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Project-Based Section 8 Housing Assistance Payments Preservation Renewal Contract

This form is used for the renewal of Section 8 Housing Assistance Payments contracts as authorized under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), 42 U.S.C. § 1437f note. The public reporting burden for completing this form is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, and gathering and maintaining the data needed. The information collected is required to obtain benefits. HUD may disclose certain information to Federal, State, or local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Information collected will not otherwise be disclosed or released outside of HUD, except as required and permitted by law. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Preparation of HAP Contract

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Preservation Renewal Contract. The instructions are not part of the Renewal Contract.

This form of Renewal Contract is to be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract for a project that is subject to an approved Plan of Action under the Emergency Low-Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note) or the Low-Income Housing Preservation and Residential Homeownership Act of 1990 (12 U.S.C. 1401 et seq.). Such renewals are entered pursuant to Section 524(e)(1) of MAHRA.

This term of renewal on this form shall provide only for renewal during the term of the Preservation Plan of Action and shall not cover any period after the end of the Plan of Action. The Basic Renewal Contract shall be used to renew for any period after the period covered by the Plan of Action.

Section 2 of the Renewal Contract specifies the contract term.

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1. Contract Information[1]

a. Project

Section 8 Project Number: _____

Section 8 Project Number of Expiring Contract: _____

FHA Project Number (if applicable): _____

Project Name: _____

Project Description:[2] _____

_____

b. Plan of Action

During the term of the Renewal Contract, the Owner shall operate the project in accordance with the Plan of Action, as submitted to HUD on _____ (the "POA Submission") and as approved and/or amended by HUD on _____ ("HUD's POA Approval Letter") (the POA Submission as amended by HUD's POA Approval Letter is hereinafter referred to as the "Plan of Action").

c. Use Agreement or Regulatory Agreement

During the term of the Renewal Contract, the Owner shall operate the Project in accordance with the Use Agreement or/and Regulatory Agreement. The Use Agreement and/or the Regulatory Agreement (as amended, if applicable) in effect at execution of this contract is/are described as follows:[3] _____

_____

_____

_____

Attached hereto as Exhibit B is HUD's POA Approval Letter and, if applicable, copies of any provisions from the following documents necessary to understand the rental adjustment provisions: the POA Submission, Use Agreement or Regulatory Amendment.

d. Parties to renewal contract

_____

Name of Contract Administrator[4]

_____

Address of Contract Administrator

_____

Name of Owner[5]

_____

Address of Owner

2. Term and Funding of Renewal Contract

a. The Renewal Contract begins on _____[6] and shall run for a period of ____[7] year(s).

b. Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of $ _____,[8] an amount sufficient to provide housing assistance payments for approximately _____[9] months of the first annual increment of the Renewal Contract term.

c. HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3. Definitions

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract units. The units in the Project that are identified in Exhibit A by size and applicable contract rents.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105–65, October 27, 1997, 111 Stat. 1384), as amended.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Preservation Project. A project that is subject to a HUD-approved Plan of Action under the Emergency Low -Income Housing Preservation Act of 1987 (12 U.S.C. § 1715l note) or the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. § 4113).

Project. The housing described in section 1 of the Renewal Contract. The housing is a Preservation Project.

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. § 1437f).

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

4. Renewal Contract

a. Parties

(1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).

(2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (applicable requirements), section 10 (statutory changes during term), and section 11 (PHA default), of the Renewal Contract.

b. Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. § 1437f), and section 524(e)(1) of the MAHRA.

c. Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d. Purpose of Renewal Contract

(1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract. Such payments provide to the owner rent benefits comparable to those provided under the Plan of Action in accordance with section 524(e)(1) of the MAHRA.

(2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe, and sanitary condition, and has abated housing assistance payments to the owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e. Contract units

The Renewal Contract applies to the Contract units.

5. Expiring Contract: Provisions Renewed

a. Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

b. Any and all provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

(1) Identification of contract units by size and applicable contract rents;

(2) The amount of the monthly contract rents;

(3) Contract rent adjustments; and

(4) Project account (sometimes called “HAP reserve” or “project reserve”) as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. § 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c. The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6. Contract Rent

a. Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and, by this reference, is hereby made a part of the Renewal Contract.

b. Contract rent adjustments in accordance with the Plan of Action

During the term of the Plan of Action, the Contract Administrator shall adjust the amounts of the monthly contract rents in accordance with the Plan of Action. See Exhibit B.

c. Procedure for rent adjustments during renewal term

(1) To adjust contract rents during the term of the Renewal Contract the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.

(2) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.

(3) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

d. No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7. Owner Warranties

a. The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

b. The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe, and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8. Owner Termination Notice

a. Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.

b. If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9. HUD Requirements

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent) shall not be applicable.

10. Statutory Changes During Term

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11. PHA Default

a. This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract (“ACC”) between the PHA and HUD. This includes a case where HUD

has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.

b. If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12. Exclusion of Third-Party Rights

a. The Contract Administrator 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 the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.

b. The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.

c. If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13. Written Notices

a. Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.

b. A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

EXECUTION OF HAP CONTRACT

Contract Administrator (CA)

By: _____
Signature of authorized representative

_____
Name and official title (print or type)

_____
Date (mm/dd/yyyy)

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

By:

_____
Signature of authorized representative

_____
Name and official title (print or type)

_____
Date (mm/dd/yyyy)

Owner

_____
Name of Owner (print or type)

By:

_____
Signature of authorized representative

_____
Name and title (print or type)

_____
Date (mm/dd/yyyy)

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: _____

FHA Project Number (if applicable): _____

Effective Date of the Rent Increase (if applicable): _____

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 5b(3) of the Renewal Contract.

Comments: _____

_____

_____

_____

EXHIBIT B

PLAN OF ACTION
(Attached hereto)

[1] To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

[2] Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered Project.

If necessary, attach an exhibit with a site plan, legal description or other descriptive information. Enter a reference to the attached exhibit.

[3] Enter the following information: the complete title of the Use Agreement or the Regulatory Agreement; any revision(s) to the Use Agreement or Regulatory Agreement; the date of each agreement; the names of the parties signing such agreements; and all relevant recording information for each agreement. For example: "Use Agreement and Amendment of Existing Regulatory Agreement, dated as of February 1, 1997, between ABC Associates and the Secretary of Housing and Urban Development, recorded in the Recorder's Office of Bergen County, New Jersey, in Deed Book 1 at page 2."

[4] Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

[5] Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

[6] The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

[7] Enter a whole number of years.

[8] Enter the amount of funding obligated.

[9] Enter a whole number of months.