

**Disaster Rent Subsidy Contract
Disaster Housing Assistance
Program**

**Instructions for use of the Disaster
Rent Subsidy Contract**

This Disaster Rent Subsidy (DRS) contract is used to provide rent subsidy payments under the Disaster Housing Assistance Program (DHAP). The DHAP is a pilot federal housing assistance grant program implemented by the U.S. Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA). DHAP will provide temporary rent subsidies for non-HUD assisted individuals and families displaced by Hurricane Katrina or Hurricane Rita.

The DHAP is administered by public housing agencies (PHAs) that are currently administering a housing choice voucher program. The DRS contract is an agreement between the PHA and the owner of a unit occupied by an assisted family. The DRS contract has three parts:

Part A: Contract information (fill-ins)
See section-by-section instructions.

Part B: Body of contract

Part C: Lease addendum

Use of this form

Use of this DRS contract is required by HUD. Modification of the DRS contract is not permitted. The DRS contract must be word-for-word in the form prescribed by HUD. However, the PHA may add the following: Language that defines when the rent subsidy payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner). Such language must be added to Part A of the DRS contract.

**How to fill in Part A
Section-by-Section Instructions**

Section 1. Tenant

Enter full name of tenant.

Section 2. Contract Unit

Enter address of unit, including apartment number, if any.

Section 3. Family Members

Enter full names of all family members.

Section 4. Initial Lease Term

Enter the first date and the last date of the lease term.

Section 5. Initial Lease Rent

Enter the amount of the monthly rent during the lease term. The PHA must determine that the lease rent is in accordance with the DHAP program requirements.

**Section 6. Initial Rent Subsidy
Payment**

Enter the initial amount of the monthly rent subsidy payment.

To prepare the DRS contract, fill in all contract information in Part A of the contract. Part A must then be executed by the owner.

Part A of the DRS Contract: Contract Information
(Fill out all contract information in Part A.)

1. Tenant

2. Contract Unit

3. Family

The following persons may reside in the unit. Other persons may not reside in the unit without prior written approval of the owner and the PHA.

_____	_____
_____	_____
_____	_____
_____	_____

4. Effective Date of Contract _____

The contract terminates in accordance with the DHAP requirements or upon termination of the lease. In no instance may the contract be extended after 2/28/2009.

5. Lease Rent

The initial lease rent is: \$ _____

6. Rent Subsidy Payment

The DRS contract term begins on the later of November 1, 2007, or the date of execution of the DRS contract. At the beginning of the DRS contract term, the amount of the rent subsidy payment by the PHA to the owner is \$ _____ per month. The amount of the monthly rent subsidy payment by the PHA to the owner is subject to change during the DRS contract term in accordance with the DHAP program requirements.

7. Utilities and Appliances

The owner shall provide or pay for the utilities and appliances indicated below by an "O". The tenant shall provide or pay for the utilities and appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Utility/Appliance Provided by/Paid by:

Electricity _____
Gas _____
Water _____
Sewer _____
Trash Collection _____
Refrigerator _____
Range/Microwave _____
Other (specify) _____

Signatures:

Public Housing Agency

Owner

Print or Type Name of PHA

Print or Type Name of Owner

Signature

Signature

Print or Type Name and Title of
Signatory

Print or Type Name and Title of
Signatory

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

Mail Payments to:

Name

Address (Street, City, State, Zip)

DISCLAIMER

This document posted in draft is intended for discussion purposes only. The form has not yet been approved by officials of either the Department of Housing and Urban Development or the Federal Emergency Management Agency. Rental payments for the Disaster Housing Assistance Payments Program (DHAP) shall not commence prior to November 1, 2007. Interested parties should not rely upon this draft document for payment under the DHAP. Parties that execute this document with the intent of initiating payment under DHAP or creating a tenancy under DHAP shall bear all liability for any damages resulting from such actions.

Part B of DRS Contract: Body of Contract

1. Purpose

- a. This is a DRS contract between the PHA and the owner. The DRS contract is entered into in order to provide assistance for the family under the DHAP.
- b. The DRS contract only applies to the family and contract unit specified in Part A of the DRS contract.
- c. During the DRS contract term, the PHA will pay rent subsidy payments to the owner in accordance with the DRS contract and DHAP requirements.
- d. The family will reside in the contract unit with assistance under the DHAP. The rent subsidy payments by the PHA assist the tenant to lease the contract unit from the owner for occupancy by the family.

2. Lease of Contract Unit

- a. The owner has leased the contract unit to the tenant for occupancy by the family with assistance under the DHAP.
- b. The PHA has approved leasing of the unit in accordance with requirements of the DHAP.
- c. The lease for the contract unit must include word-for-word all provisions of the lease addendum required by HUD (Part C of the DRS contract).
- d. The owner certifies that:
 - (1) The owner and the tenant have a written lease for the unit and have executed the DHAP lease addendum; and
 - (2) The lease is consistent with State and local law.
- e. The DRS contract term (initial term and any extensions or renewals) may not under any circumstances exceed 16 months.
- f. The owner is responsible for screening the family's behavior or suitability for tenancy. The PHA is

not responsible for such screening. The PHA has no liability or responsibility to the owner or other persons for the family's behavior or the family's conduct in tenancy.

3. Maintenance, Utilities, and Other Services

- a. The owner must maintain the contract unit and premises in accordance with the DHAP requirements.
- b. Except as provided in (c), the Owner must ensure that the contract unit is maintained in accordance with Housing Quality Standards, HUD's standards for housing assisted under the DHAP.
- c. After execution of the DRS contract, the PHA will conduct a limited inspection of units to ensure there are no life-threatening deficiencies for: (1) FEMA rental assistance families transitioning to the DHAP by staying in-place in the FEMA rental assistance unit; and (2) a family relocating from a FEMA provided temporary housing unit to a private rental market unit that FEMA has located for the family. If an Owner does not fix the unit deficiencies in 48 hours, the Owner may not receive DHAP rent subsidy payments.
- d. The owner must provide all utilities needed to comply with the HQS.
- e. If the owner does not maintain the contract unit in accordance with the HQS, or fails to provide all utilities needed to comply with the HQS, the PHA may exercise any available remedies. PHA remedies for such breach include recovery of overpayments, suspension of rent subsidy payments, abatement or other reduction of rent subsidy payments, termination of rent subsidy payments, and termination of the DRS contract. The PHA may not exercise such remedies against

the owner because of an HQS breach for which the family is responsible, and that is not caused by the owner.

- f. The PHA shall not make any rent subsidy payments if the contract unit does not meet the HQS, or limited HQS requirements, as applicable, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction.
- g. The PHA may inspect the contract unit and premises at such times as the PHA determines necessary to ensure that the unit meets HQS or does not contain any life-threatening deficiencies.
- h. The PHA must notify the owner of any HQS defects shown by the inspection.
- i. The owner must provide all housing services as agreed to in the lease.

4. Term of DRS Contract

- a. **Relation to lease term.** The term of the DRS contract begins on the effective date as specified in part A of this Contract and terminates on the last day of the term of the lease.
- b. **When DRS contract terminates:**
 - (1) The DRS contract terminates automatically if the lease is terminated by the owner or the tenant.
 - (2) The PHA may terminate DHAP assistance for the family for any grounds authorized in accordance with requirements under the DHAP. If the PHA terminates DHAP assistance for the family, the DRS contract terminates automatically.
 - (3) If the family moves from the contract unit, the DRS contract terminates automatically.
 - (4) The PHA may terminate the DRS contract if HUD determines, in accordance with DHAP requirements, that available DHAP funding is not sufficient to

support continued assistance for families in the program.

- (5) The PHA may terminate the DRS contract, after notice to the owner and opportunity to cure, if the PHA determines that the unit does not meet all requirements of the HQS, or limited HQS requirements, as applicable, or determines that the owner has otherwise breached the DRS contract.

5. Provision and Payment for Utilities and Appliances

The lease and Part A of this contract must specify what utilities and appliances are to be provided or paid by the owner or the tenant. The lease shall be consistent with the DRS contract.

6. Rent to Owner: Reasonable Rent

With the exception of subparagraph c, this section does not apply to: 1) FEMA rental assistance families that transition to DHAP by staying in their previously FEMA assisted units; and 2) a family relocating from a FEMA provided temporary housing unit to a private rental market unit that FEMA has located for the family. For all other families, the following applies:

- a. The PHA may not approve a lease until it determines that the lease rent is reasonable.
- b. In order to be reasonable, the lease rent may not exceed the rents charged for comparable unassisted units in the private market and comparable unassisted units in the premises.
- c. During the term of the DRS contract, the PHA must also re-determine the reasonable rent before approving any increase in the lease rent.
- d. Reasonable rent determinations must be made in accordance with DHAP requirements.

7. PHA Payment to Owner

a. When paid

- (1) During the term of the DRS contract, the PHA must make monthly rent subsidy payments to the owner on behalf of the family at the beginning of each month.
- (2) The PHA must pay rent subsidy payments promptly when due to the owner.
- (3) Rent subsidy payments shall only be paid to the owner while the family is residing in the contract unit during the term of the DRS contract. The PHA shall not pay a rent subsidy payment to the owner for any month after the month when the family moves out. The owner must promptly notify the PHA when the family moves out.

b. Owner compliance with DRS

contract. Unless the owner has complied with all provisions of the DRS contract, the owner does not have a right to receive rent subsidy payments under the DRS contract.

c. Amount of PHA payment to owner

- (1) The amount of the monthly PHA rent subsidy payment to the owner must be determined by the PHA in accordance with DHAP requirements.
- (2) The rent subsidy payment for the first month of the DRS contract term may be pro-rated for a partial month.
- (3) The amount of the PHA rent subsidy payment is subject to change during the DRS contract term in accordance with DHAP requirements. The PHA must notify the family and the owner of any changes in the amount of the rent subsidy payment.
- (4) Commencing March 1, 2008, and for each month thereafter, the PHA will reduce the subsidy payment each month by \$50 in accordance with DHAP

requirements and such reduction shall incrementally increase each month thereafter until the program concludes as of March 1, 2009. The DHAP participating family is responsible, each month beginning March 1, 2008, for the amount of the subsidy reduction.

d. Application of payment. The monthly rent subsidy payment shall be credited against the monthly lease rent for the contract unit.

e. Limit of PHA responsibility

- (1) The PHA is only responsible for making rent subsidy payments to the owner in accordance with the DRS contract and DHAP requirements for a tenancy under the DHAP.
- (2) The PHA shall not pay any portion of the lease rent in excess of the rent subsidy payment. The PHA shall not pay any other claim by the owner against the family.

f. Overpayment to owner. If the PHA determines that the owner is not entitled to the rent subsidy 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.

8. Owner Certification

During the term of this DRS contract, the owner certifies that:

- a. The contract unit and premises are maintained in accordance with HQS, or limited inspection requirements, as applicable.
- b. The contract unit is leased to the family. The lease includes the lease addendum (Part C of the DRS contract), and is in accordance with the DRS contract and DHAP requirements. The owner has provided the lease to the PHA, including any revisions of the lease.
- c. Except for the lease rent, 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 during the DRS contract term.

- d. The family does not own or have any interest in the contract unit.
- e. To the best of the owner's knowledge, the members of the family reside in the contract unit, and the unit is the family's only residence.

9. Prohibition of Discrimination

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations:

- a. The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the DRS contract.
- b. The owner must cooperate with the PHA and HUD in conducting equal opportunity compliance reviews and complaint investigations in connection with the DRS contract.

10. Owner's Breach of DRS Contract

- a. Any of the following actions by the owner (including a principal or other interested party) is a breach of the DRS contract by the owner:
 - (1) If the owner has violated any obligation under the DRS contract, including the owner's obligation to maintain the unit in accordance with the HQS or the limited inspection requirements, as applicable.
 - (2) If the owner commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
 - (3) If the owner engages in any drug-related criminal activity or any violent criminal activity.
- b. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights and remedies under

the DRS contract, or any other available rights and remedies for such breach. The PHA shall notify the owner of such determination, including a brief statement of the reasons for the determination. The notice by the PHA to the owner may require the owner to take corrective action, as verified or determined by the PHA, by a deadline prescribed in the notice.

- c. The PHA's rights and remedies for owner breach of the DRS contract include recovery of overpayments, suspension of rent subsidy payments, abatement or other reduction of rent subsidy payments, termination of rent subsidy payments, and termination of the DRS contract.
- d. The PHA may seek and obtain additional relief by judicial order or action, including specific performance, other injunctive relief or order for damages.
- e. Even if the family continues to live in the contract unit, the PHA may exercise any rights and remedies for owner breach of the DRS contract.
- f. The PHA's exercise or non-exercise of any right or remedy for owner breach of the DRS contract is not a waiver of the right to exercise that or any other right or remedy at any time.

11. PHA, FEMA and HUD Access to Premises and Owner's Records

- a. The owner must provide any information pertinent to the DRS contract that the PHA, FEMA or HUD may reasonably require.
- b. The PHA, HUD, FEMA and the Comptroller General of the United States shall have full and free access to the contract unit and the premises, and to all accounts and other records of the owner that are relevant to the DRS contract, including the right to examine or

audit the records and to make copies.

- c. The owner must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and must provide any information or assistance needed to access the records.

12. Exclusion of Third Party Rights

- a. The family is not a party to or third party beneficiary of Part B of the DRS contract. The family may not enforce any provision of Part B, and may not exercise any right or remedy against the owner or PHA under Part B.
- b. The tenant or the PHA may enforce the lease addendum (Part C of the DRS contract) against the owner, and may exercise any right or remedy against the owner under the lease addendum.
- b. The PHA does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with management of the contract unit or the premises or with implementation

of the DRS contract, or as a result of any other action or failure to act by the owner.

- c. The owner is not the agent of the PHA, and the DRS 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 management of the contract unit or the premises or with implementation of the DRS contract.

13. Assignment of the DRS Contract

The owner may not assign the DRS contract to a new owner without the prior written consent of the PHA.

14. Written Notices. Any notice by the PHA or the owner in connection with this contract must be in writing.

15. Entire Agreement: Interpretation

- a. The DRS contract contains the entire agreement between the owner and the PHA.
- b. The DRS contract shall be interpreted and implemented in accordance with DHAP requirements.

Part C of DRS Contract: Lease Addendum

1. Disaster Housing Assistance Program

- a. The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the Disaster Housing Assistance program (DHAP) administered by the United States Department of Housing and Urban Development (HUD) on behalf of the Federal Emergency Management Agency (FEMA).
- b. The owner has entered into a Disaster Rent Subsidy contract (DRS contract) with the PHA under the DHAP. Under the DRS contract, the PHA will make rent subsidy payments to the owner to assist the tenant in leasing the unit from the owner.

2. Lease

- a. The owner has given the PHA a copy of the lease, including any revisions agreed to by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with all provisions of the DRS contract and that the lease includes the lease addendum.
- b. The tenant shall have the right to enforce the lease addendum against the owner. If there is any conflict between the lease addendum and any other provisions of the lease, the language of the lease addendum shall control.

3. Use of Contract Unit

- a. During the lease term, the family will reside in the contract unit with assistance under the DHAP.
- b. The tenant may not sublease or let the unit.
- c. The tenant may not assign the lease or transfer the unit.

4. Lease Rent

- a. The lease rent may not exceed the amount approved by the PHA in accordance with DHAP requirements.
- b. Changes in the lease rent shall be determined by the provisions of the lease, DRS contract and DHAP requirements.
- c. The lease rent may not exceed the reasonable rent for the unit as determined by the PHA in accordance with DHAP requirements.

5. Family Payment to Owner

- a. The family is responsible for paying the owner any portion of the lease rent that is not covered by the PHA rent subsidy payment.
- b. Each month, the PHA will make a rent subsidy payment to the owner on behalf of the family in accordance with the DRS contract. The amount of the monthly rent subsidy payment will be determined by the PHA in accordance with DHAP requirements.
- c. Commencing March 1, 2008 and for each month thereafter, the PHA will reduce the subsidy payment each month by \$50 and such reduction shall incrementally increase each month thereafter until the program concludes on March 1, 2009. The DHAP participating family is responsible, each month beginning March 1, 2008, for the amount of the subsidy reduction.
- d. The rent subsidy payment shall be credited against the monthly lease rent for the contract unit.
- e. The tenant is not responsible for paying the portion of lease rent covered by the rent subsidy payment under the DRS contract between the owner and the PHA. A PHA failure to pay the rent subsidy payment to the owner is not a violation of the lease. The owner may not terminate

the tenancy for nonpayment of the PHA rent subsidy payment.

- f. The owner may not charge or accept, from the family or from any other source, any payment for rent of the unit in addition to the lease rent. Lease rent includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease.
- g. The owner must immediately return any excess rent payment paid by the tenant to the tenant.

6. Other Fees and Charges

The owner may not charge the tenant extra amounts for items customarily included in lease rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

7. Maintenance, Utilities, and Other Services

a. Maintenance

- (1) The owner must maintain the unit and premises in accordance with housing quality standards or the limited inspection requirements applicable only to 1) FEMA rental assistance families that transition to DHAP by staying in their previously FEMA assisted units; and (2) a family relocating from a FEMA provided temporary housing unit to a private rental market unit that FEMA has located for the family.
- (2) Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

b. Utilities and appliances

- (1) The owner must provide all utilities needed to comply with the DHAP operating requirements.

(2) The owner is not responsible for a breach of the HQS caused by the tenant's failure to:

- (a) Pay for any utilities that are to be paid by the tenant.
- (b) Provide and maintain any appliances that are to be provided by the tenant.

c. Family Damage. The owner is not responsible for a breach of the HQS because of damages beyond normal wear and tear caused by any member of the household or by a guest.

d. Housing Services. The owner must provide all housing services as agreed to in the lease.

8. Termination of Tenancy: Owner Requirements. The owner may only terminate the tenancy in accordance with the lease, state and local law and requirements under the Disaster Housing Assistance Program.

9. Lease: Relation to DRS Contract

If the DRS contract terminates for any reason, the lease is not affected by the termination of the DRS contract or rent subsidy payments. However, upon termination of the DRS contract, this lease addendum shall be void.

10. PHA Termination of Assistance

The PHA may terminate program assistance for the family, for any grounds authorized in accordance with DHAP requirements. If the PHA decides to terminate program assistance for the family, the DRS contract terminates and no additional rent subsidy payments will be made to the owner.

11. Family Move Out

The tenant must notify the PHA and the owner before the family moves out of the unit.

12. Prohibition of Discrimination

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status or disability in connection with the lease.

13. Conflict with Other Provisions of Lease

- a. The terms of the lease addendum are prescribed by HUD in accordance with HUD and FEMA requirements, as a condition for Federal assistance to the tenant and tenant's family under the DHAP.
- b. In case of any conflict between the provisions of the lease addendum as required by HUD, and any other provisions of the lease or any other agreement between the owner and the tenant, the requirements of this lease addendum shall control.

14. Changes in Lease or Rent

- a. The tenant and the owner may not make any change in the lease addendum. However, if the tenant and the owner agree to any other changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must be in accordance with the requirements of the lease addendum.
- b. In the following cases, rent subsidy payments shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new DRS contract with the owner:
 - (1) If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
 - (2) If the family moves to a new unit, even if the unit is in the same building or complex.

- c. PHA approval of the tenancy, and execution of a new DRS contract, are not required for agreed changes in the lease other than as specified in paragraph b.
- d. The owner must notify the PHA and the tenant of any changes in the amount of the lease rent at least thirty days before any such changes go into effect, and the amount of the lease rent following any such agreed change must be in accordance with DHAP requirements.

15. Notices

Any notice under the lease by the tenant to the owner or by the owner to the tenant must be in writing.

16. Definitions

Contract unit. The housing unit rented by the tenant with assistance under the program.

Family. The persons who may reside in the unit with assistance under the DHAP.

DRS contract. The rent subsidy payments contract between the PHA and the owner. The PHA pays rent subsidy payments to the owner in accordance with the DRS contract.

FEMA. Federal Emergency Management Agency

Housing quality standards (HQS). The HUD standards for housing assisted under the DHAP.

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

DHAP requirements. DHAP requirements are the Inter-Agency Agreement between FEMA and HUD, the Operating Requirements for the program, any applicable HUD notices, Federal Register Notices, regulations, contracts and HUD policies for the DHAP.

Lease. The written agreement between the owner and the tenant for the lease of the contract unit to the tenant. The lease includes the lease addendum prescribed by HUD.

Lease rent. The total monthly rent payable to the owner for the contract unit. The lease rent is the sum of the portion of rent payable by the tenant plus the PHA rent subsidy payment to the owner.

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

PHA. Public Housing Agency. A housing agency or other HUD

designated intermediary agency that administers the DHAP.

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

Program. The Disaster Housing Assistance program.

Tenant. The family member (or members) who leases the unit from the owner.

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