charged for the unit. I agree not to terminate the tenancy of a tenant who exercises their right to remain except for cause under State or local law.

_____ this information is true and complete.

Project Name: _____

Owner's Name: _____

Owner's signature: _____ **Date:** _____

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