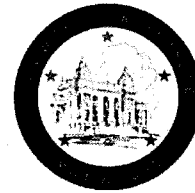


**SUBMITTAL TO THE BOARD OF COMMISSIONERS  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM**  
10.1  
(ID # 10396)

**MEETING DATE:**

Tuesday, August 6, 2019

**FROM :** HOUSING AUTHORITY:

**SUBJECT:** HOUSING AUTHORITY: Approval of Section 8 Project-Based Voucher Program PBV Housing Assistance Payments Contract Between the Housing Authority of the County of Riverside and Riverside Community Housing Corp., and approval of Master Lease for Desert Rose Apartments Located in the Unincorporated Community of Ripley, between the Housing Authority of the County of Riverside and the Riverside Community Housing Corp. ; District 4, [\$0]; CEQA Exempt

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines Section 15301 and Section 15601(b)(3);
2. Find that the project is a categorically excluded activity (subject to Title 24 Code of Federal Regulations (CFR) Section 58.5) and meets conditions specified for such exemption pursuant to Title 24 CFR Section 58.35(a) and the National Environmental Policy Action of 1969;

**ACTION:**Policy

Robert Field, Assistant County Executive Officer/ECD

7/8/2019

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**MINUTES OF THE BOARD OF COMMISSIONERS**

On motion of Commissioner Perez, seconded by Commissioner Washington and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Jeffries, Spiegel, Washington and Perez  
**Nays:** None  
**Absent:** Hewitt  
**Date:** August 6, 2019  
**xc:** HA

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

3. Approve the attached form of Master Lease, including all exhibits, to be entered into between the Housing Authority of the County of Riverside, as landlord, and Riverside Community Housing Corp., as tenant, (Master Lease) relating to the master lease, management and operations of the 76 unit multifamily affordable housing rental complex known as Desert Rose Apartments located at 24501 School Road in the unincorporated community of Ripley in the County of Riverside (Desert Rose Apartments), for a term of 20 years, with annual rental payments based on surplus cash flow;
4. Approve the attached form of Section 8 Project-Based Voucher Program PBV Housing Assistance Payments Contract New Construction or Rehabilitation, including all exhibits (HAP Contract) to be entered into between the Housing Authority of the County of Riverside and Riverside Community Housing Corp., a California nonprofit public benefit corporation, providing 41 project based vouchers for the multifamily affordable housing development located at 24501 School Road in the unincorporated community of Ripley in the County of Riverside (Desert Rose Apartments), with a 20-year term, subject to extension pursuant to U.S. Housing and Urban Development (HUD) requirements; and
5. Authorize the Executive Director of the Housing Authority of the County of Riverside, or designee, to execute a HAP Contract and Master Lease conforming in form and substance to the attached HAP Contract and Master Lease and to take all necessary steps to implement the agreements, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost:</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2019/20</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Housing Authority of the County of Riverside (Housing Authority) owns a 76 unit multifamily affordable housing rental complex located at 24501 School Road in the unincorporated community of Ripley in the County of Riverside, identified as Assessor's Parcel No. 872-210-023 (Project). The units within the Project are currently rented to and occupied by low income households, with a priority for farm worker households.

To assist with efficient leasing, management and operation of the Project, Housing Authority staff recommends entering into a Master Lease with its affiliate, the Riverside Community Housing Corp., a California nonprofit public benefit corporation (RCHC) as master tenant. The term of the proposed Master Lease will be for 20 years, with annual rental payments consisting of 100% of the Projects surplus cash flow. Costs to operate the Project will be derived from tenant rents and other subsidies awarded to the Project. A copy of the proposed form of Master Lease is attached. Under the proposed Master Lease, the Housing Authority will remain the fee owner of the Project with RCHC acquiring a leasehold interest in the Project. The uses of the

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Project will remain the same, with RCHC working to expand services offered to the tenants such as the possible addition of after school programs for the children and work development programs. RCHC staff will be presenting a companion item to its Board of Directors on the same date that this item is being presented to the Board of Commissioners.

Housing Authority staff also propose awarding 41 Section 8 project based vouchers (Vouchers) to RCHC, as the master tenant under the Master Lease, to subsidize the rents paid by the occupants of the Project. The Vouchers have a value of approximately \$11,332,880. The Vouchers are necessary to stabilize the Project financially and to ensure the units remain available to low and very low income residents. The award of Vouchers will be memorialized in the proposed form of Section 8 Project-Based Voucher Program PBV Housing Assistance Payments Contract New Construction or Rehabilitation, including all exhibits (HAP Contract) to be entered into between the Housing Authority and RCHC. The term of the proposed HAP will be for 20 years, with options to extend in accordance with U.S. Department of Housing and Urban Development (HUD) requirements. The proposed form of HAP Contract is attached. RCHC staff will be presenting a companion item to its Board of Directors on the same date that this item is being presented to the Board of Commissioners.

As part of HUD requirements, prior to the execution of the HAP Contract the Housing Authority must comply with the National Environmental Protection Agency Act (NEPA). Pursuant to NEPA, the proposed activities meet the conditions of categorical exclusion under Title 24 Code of Federal Regulations (CFR) Section 58.35 (a) and are exempt activities pursuant to Title 24 CFR Section 58.34 (a)(12) and in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA). Therefore, an Environmental Impact Statement under NEPA was not required. A copy of the Notice of Certification of Categorical Exclusion is attached.

Pursuant to the California Environmental Quality Act (CEQA), the HAP Contract and Master Lease were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1-Existing Facilities and State CEQA Guidelines 15061(b) (3), General Rule or "Common Sense" Exemption. The HAP Contract and Master Lease are categorically exempt from CEQA as there is no possibility that the execution of a HAP Agreement and Master Lease will have a significant effect on the environment as it will only have operational, management and financial impacts and will not lead to any direct or reasonably indirect physical environmental impacts since the existing use will be maintained. Staff will file a Notice of Exemption with the County Clerk no later than 5 days after the Board's approval of the HAP Contract and Master Lease.

County Counsel has reviewed and approved as to form the attached form of Master Lease. Staff recommends that the Board of Commissioners approve the attached form of HAP Contract and Master Lease.

**Impact on Residents and Businesses**

The placement of Vouchers on the Project will bring added revenue needed to stabilize the Project financially and ensure families with continued access to much needed affordable housing opportunities that they would not otherwise be able to attain. The Master Lease will provide for improved and efficient operation and management of the Project, benefiting the low income tenants.

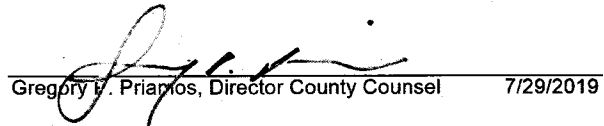
**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**ATTACHMENTS:**

- Form of Master Lease
- Form of HAP Contract
- NEPA Notice of Certification of Categorical Exclusion (not subject to 58.5)

RF: HM: CH: MW: JG: mt

  
Rohini Dasika, Principal Management Analyst 7/29/2019

  
Gregory V. Priamos, Director County Counsel 7/29/2019





U.S. Department of Housing and Urban  
Development  
451 Seventh Street, SW  
Washington, DC 20410  
[www.hud.gov](http://www.hud.gov)  
[espanol.hud.gov](http://espanol.hud.gov)

**Environmental Review  
for Activity/Project that is Exempt or  
Categorically Excluded Not Subject to Section 58.5  
Pursuant to 24 CFR 58.34(a) and 58.35(b)**

**Project Information**

**Project Name:** Desert-Rose-Apartments

**HEROS Number:** 900000010091120

**State / Local Identifier:**

**Project Location:** 24501 School Rd, Ripley, CA 92225

**Additional Location Information:**  
N/A

**Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:**

The Housing Authority proposes to award 41 Project Based Vouchers to a property owned by the Housing Authority known as the Desert Rose Apartments, located in unincorporated community of Ripley in Riverside County. The vouchers are needed for this project so the project can remain feasible and available to low income residents. The Housing Authority will enter into a Housing Assistance Payments (HAP) Contract with Riverside Community Housing Corp for a term of 20 years for the project based vouchers it will be placing on the Property. The Housing Authority is also exploring bringing in service providers to the property that can offer after school programs for the children and work development programs for its residents.

**Level of Environmental Review Determination:**

**Activity / Project is Categorically Excluded Not Subject to per 24 CFR 58.35(b):**  
58.35(b)(1)

**Funding Information**

Grant Number	HUD Program	Program Name
PBV4-18-003	Public Housing	Project-Based Voucher Program

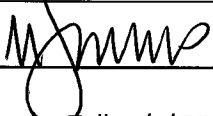
**Estimated Total HUD Funded Amount:** \$11,332,880.00

**Estimated Total Project Cost [24 CFR 58.2 (a) (5)]:** \$11,332,880.00

**Mitigation Measures and Conditions [CFR 1505.2(c)]:**

Summarized below are all mitigation measures adopted by the Responsible Entity to reduce, avoid or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure or Condition	Comments on Completed Measures	Complete
---------------------------------	---------------------------------	-----------------------------------	----------

Preparer Signature:  Date: 6/3/19

Name / Title/ Organization: Monica Telles / / RIVERSIDE COUNTY ECONOMIC DEV. AGENCY

Responsible Entity Agency Official Signature:  Date: 6/3/19

Name/ Title: Juan Garcia / Principal Development Specialist

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environment Review Record (ERR) for the activity / project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

**Environmental Review  
for Activity/Project that is Exempt or  
Categorically Excluded Not Subject to Section 58.5  
Pursuant to 24 CFR 58.34(a) and 58.35(b)**

**Project Information**

**Project Name:** Desert-Rose-Apartments

**HEROS Number:** 900000010091120

**Responsible Entity (RE):** RIVERSIDE COUNTY ECONOMIC DEV. AGENCY, 5555 Arlington  
Avenue Riverside CA, 92504

**State / Local Identifier:**

**RE Preparer:** Monica Telles

**Grant Recipient (if different than Responsible Entity):**

**Point of Contact:**

**Consultant (if applicable):**

**Point of Contact:**

**Project Location:** 24501 School Rd, Ripley, CA 92225

**Additional Location Information:**

N/A

**Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:**

The Housing Authority proposes to award 41 Project Based Vouchers to a property owned by the Housing Authority known as the Desert Rose Apartments, located in unincorporated community of Ripley in Riverside County. The vouchers are needed for this project so the project can remain feasible and available to low income residents. The Housing Authority will enter into a Housing Assistance Payments (HAP) Contract with Riverside Community Housing Corp for a term of 20 years for the project based vouchers it will be placing on the Property. The Housing Authority is also exploring bringing in service providers to the property that can offer after school programs for the children and work development programs for its residents.

**Level of Environmental Review Determination:**

Activity / Project is Categorically Excluded Not Subject to per 24 CFR 58.35(b):  
58.35(b)(1)

**Signature Page****Funding Information**

Grant / Project Identification Number	HUD Program	Program Name
PBV4-18-003	Public Housing	Project-Based Voucher Program

Estimated Total HUD Funded, Assisted \$11,332,880.00  
or Insured Amount:

Estimated Total Project Cost [24 CFR 58.2 (a) (5)]: \$11,332,880.00

**Compliance with 24 CFR §50.4 & §58.6 Laws and Authorities**

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §50.4 & §58.6	Are formal compliance steps or mitigation required?	Compliance determination (See Appendix A for source determinations)
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §50.4 &amp; § 58.6</b>		
<b>Airport Runway Clear Zones and Clear Zones</b> 24 CFR part 51	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Based on the project description the project includes no activities that would require further evaluation under this section. The project is in compliance with Airport Runway Clear Zone requirements. Additionally, based on the Riverside County Transportation and Land Management GIS mapping and report the project is not located within the influence of an airport area or airport compatibility zone.
<b>Coastal Barrier Resources Act</b> Coastal Barrier Resources Act, as amended by the Coastal Barrier	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	This project is located in a state that does not contain CBRS units. Therefore, this project is in compliance with the Coastal Barrier Resources Act.

<b>Compliance Factors:</b> Statutes, Executive Orders, and Regulations listed at 24 CFR §50.4 & §58.6	Are formal compliance steps or mitigation required?	Compliance determination (See Appendix A for source determinations)
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §50.4 &amp; § 58.6</b>		
Improvement Act of 1990 [16 USC 3501]		
<b>Flood Insurance</b> Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Based on the project description the project includes no activities that would require further evaluation under this section. The project does not require flood insurance or is excepted from flood insurance. While flood insurance may not be mandatory in this instance, HUD recommends that all insurable structures maintain flood insurance under the National Flood Insurance Program (NFIP). The project is in compliance with Flood Insurance requirements.

**Mitigation Measures and Conditions [CFR 40 1505.2(c)]:** Summarized below are all mitigation measures adopted by the Responsible Entity to reduce, avoid or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure or Condition	Comments on Completed Measures	Complete
---------------------------	---------------------------------	--------------------------------	----------

### Mitigation Plan

### Supporting documentation on completed measures

**APPENDIX A: Related Federal Laws and Authorities****Airport Runway Clear Zones**

General policy	Legislation	Regulation
It is HUD's policy to apply standards to prevent incompatible development around civil airports and military airfields.		24 CFR Part 51 Subpart D

**1. Does the project involve the sale or acquisition of developed property?**

✓ No

Based on the response, the review is in compliance with this section.

Yes

**Compliance Determination**

Based on the project description the project includes no activities that would require further evaluation under this section. The project is in compliance with Airport Runway Clear Zone requirements. Additionally, based on the Riverside County Transportation and Land Management GIS mapping and report the project is not located within the influence of an airport area or airport compatibility zone.

**Supporting documentation**

Desert Rose Not In Airport Compatability or Influence GIS Report.pdf

**Are formal compliance steps or mitigation required?**

Yes  
✓ No

**Coastal Barrier Resources**

General requirements	Legislation	Regulation
HUD financial assistance may not be used for most activities in units of the Coastal Barrier Resources System (CBRS). See 16 USC 3504 for limitations on federal expenditures affecting the CBRS.	Coastal Barrier Resources Act (CBRA) of 1982, as amended by the Coastal Barrier Improvement Act of 1990 (16 USC 3501)	

**This project is located in a state that does not contain CBRA units. Therefore, this project is in compliance with the Coastal Barrier Resources Act.**

**Screen Summary****Compliance Determination**

This project is located in a state that does not contain CBRS units. Therefore, this project is in compliance with the Coastal Barrier Resources Act.

**Supporting documentation**

[Desert Rose Google Map.pdf](#)

**Are formal compliance steps or mitigation required?**

Yes  
✓ No

**Flood Insurance**

General requirements	Legislation	Regulation
Certain types of federal financial assistance may not be used in floodplains unless the community participates in National Flood Insurance Program and flood insurance is both obtained and maintained.	Flood Disaster Protection Act of 1973 as amended (42 USC 4001-4128)	24 CFR 50.4(b)(1) and 24 CFR 58.6(a) and (b); 24 CFR 55.1(b).

**1. Does this project involve financial assistance for construction, rehabilitation, or acquisition of a mobile home, building, or insurable personal property?**

- ✓ No. This project does not require flood insurance or is excepted from flood insurance.

Based on the response, the review is in compliance with this section.

Yes

**Screen Summary****Compliance Determination**

Based on the project description the project includes no activities that would require further evaluation under this section. The project does not require flood insurance or is excepted from flood insurance. While flood insurance may not be mandatory in this instance, HUD recommends that all insurable structures maintain flood insurance under the National Flood Insurance Program (NFIP). The project is in compliance with Flood Insurance requirements.

**Supporting documentation****Are formal compliance steps or mitigation required?**

- Yes  
✓ No



**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:

Housing Authority of the County of Riverside, a public entity, corporate and politic (PHA) and

Riverside Community Housing Corp, a California non-profit public benefit corporation (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**

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

Previous editions are obsolete

**HUD 52530B Page - 1 of Part 1  
(07/2019)**

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 UTILITY 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:  
08/06/2019.
- 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:  
20 years, (ending 8/6/2039).
- 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: 0. 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: 0. 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)**

Housing Authority of the County of Riverside, a public entity, corporate and politic

By:

Signature of authorized representative

**Carrie Harmon, Deputy Executive Director**

Name and official title (Print)

Date

**OWNER****Name of Owner (Print)**

Riverside Community Housing Corp, a California non-profit public benefit corporation

By:

Signature of authorized representative

**Robert Field, Chief Executive Officer**

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.

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

Previous editions are obsolete

**HUD 52530B Page - 9 of Part 1  
(07/2019)**

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**EXECUTION OF THE PBC TO PBV ADDENDUM**

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

**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)).

**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. OVERCROWDED, 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 to 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.

**Tenancy Addendum  
Section 8 Project-Based  
Voucher Program**  
(to be attached to the lease)

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

OMB Approval No. 2577-0169  
(exp. 07/31/2022)

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 983.256(b)(3), under which the lease between the owner and the tenant must include a HUD-required tenancy addendum. 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. 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 the family members' names, unit address, and owner name is mandatory. The information is used to provide Section 8 PBV assistance in the form of housing assistance payments. The information also specifies what utilities and appliances are to be supplied by the owner and the tenant. 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 or owner participation in the PBV program.

**Instructions for use of Tenancy Addendum:**

This tenancy addendum is used in the Section 8 project-based voucher (PBV) program. Under the program, HUD provides funds to a public housing agency (PHA) for rent subsidy on behalf of eligible families. The main regulation for this program is 24 Code of Federal Regulations Part 983.

The tenancy addendum has two parts:

Part A: Tenancy Addendum Information (fill-ins). See section by section instructions.

Part B: Tenancy addendum (no information is entered in this part).

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

**Section 2: Tenant**

Enter full name of tenant.

**Section 3. Contract Unit**

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

**Section 4. Household Members**

Enter full names of all PHA-approved household members. Specify if any such person is a live-in aide, which is a person approved by the PHA to reside in the unit to provide supportive services for a family member who is a person with disabilities.

**Section 5. Initial Lease Term**

Enter first date and last date of initial lease term. The initial lease term must be for at least one year. 24 CFR § 983.256(f).

**Section 6. Initial Rent to Owner**

Enter the amount of the monthly rent to owner during the initial lease term.

**Section 7. Initial Tenant Rent**

Enter the initial monthly amount of tenant rent.

**Section 8. Housing Assistance Payment**

Enter the initial amount of the monthly housing assistance payment.

**Section 9. Utilities and Appliances**

The lease must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the tenant. Fill in section 9 to show who is responsible to provide or pay for utilities and appliances.



## Part A of the Tenancy Addendum

(Fill out all of the information in Part A.)

1. **Contents of Tenancy Addendum**

This Tenancy Addendum has two parts:

Part A: Tenancy Addendum Information

Part B: Tenancy Addendum

2. **Tenant**

--

3. **Contract Unit**

--

4. **Household**

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

--

5. **Initial Lease Term**

The initial lease term begins on (mm/dd/yyyy): \_\_\_\_\_

The initial lease term ends on (mm/dd/yyyy): \_\_\_\_\_

6. **Initial Rent to Owner**

The initial rent to owner is: \$ \_\_\_\_\_

7. **Initial Tenant Rent**

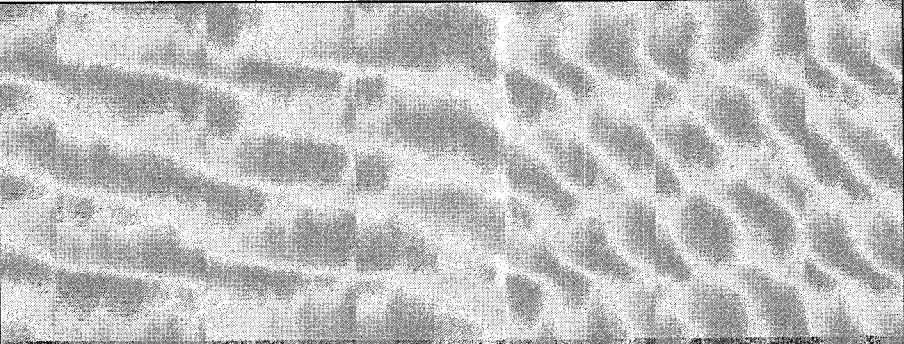

The initial tenant rent is: \$ \_\_\_\_\_ per month. The amount of the tenant rent is subject to change by the PHA during the term of the lease in accordance with HUD requirements.

8. **Initial Housing Assistance Payment**

At the beginning of the Housing Assistance Payments (HAP) contract term, the amount of the housing assistance payment by the PHA to the owner is \$ \_\_\_\_\_ per month. The amount of the monthly housing assistance payment by the PHA to the owner is subject to change during the HAP contract term in accordance with HUD requirements.

## 9. 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.

Item	Specify fuel type			Provided by	Paid by
Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other		
Cooking	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other		
Water Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other		
Other Electric					
Water					
Sewer					
Trash Collection					
Air Conditioning					
					Provided by
Refrigerator					
Range/Microwave					
Other (specify)					

**Signatures:**  
**Owner**

**Tenant**

\_\_\_\_\_  
Print or Type Name of Owner

\_\_\_\_\_  
Print or Type Name of Family Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or Type Name and Title of Signatory

\_\_\_\_\_  
Print or Type Name of Family Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **Part B of the Tenancy Addendum**

### **1. Section 8 Project-Based Voucher (PBV) 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 Section 8 PBV program of the United States Department of Housing and Urban Development (HUD).
- b. The owner has entered into a Housing Assistance Payments Contract (HAP contract) with the public housing agency (PHA) under the PBV program. Under the HAP contract, the PHA will make housing assistance 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 HUD requirements and the lease includes the tenancy addendum.
- b. The tenant shall have the right to enforce the tenancy addendum against the owner. If there is any conflict between the tenancy addendum and any other provisions of the lease, the language of the tenancy 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 PBV program.
- b. The composition of the household must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.
- c. The contract unit may be used for residence only by the PHA-approved household members. The unit must be the family's only residence. Members of the household may engage in legal profit-making activities incidental to primary use of the unit for residence by members of the family.
- d. The tenant may not sublease or let the unit.
- e. The tenant may not assign the lease or transfer the unit.

### **4. Rent to Owner**

- a. The initial and redetermined rent to owner are established in accordance with HUD requirements.
- b. During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:
  - (1) The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or
  - (2) Rent charged by the owner for comparable unassisted units in the premises.

## **5. Family Payment to Owner**

- a. The tenant rent is the portion of the monthly rent to owner paid by the family. The PHA determines the tenant rent in accordance with HUD requirements. 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.
- b. Each month, the PHA will make a housing assistance payment to the owner on behalf of the family in accordance with the HAP contract. The amount of the monthly housing assistance payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 PBV program.
- c. The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.
- d. The tenant is not responsible for paying the portion of rent to owner covered by the PHA housing assistance payment under the HAP contract between the owner and the PHA. A PHA failure to pay the housing assistance payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of the PHA housing assistance payment.
- e. 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 rent to owner. The rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease. The rent to owner does not include charges for non-housing services such as food, furniture or supportive services provided by the owner.
- f. The owner must immediately return any excess rent payment to the tenant.

## **6. Other Fees and Charges**

- a. With the exception of families receiving PBV assistance in assisted living developments (see paragraph b. below), the owner may not require the tenant or family members to pay charges for any meals or supportive services which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- b. In assisted living developments receiving project-based assistance, the owner may charge tenants, family members, or both for meals or supportive services. Any such charges must be specified in the lease. 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 the reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in assisted living developments.
- c. The owner may not charge the tenant extra amounts for items customarily included in rent to owner 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 the HQS.
- (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 HQS.

(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 by Owner**

a. Requirements. The owner may terminate the tenancy only in accordance with the lease and HUD requirements.

b. Grounds. During the term of the lease (the initial term of the lease or any extension term), the owner may terminate the tenancy only because of:

(1) Serious or repeated violation of the lease;

(2) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;

(3) Criminal activity or alcohol abuse (as provided in paragraph c); or

(4) Other good cause (as provided in paragraph d).

c. Criminal Activity or Alcohol Abuse

(1) The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:

(a) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);

(b) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;

(c) Any violent criminal activity on or near the premises; or

(d) Any drug-related criminal activity on or near the premises.

(2) The owner may terminate the tenancy during the term of the lease if any member of the household is:

(a) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or

(b) Violating a condition of probation or parole under Federal or State law.

(3) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

(4) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

d. Other Good Cause for Termination of Tenancy

- (1) During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.
- (2) During the initial lease term or during any extension term, other good cause includes:
  - (a) Disturbance of neighbors,
  - (b) Destruction of property, or
  - (c) Living or housekeeping habits that cause damage to the unit or premises.
- (3) After the initial lease term, such good cause includes the tenant's failure to accept the owner's offer of a new lease or revision.

e. Automatic Renewal of the Lease

Although the lease automatically renews (for successive definite terms or for an indefinite extension of the term, as provided for in the lease), an owner may terminate the lease for good cause.

f. Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.

- (1) Purpose: This section incorporates the protections for victims of domestic violence, dating violence, sexual assault, or stalking in accordance with subtitle N of the Violence Against Women Act of 1994, as amended (codified as amended at 42 U.S.C. 14043e et seq.) (VAWA) and implementing regulations at 24 CFR part 5, subpart L.
- (2) Conflict with other Provisions: In the event of any conflict between this provision and any other provisions included in Part C of the HAP contract, this provision shall prevail.
- (3) Effect on Other Protections: Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault or stalking.
- (4) Definition: As used in this section, the terms "actual and imminent threat," "affiliated individual," "bifurcate," "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in HUD's regulations at 24 CFR part 5, subpart L. The terms "Household" and "Other Person Under the Tenant's Control" are defined at 24 CFR part 5, subpart A.
- (5) VAWA Notice and Certification Form: The PHA shall provide the tenant with the "Notice of Occupancy Rights under VAWA" and the certification form described under 24 CFR 5.2005(a)(1) and (2).
- (6) Protection for victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking:
  - (a) The landlord or the PHA will not deny admission to, deny assistance under, terminate from participation in, or evict the tenant on the basis of or as a direct result of the fact that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the tenant otherwise qualifies for admission, assistance, participation, or occupancy. 24 CFR 5.2005(b)(1).

(b) The tenant shall not be denied tenancy or occupancy rights solely on the basis of criminal activity engaged in by a member of the tenant's household or any guest or other person under the tenant's control, if the criminal activity is directly related to domestic violence, dating violence, sexual assault, or stalking, and the tenant or an affiliated individual of the tenant is the victim or the threatened victim of domestic violence, dating violence, sexual assault, or stalking. 24 CFR 5.2005(b)(2).

(c) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease by the victim or threatened victim of the incident. Nor shall such incident or incidents be construed as other "good cause" for termination of the lease, tenancy, or occupancy rights of such a victim or threatened victim. 24 CFR 5.2005(c)(1) and (c)(2).

(7) Compliance with Court Orders: Nothing in this Addendum will limit the authority of the landlord, when notified by a court order, to comply with the court order with respect to the rights of access or control of property (including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking) or with respect to the distribution or possession of property among members of the tenant's household. 24 CFR 5.2005(d)(1).

(8) Violations Not Premised on Domestic Violence, Dating Violence, Sexual Assault, or Stalking: Nothing in this section shall be construed to limit any otherwise available authority of the landlord to evict or the public housing authority to terminate the assistance of a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the landlord or the PHA will not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance. 24 CFR 5.2005(d)(2).

(9) Actual and Imminent Threats:

(a) Nothing in this section will be construed to limit the authority of the landlord to evict the tenant if the landlord can demonstrate that an "actual and imminent threat" to other tenants or those employed at or providing service to the property would be present if the tenant or lawful occupant is not evicted. In this context, words, gestures, actions, or other indicators will be construed as an actual and imminent threat if they meet the following standards for an actual and imminent threat: "Actual and imminent threat" refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. 24 CFR 5.2005(d)(3).

(b) If an actual and imminent threat is demonstrated, eviction should be used only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence, developing other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. 24 CFR 5.2005(d)(4).

(10) Emergency Transfer: A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking may request an emergency transfer in accordance with the PHA's emergency transfer plan. 24 CFR 5.2005(e). The PHA's emergency transfer plan, which must be made available upon request, must:

(a) Incorporate strict confidentiality measures to ensure that the PHA does not disclose a tenant's dwelling unit location to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant;

(b) Give the victim priority to receive the next available opportunity for continued tenant-based rental assistance if they have been living in the PBV unit for one year or more. 24 CFR 983.261;

(c) Describe policies or efforts a PHA will take when the victim has been living in a unit for less than one year, or the victim seeks to move sooner than a tenant-based voucher will be available.

(d) For transfers in which the tenant would not be considered a new applicant, the PHA must ensure that a request for an emergency transfer receives, at a minimum, any applicable additional priority that is already provided to other types of emergency transfer requests. For transfers in which the tenant would be considered a new applicant, the plan must include policies for assisting a tenant with this transfer.

(11) Bifurcation: Subject to any lease termination requirements or procedures prescribed by Federal, State, or local law, if any member of the tenant's household engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, the landlord may "bifurcate" the lease, or remove that household member from the lease, without regard to whether that household member is a signatory to the lease, in order to evict, remove, or terminate the occupancy rights of that household member without evicting, removing, or otherwise penalizing the victim of the criminal activity who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the Housing Choice Voucher program. 24 CFR 5.2009(a). If the Landlord bifurcates the Lease to evict, remove, or terminate assistance to a household member, and that household member is the sole tenant eligible to receive assistance, the landlord shall provide any remaining tenants or residents a period of 30 calendar days from the date of bifurcation of the lease to:

(a) Establish eligibility for the same covered housing program under which the evicted or terminated tenant was the recipient of assistance at the time of bifurcation of the lease;

(b) Establish eligibility under another covered housing program; or;

(c) Find alternative housing.

(12) Family Break-up: If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA may offer the victim the opportunity for continued tenant-based rental assistance.

(13) Move with Continued Assistance: The public housing agency may not terminate assistance to a family or member of the family that moves out of a unit in violation of the lease, with or without prior notification to the public housing agency, if:

(a) The move was needed to protect the health or safety of the family or family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking; and

(b) The family or member of the family reasonably believes that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. However, any family member that has been the victim of a sexual assault that occurred on the premises during the 90-calendar day period preceding the family's move or request to move is not required to believe that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. 24 CFR 983.261.



(14) Confidentiality:

- (a) The Landlord shall maintain in strict confidence any information the Tenant (or someone acting on behalf of the Tenant) submits to the Landlord concerning incidents of domestic violence, dating violence, sexual assault or stalking, including the fact that the tenant is a victim of domestic violence, dating violence, sexual assault, or stalking.
- (b) The Landlord shall not allow any individual administering assistance on its behalf, or any persons within its employ, to have access to confidential information unless explicitly authorized by the Landlord for reasons that specifically call for these individuals to have access to the information pursuant to applicable Federal, State, or local law.
- (c) The Landlord shall not enter confidential information into any shared database or disclose such information to any other entity or individual, except to the extent that the disclosure is requested or consented to in writing by the individual in a time-limited release; required for use in an eviction proceeding; or is required by applicable law.

g. Eviction by Court Action. The owner may evict the tenant only by a court action.

h. Owner Notice of Grounds

- (1) At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.
- (2) The owner must give the PHA a copy of any owner eviction notice at the same time the owner notifies the tenant.
- (3) Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under State or local law.

**9. PHA Termination of Assistance**

The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program assistance for the family, the lease terminates automatically.

**10. Lease: Relation to HAP Contract**

If the HAP contract terminates for any reason, the lease terminates automatically.

Upon termination or expiration of the HAP contract without extension, each family assisted under the contract may elect to use its assistance to remain in the same project if the family's unit complies with the inspection requirements, the rent for the unit is reasonable, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount for tenant-based utilities) exceeds the applicable payment standard.

**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. Security Deposit**

- a. The owner may collect a security deposit from the tenant. (However, the PHA may prohibit the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.)
- b. 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, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease.
- c. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.
- d. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

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

## **14. Conflict with Other Provisions of Lease**

- a. The terms of the tenancy addendum are prescribed by HUD in accordance with Federal law and regulation, as a condition for Federal assistance to the tenant and tenant's family under the Section 8 PBV program.
- b. In case of any conflict between the provisions of the tenancy 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 the HUD-required tenancy addendum shall control.

## **15. Changes in Lease and Rent**

- a. The tenant and the owner may not make any change in the tenancy 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 tenancy addendum.
- b. The owner must notify the PHA in advance of any proposed change in lease requirements governing the allocation of tenant and owner responsibilities for utilities. Such changes may be made only if approved by the PHA and if in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent in accordance with HUD requirements, based on any changes in the allocation of responsibility for utilities between the owner and tenant, and the redetermined reasonable rent shall be used in the calculation of the rent to owner from the effective date of the change.

## 16. Written Notices

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

## 17. Definitions

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

**Excepted Unit.** A contract unit in a multifamily building not counted against the per-building cap on PBV assistance (25 units or 25 percent of the units in the project, whichever is greater) (see 24 CFR § 983.56(b)).

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

**HAP contract.** The housing assistance payments contract between the PHA and the owner. The PHA pays housing assistance payments to the owner in accordance with the HAP contract.

**Household.** The persons who may reside in the contract unit. The household consists of the family and any PHA-approved live-in aide. (A live-in aide is a person who resides in the unit to provide necessary supportive services for a member of the family who is a person with disabilities.)

**Housing quality standards (HQS).** The HUD minimum quality standards for housing assisted under the Section 8 PBV program.

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

**HUD requirements.** HUD requirements for the Section 8 PBV program. HUD requirements are issued by HUD headquarters as regulations, Federal Register notices or other binding program directives. The Lease Addendum shall be interpreted and implemented in accordance with HUD requirements.

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

**PHA.** Public Housing Agency.

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

**Program.** The Section 8 project-based voucher program.

**Rent to owner.** The total monthly rent payable to the owner for the contract unit. The rent to owner is the sum of the portion of rent payable by the tenant plus the PHA housing assistance payment to the owner.

**Section 8.** Section 8 of the United States Housing Act of 1937 (42 United States Code 1437f).

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

## EXHIBIT A

**Total Number of Project Based Voucher (PBV) Units in Project Covered by HAP Contract:** 41 (Desert Rose Apartments)

**Total Number Units in the Project:** 77 (including 1 manager's unit)

**Description and Quantity in Project:** PBV Units will be floating

- 2BR/1BA apartment: 17 units
- 3BR/2BA apartment: 20 units
- 4BR/2BA apartment: 04 units

**Initial Rent to Owner for Contract Units (net of HACR energy efficient? utility allowance):**

- Contract rent for 2BR/1BA apartment: \$ 1,123 = (\$1,220 payment std - \$97 UA)
- Contract rent for 3BR/2BA apartment: \$ 1,560 = (\$1,682 payment std - \$122 UA)
- Contract rent for 4BR/2BA apartment: \$ 1,773 = (\$1,919 payment std - \$146 UA)

## EXHIBIT B

### **Services, Maintenance, and Equipment to be Provided by the Owner Without Charges in Addition to Rent to Owner:**

- Maintenance of building exterior, interior, and site areas
- Utilities paid by Owner - water, sewer, trash
- Common area includes on-site laundry facility, playground, basketball court, picnic area and on-site management

## EXHIBIT C

### **Utilities paid by Owner:**

- Water, sewer, trash

### **Utilities paid by Residents:**

- Electricity, gas, telephone, cable TV/satellite, internet.

## EXHIBIT D

### **Features Provided to Comply with Program Accessibility Features of Section 504 of the Rehabilitation Act of 1973**

The site is currently improved 38 townhome buildings that consist of 77, studio, one, two, three and four bedroom units. One single unit building, which is the managers' four bedroom unit, one laundry facility building and one easing office/maintenance building. All structures where originally built in 1990 and then renovated in 2008. Additionally the site is improved with a playground and off-street covered and uncovered parking.

#### At Section 504 Accessible Units (Units 21, 271, 122, 342 – all ground floor units)

- Accessible path to unit entrance
- Kitchens - countertops at 34" height
- Kitchens - upper cabinets at 46" max to lower shelf
- Adaptable cabinets (removable base and doors)
- Kitchen sink depth 6" or less
- Bathrooms - appropriate toilet clearances, grab bars; vanity height and faucet clearances; grab bars as required

#### At Units for Visually or Hearing Impaired (Units 372, 201)

- Visual/flashing doorbell
- Additional audible/visual fire alarms

**MASTER LEASE**

by and between

**HOUSING AUTHORITY  
OF THE COUNTY OF RIVERSIDE,  
AS MASTER LANDLORD,**

**AND**

**RIVERSIDE COMMUNITY  
HOUSING CORP.,  
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT  
CORPORATION,  
AS MASTER TENANT**



## TABLE OF CONTENTS

RECITALS.....	
1. DEFINITIONS.....	
2. INTENTIONALLY DELETED .....	
3. PROPERTY.....	
4. LEASE TERM .....	
5. RENT.....	
6. USE OF PROPERTY.....	
7. IMPROVEMENT.....	
8. MAINTENANCE AND REPAIRS.....	
9. UTILITIES AND SERVICES.....	
10. ALTERATIONS.....	
11. INSURANCE.....	
12. INDEMNIFICATION .....	
13. DAMAGE OR DESTRUCTION .....	
14. CONDEMNATION .....	
15. ASSIGNMENT & SUBLETTING.....	
16. DEFAULTS AND TERMINATION .....	
17. SURRENDER: ENTRY .....	
18. NOTICES.....	
19. QUIET POSSESSION.....	
20. INTENTIONALLY DELETED .....	
21. GENERAL PROVISIONS .....	
22. SIGNATURES .....	

## EXHIBITS

EXHIBIT "A"	LEGAL DESCRIPTION
EXHIBIT "B"	HOUSING AUTHORITY REQUIREMENTS
EXHIBIT "C"	HOUSING ASSISTANCE PAYMENT HAP AGREEMENT

## **MASTER LEASE**

This Master Lease ("Lease") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019 by and between the Housing Authority of the County of Riverside, a public body, corporate and politic ("Master Landlord"), and Riverside Community Housing Corp., a California non-profit public benefit corporation ("Master Tenant"). Master Landlord and Master Tenant shall sometimes hereinafter be individually referred to as "Party" and collectively referred to as "Parties".

### **RECITALS**

WHEREAS, Master Landlord is a public entity, corporate and politic;

WHEREAS, Master Landlord owns certain real property, that includes a 76 unit affordable multifamily housing development located at 24501 School Road, Ripley, CA 92225, APN 872-210-023 ("Development"), in unincorporated Riverside County, State of California, more fully described in Exhibit A, which is attached hereto and incorporated herein by this reference (the "Property");

WHEREAS, this Lease pertains to the Development;

WHEREAS, the use occupancy, management and operation of the Property is subject to the rules and regulations of the Section 8 Program;

WHEREAS, Master Tenant has the expertise, special skills, knowledge and experience to perform the duties set out herein and desires to provide such services to Master Landlord;

WHEREAS, Master Landlord desires to enter into a Lease with Master Tenant to provide full property management services for the Development to ensure continuity of services for the tenants, as more specifically provided below.

NOW THEREFORE, based on the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledges by all Parties, the Parties hereby agree as follows:

### **TERMS & CONDITIONS**

#### **1. DEFINITIONS**

##### **1.1 General Definitions**

As used in this Lease, the following words and phrases shall have the following meanings:

(a) Alterations – any change to or modifications to the improvements on the Property made by Master Tenant pursuant to Section 10.1 below.

(b) Authorized Representative – any officer, manager, employee, or agent of either Party, acting within authority given by that Party.

(c) Damage – injury, deterioration, or loss to a Person, to the Property, or to any property (including property of third parties) caused by an act of God or another Person's acts or omissions. Damage includes, without limitation, death of a natural person. Damage does not include normal wear and tear.

(d) Destruction – any substantial Damage to the Property or the Improvements.

(e) Encumbrance – any deed of trust, lien, mortgage, or other written security device or agreement encumbering either the leasehold or the fee interest in the Property or Improvements that constitutes security for the payment of a debt or performance of an obligation.

(f) Expiration – the coming to an end of the time and/or term specified in this Lease as its duration.

(g) Improvements – any structures or other permanent improvements constructed on the Property in accordance with plans and specifications approved by Master Landlord, subject to any requirements of all regulatory agencies.

(h) Law – any judicial decision, statute, constitution, code, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the Parties or the Property, or both, including, without limitation, any licensing requirements and any requirements under the Americans with Disabilities Act, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body.

(i) Person – one or more human beings, or legal entities or other artificial persons of any kind, including, without limitation, persons, sole proprietorships, partnerships, limited liability companies, corporations, trusts, estates, joint ventures, associations, and any combination of human beings and legal entities.

(k) Provision – any term, agreement, covenant, condition, promise, clause, qualification, restriction, reservation, or other stipulation in this Lease that in any way defines or otherwise controls, establishes, or limits the performance required or permitted by either Party.

(l) Successor – assignee, transferee, personal representative, heir, or other Person succeeding lawfully, and pursuant to the Provisions of this Lease, to the rights or obligations of either Party.

(m) Termination – the ending of the Term for any reason before Expiration.

## 1.2 Other Definitions

The following additional terms are defined in the following sections of this Lease:

(a) Term	4
(b) Rent	5.1
(c) Other Expenses	5.2
(d) Award	14.1(a)
(e) Condemnation	14.1(b)
(f) Condemnor	14.1(c)
(g) Date of Taking	14.1(d)
(h) Defaults	16.2

## 2. INTENTIONALLY DELETED

## 3. PROPERTY

### 3.1 Lease of Property

For and in consideration of the payment of Rent and the performance of all the terms, covenants and conditions of this Lease by Master Tenant, Master Landlord hereby leases the Property to Master Tenant.

### 3.2 Master Tenant's Acceptance

Master Landlord currently maintains and operates the Property and is fully informed regarding the condition of the Property. Master Tenant accepts the Property in its "as is" condition with all defects as of the initial date of the delivery of the Property to Master Tenant.

### 3.3 Conveyance of Improvements

Upon Expiration of the Term of this Lease, any Improvements shall be subject to the provisions of Section 7 below.

### 3.4 Management of Property by Master Tenant

Concurrently with, or prior to, the execution of this Lease, the Parties hereto will enter into a property management agreement incorporated herewith as Exhibit H ("Property Management Agreement"). The Property Management Agreement shall be read in conjunction with this Lease where conditions of the Lease or Property Management Agreement so require.

## 4. LEASE TERM

The term of this Lease shall commence on the date the lease is signed and extend for a period of twenty (20) years ("Term"). The Term may be extended by mutual written agreement of the Master Landlord and the Master Tenant.

## 5. RENT

### 5.1 Payment of Rent

Commencing on \_\_\_\_\_, 2019 (the "Rent Commencement Date") and on an annual basis each July 1 thereafter, Master Tenant shall pay to Master Landlord the sum of one hundred percent (100%) of all Surplus Cashflow (defined below) generated by the Development during the preceding year but not less than One Dollar (\$1.00) per year, without deduction, setoff, prior notice or demand, at such place as Master Landlord may from time to time designate (hereinafter referred to as "Rent"). Surplus Cashflow shall be identified in annual audited financial statements prepared by a firm approved in writing by Master Landlord. For purposes of this Lease, Surplus Cashflow shall mean, with respect to each calendar year, the amount by which Gross Rents, as defined herein, for such calendar year exceed the Operating Expenses, as defined herein, for that calendar year.

(a) With the exception of the "**Excluded Items**" (as defined below), "**Gross Rents**" shall mean, with respect to each calendar year or portion thereof, all gross income, rentals, revenues, payments and consideration, of whatever form or nature, whether direct or indirect, received by or paid to or for the account or benefit of Master Tenant or any "Affiliate" (as defined below) of Master Tenant or any of their agents or employees, from any and all sources, resulting from or attributable to the ownership, operation, leasing and occupancy of the Property, or any portion thereof, determined on the basis of generally accepted accounting principles applied on a consistent basis, and shall include, but not be limited to:

(i) gross rentals paid by tenants of the Property under occupancy leases and payments and subsidies of whatever nature, including without limitation any payments, vouchers or subsidies from the United States Department of Housing and Urban Development ("HUD") or any other person or organization, received on behalf of tenants under occupancy leases;

(ii) amounts paid to Master Tenant or any Affiliate of Master Tenant on account of "Operating Expenses" (as defined herein) for further disbursement by Master Tenant or such Affiliate to a third party or parties;

(iii) late charges and interest paid on rentals;

(iv) rents and receipts from licenses, concessions, vending machines, coin laundry and similar sources; and

(vii) consideration received in whole or in part for the cancellation, modification, extension or renewal of occupancy leases.

(b) The term "**Affiliate**" shall mean any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Master Tenant which, if Master Tenant is a partnership or limited liability company, shall include each of the constituent members or partners, respectively, thereof. The term "control" as used in immediately preceding sentence, means, with respect to a person that is a corporation, the right to exercise,

directly or indirectly, more than fifty person (50%) of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person that is not a corporation, possession directly or indirectly of the power to direct or cause the direction of the management or policies of the controlled person. Notwithstanding the foregoing, Gross Rents shall not include the following items ("Excluded Items"):

(i) security deposits from tenants (except when applied by Master Tenant to rent or other amounts owing by tenants);

(ii) capital contributions to Master Tenant or its members, partners or shareholders by its or their members, partners or shareholders;

(iii) condemnation or insurance proceeds;

(iv) funds received from any source actually and directly used for acquisition and/or initial development of the Property; and

(v) interest earned on all required Project Reserve Accounts.

(c) **"Operating Expenses"** shall mean, with respect to each calendar year or portion thereof, the sum of the following expenses to the extent actually paid by Master Tenant during such period:

(i) nonelective payments made with respect to the existing Financing;

(ii) all taxes and assessments imposed upon the Property, or any portion thereof, and required to be paid by Master Tenant but only to the extent such taxes and assessments are paid or set aside as a reserve by Master Tenant during such calendar year;

(iii) all amounts paid or set aside as a reserve by Master Tenant on account of insurance premiums for insurance carried in connection with the Property, provided that if insurance on the Property is maintained as part of a blanket policy covering the Property and other properties, the insurance premium included in this definition shall be the portion of the premium fairly allocable to the Property for the period;

(iv) ownership and operating costs incurred by Master Tenant for the management, operation, cleaning, leasing, marketing, maintenance and repair of the Property (including without limitation, property management fees and administrative fees) properly chargeable against income according to generally accepted accounting principles, including without limitation wages, payroll and accounting costs, utility and heating charges, material costs, maintenance costs, costs of services, water and sewer charges, travel expenses allocable to the Property, or any portion thereof, supportive service coordinator salary as noted in Exhibit "F" of the Master Lease (noted as "service coordination"), plus annual escalations in amounts reasonably approved by Commission, and license fees and business taxes; provided, however, that (A) the amount included as property management fees in Operating Expenses shall collectively not exceed \$55 per unit per month from the Property for such period, all or a portion of each of which may be paid to Master Tenant and/or an Affiliate of Master Tenant, (B) such

property management fee shall only be paid on the basis of supporting documentation reasonably acceptable to Commission, and shall be paid after the payment of all other Operating Expenses, and (C) total ownership and operating costs do not exceed industry standards as approved by Commission;

(v) deposits toward Replacement Reserves, as defined below, in an amount of no less than \$300 per unit per year;

(vi) to the extent not otherwise included in Operating Expenses, amounts paid from any account as a reserve account for the purpose for which such reserve was created so long as such purpose would constitute an Operating Expense.

(d) The term "Operating Expenses" shall not include any of the following:

(i) any salaries of employees of Master Tenant or Master Tenant's general overhead expenses, or expenses, costs and fees paid to an Affiliate of Master Tenant, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the unincorporated Riverside County area for the same work or services;

(ii) any amounts paid directly by a tenant of the Project to a third party in connection with expenses which, if incurred by Master Tenant, would be Operating Expenses;

(iii) any payments with respect to existing Financing, or any other Project-related loan or financing; or

(d) Project Reserve Accounts.

(i) "Eligible Reserves" shall mean, with respect to each calendar year or portion thereof, Operating Reserves and Replacement Reserves, which meet the requirement set forth below:

(A) The Reserves are segregated in a special account for Operating Reserves ("Operating Reserve Account") and/or Replacement Reserves ("Replacement Reserve Account"), as the case may be (either sometimes referred to as a "Reserve Account"), established with a financial institution or other duly licensed escrow agent mutually acceptable to the Parties ("Escrow Agent").

(ii) "Operating Reserves" shall mean:

(A) Loan advances, including accumulated interest paid on the balance in the Operating Reserve Account (as hereinafter defined), subject to the Operating Reserve Cap (as hereinafter defined), and

(B) actually set aside for:

- (1) taxes and assessments;
- (2) insurance premiums;
- (3) operation of the Project as may, for reasons other than those described in this Agreement, be required in connection with existing; and
- (4) any other purpose which itself constitutes an Operating Expense.

(iii) "Replacement Reserve" shall mean funds reserved, including accumulated interest paid on the balance in the Replacement Reserve Account (as hereinafter defined), and actually set aside for replacement of roofing, furniture, fixtures, equipment, and other capital expenditures, which reserves shall be in an annual amount equal to the greater of: (a) \$300 per unit (b) such higher amount per unit as may be required by a tax credit investor or holder of existing Financing or (c) as established from time to time by mutual agreement of the Parties.

## 5.2 Other Expenses

In addition to the amount set forth in Section 5.1 above, and as a Property operating expense, Master Tenant shall pay or cause to be paid all insurance, operating and maintenance expenses in accordance with the terms of this Lease and the Property Management Agreement, including, but not limited to: all ad valorem property taxes and possessory interest taxes, assessed against or otherwise imposed on the Property, and any and all expenses related to the advertising, marketing, leasing, cleaning, maintenance, repairs, and general upkeep of the Property (collectively the "Other Expenses"). From and after the date hereof, Master Tenant shall be liable and responsible for and pay the Other Expenses on or before the date such Other Expenses are due, and in no event shall Master Tenant be entitled to a credit from Master Landlord with respect to the Other Expenses.

## 6. USE OF PROPERTY

### 6.1 Use

Throughout the Term of this Lease, the Property shall be operated by Master Tenant as affordable multifamily rental apartments in accordance with the HAP Contract Requirements more fully described on Exhibit C, attached hereto and incorporated herein. Master Tenant shall not use or permit the use of the Property and Improvements in any manner which (i) creates a nuisance, or (ii) violates any Law; provided that if any future Law is enacted that requires changes to the Improvements or otherwise requires that Master Tenant expend an amount greater than five thousand dollars (\$5,000) to comply with such future Law, then Master Tenant may terminate this Lease by sixty (60) days prior written notice thereof to Master Landlord given in accordance with Section 17 of this Lease.



## 6.2 Non-Discrimination

Master Tenant herein covenants by and for itself, its officers, employees, agents, administrators and assigns that there shall be no discrimination against or segregation of any person or group of persons, on account of race, religion, creed, color, national origin, ancestry, marital status, sex or sexual orientation in the leasing, subleasing, transferring, use or enjoyment of the Property and Improvements, nor shall Master Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants, or vendees for the Improvements which differs from existing Law.

## 6.3 Quality Assurance Plan

Master Landlord and/or its agent may evaluate Master Tenant's performance under this Lease and/or the Property Management Agreement as often as it desires. Such evaluation will include assessing Master Tenant's compliance with this Lease and the Property Management Agreement. Master Tenant deficiencies, which Master Landlord determines are severe or continuing and that may place performance of this Lease, Property Management Agreement, and/or the Property in jeopardy, if not corrected, will be reported to the Master Tenant's Board of Directors. The report will include improvement/corrective action measures taken by Master Landlord and Master Tenant. If improvement does not occur consistent with the corrective measure, Master Landlord may terminate this Lease, pursuant to Section 16 of this Lease, or impose other remedies as specified in this Lease.

## 7. IMPROVEMENT

### 7.1 Requirement of Master Landlord's Written Approval.

No improvement shall be constructed on the Property unless and until the proposed Improvement has been approved in writing by Master Landlord.

### 7.2 Master Landlord's Approval or Rejection of Proposed Improvements.

Within 30 days after delivery to Master Landlord of any of the documents submitted by Master Tenant for approval under Section 7.1 of this Lease, Master Landlord shall either approve the proposed Improvements by endorsing Master Landlord's approval on each such document and returning one set of the documents to Master Tenant, or Master Landlord shall give written notice to Master Tenant of any objections Master Landlord may have to those documents. Within 30 days after service on Master Tenant of the written notice of Master Landlord's objections, Master Tenant may deliver corrective amendments to the documents to Master Landlord and Master Landlord shall, within 15 days after receiving the corrective amendments, serve written notice on Master Tenant of Master Landlord's approval or rejection of the documents as so amended.

### 7.3 Master Landlord's Withholding of Approval.

Master Landlord shall not unreasonably withhold approval of the proposed Improvements.

## 8. MAINTENANCE AND REPAIRS

### 8.1 General Maintenance and Repairs

In addition to the duties and responsibilities of Master Tenant as set forth more fully in the attached Property Management Agreement, Master Tenant, at its sole cost and expense, shall maintain the Property, landscaping, Improvements, equipment, and all other components of the Property in good repair and order and in decent, safe, and sanitary condition at all times in order to ensure the preservation of their condition. To this end, Master Tenant shall perform any and all repairs or replacements of the aforementioned as may be necessary.

### 8.2 Apartment Maintenance, Upkeep, and Repairs

In addition to the duties and responsibilities of Master Tenant as set forth more fully in the attached Property Management Agreement, Master Tenant, at its sole cost and expense, shall maintain the Property, including, without limitation, the individual apartment units, in good repair and order, and in decent, safe, sanitary, and habitable condition at all times in order to ensure the preservation and habitability of their condition. In the event that Master Tenant fails to maintain the Property or an individual apartment unit in a decent, safe, sanitary, and habitable condition, such may be deemed, at Master Landlord's sole discretion, a substantial breach of this Lease. Without limiting any other remedies, Master Landlord may then, upon ten (10) days written notice to Master Tenant, enter the Property to cure the substantial breach with all costs and expenses of the cure being borne solely by Master Tenant, or Master Landlord may elect to terminate this Lease upon thirty (30) days written notice to Master Tenant.

## 9. UTILITIES AND SERVICES

Master Tenant is responsible for and shall pay for all utilities and services, including, without limitation, all water, sewage, gas, electricity, telephone, maintenance, janitorial, trash collection, and all other utilities and services supplied to the Property. Master Landlord shall have no obligation for the furnishing, maintenance or repair of, or payment for, such utilities and services.

## 10. ALTERATIONS

### 10.1 Alterations

Master Tenant shall have the right, throughout the Term of this Lease, at any time and from time to time, to make, without the review or approval of Master Landlord, any Alterations costing less than five thousand dollars (\$5,000.00). Any Alterations in excess of this amount shall require the prior written approval of the Master Landlord. All Alterations shall be made pursuant to the terms of this Section 10. Master Tenant is responsible for obtaining any and all required permits, licenses and approvals for said Alterations to Property.

### 10.2 Conditions to Alterations

Notwithstanding the Provisions of Section 10.1 above, with respect to any such Alterations, Master Tenant shall comply with the following requirements:

(a) If the Alterations require a building permit, on or before submission of (i) preliminary construction plans and specifications therefore and/or (ii) final working plans and specifications, to the appropriate governmental agencies for review, Master Tenant shall submit one set of such documents to Master Landlord for Master Landlord's review and approval.

(b) If the cost of the Alterations exceeds five thousand dollars (\$5,000), Master Tenant shall deliver to Master Landlord insurance certificates for any insurance pertaining to the construction which is required pursuant to Section 11 hereof.

(c) Once construction of the Alterations commences, Master Tenant shall with reasonable diligence prosecute such construction to completion.

(d) Except as otherwise set forth in this Lease by written notice to Master Tenant either before expiration of the Lease Term or within a reasonable time after any earlier Termination of this Lease, Master Landlord may require Master Tenant, at Master Tenant's sole expense, to remove any Alterations and restore the Property to their configuration and condition before the Alterations were made. If Master Tenant fails to complete that restoration before expiration of the Lease Term or, in the case of earlier termination, within fifteen (15) days after written notice from Master Landlord requesting the restoration, Master Landlord may do so and charge the cost of the restoration to Master Tenant.

## 11. INSURANCE

Without limiting Master Tenant's indemnifications of the Master Landlord provided in this Lease, Master Tenant shall procure and maintain at its own expense the insurance described in this section for the time periods set forth herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be approved by the California Department of Insurance and must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Master Tenant shall, concurrent with the execution of this Lease, deliver to the Master Landlord certificates of insurance with original endorsements evidencing the general liability and automobile insurance coverage required by this Lease. Master Tenant shall deliver satisfactory evidence of issuance of All Risk property insurance described in (3) below and worker's compensation insurance described in (4) below at such time that such exposures are at risk, but in no event later than the Close of Escrow. Master Tenant shall deliver satisfactory evidence of issuance of Professional Liability Coverage once design professionals are hired for the Project. The certificate and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Master Landlord reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Master Landlord and may provide for such deductibles as may be acceptable to the Master Landlord. In the event such insurance does provide for deductibles or self-insurance, Master Tenant agrees that it will defend, indemnify and hold harmless the Master Landlord, its elected and appointed officers, officials, representatives, employees and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each such certificate shall stipulate that the Master Landlord is to be given at least thirty (30) days' written notice in advance of any modification or cancellation of any policy of insurance. Master Tenant shall give the Master Landlord immediate notice of any insurance claim or loss which may be covered by insurance. Master Tenant represents and warrants that Master Tenant's contractors, subcontractors, and design professionals, shall also

provide and maintain all of the insurance coverage requirements as set forth herein.

(1) General Liability: Comprehensive general liability insurance, including coverage for personal injury, death, property damage and contractual liability, with a combined single limit of at least Two Million Dollars (\$2,000,000) for each occurrence (Four Million Dollars (\$4,000,000) General Aggregate), including products and completed operations coverage. Whether written on an occurrence or claims-made basis, the policy(ies) shall be maintained from the execution of this Lease until at least four (4) years after termination of this Lease. The policy shall contain a waiver of subrogation for the benefit of the Master Landlord.

(2) Professional Liability: Professional liability insurance, including coverage for personal injury, death, property damage and contractual liability, with a combined single limit of at least One Million Dollars (\$1,000,000) for each occurrence (Two Million Dollars (\$2,000,000) General Aggregate). Said insurance shall be maintained for as long as the design professional maybe exposed to potential liability. The policy shall contain a waiver of subrogation for the benefit of the Master Landlord.

(3) Property Insurance: All Risk property insurance. Coverage shall include without limitation, builders risk insurance and insurance against the perils of fire and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake and flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements. The amount of the property coverage shall at all times exceed the full replacement value of materials supplied or installed by others, all existing structures, improvements and fixtures on the Property. There shall not be a "co-insurance" clause. This insurance shall be maintained for the Term of this Lease or as long as the Property Management Agreement is in place, whichever is longer.

(4) Worker's Compensation and Employer's Liability: Master Tenant's employees, if any, Master Tenant's contractors, subcontractors, and design professionals and any affiliates or agents of Master Tenant shall be covered by Workers' Compensation insurance in an amount and in such form as to meet all applicable requirements of the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident. This insurance shall be maintained for the Term of this Lease or as long as the Property Management Agreement is in place, whichever is longer.

(5) Automobile Liability: Combined single limit automobile liability insurance of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage, covering owned, nonowned and hired vehicles. This insurance shall be maintained for the Term of this Lease or as long as long as the Property Management Agreement is in place, whichever is longer.

The Master Landlord and its officers, officials, representatives, employees and agents shall be named as additional insureds on the General Liability policy and Automobile Liability policy. The Master Landlord and its officers, officials, representatives, employees and agents shall be named as the loss payee on the Property Insurance policy. All of the above mentioned

insurance policies shall be the primary policies with respect to the Master Landlord. Failure on the part of Master Tenant, and any entities with which Master Tenant contracts in relation to this Lease, the Property or Development, to procure or maintain the insurance coverage required in this Insurance Section shall constitute a material breach of this Lease pursuant to which the Master Landlord may immediately terminate this Lease and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Master Landlord, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Master Landlord shall be immediately repaid by the Master Tenant to the Master Landlord upon demand including interest thereon at the default rate. The Master Landlord shall have the right, at its sole election, to participate in and control any insurance claim adjustment or dispute with the insurance carrier. Master Tenant's failure to assert or delay in asserting any claim shall not diminish or impair the Master Landlord's rights against the Master Tenant or the insurance carrier.

## 12. INDEMNIFICATION

Master Tenant agrees to indemnify, defend, and hold harmless Master Landlord and each of its elected and appointed officers, officials, representatives, employees, and agents, from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney's fees and costs and expert witness fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), that arise out of, pertain to, or relate to this Lease, the Development or the Property excepting Liabilities caused by the sole negligence or willful misconduct of Master Landlord. Such indemnification language, in favor of Master Landlord, shall also be incorporated in Master Tenant's contracts with any entity with which it contracts in relation to this Lease, the Development, the Property, or the Child Care Center. These indemnification provisions shall remain in full force and effect and survive the termination and/or expiration of this Lease. Master Tenant agrees to require any entities with which it contracts to agree to and abide by the above mentioned indemnification requirements in favor of Master Landlord, as applicable to each of them.

## 13. DAMAGE OR DESTRUCTION

### 13.1 Duty to Restore

If any insured Damage or Destruction to the Property, Alterations, or Improvements renders such partially or totally unusable, this Lease shall not terminate and such shall be rebuilt by Master Tenant with due diligence at Master Tenant's sole cost and expense; provided, however that Master Tenant shall not be obligated to rebuild such if the insurance proceeds received by Master Tenant for such Damage or Destruction to such is less than one hundred percent (100%) of the cost to restore such. Notwithstanding the foregoing, this Lease may be subject to termination by Master Landlord as provided in Section 13.2 below.

### 13.2 Election to Terminate

If there shall occur any Damage or Destruction to the Property, Alterations, or Improvements at any time during the Term for which the insurance proceeds received by Master Tenant is less than one hundred percent (100%), exclusive of deductibles, of the cost to restore such (or if such Damage or Destruction is uninsured), then either Master Landlord or Master Tenant may terminate this Lease by written notice thereof to the other Party given in

accordance with the terms of Section 17. If this Lease is not terminated, then Master Tenant shall rebuild such with due diligence within a reasonable time after Master Tenant's receipt of such insurance proceeds as approved by Master Landlord. If this Lease is terminated as aforesaid, (1) this Lease shall terminate effective as of the date of such Damage or Destruction, and (2) any Rent paid by Master Tenant for the period after such termination date shall be immediately refunded by Master Landlord.

#### 14. CONDEMNATION

##### 14.1 Definitions

(a) "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

(b) "Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by Master Landlord or Master Tenant to any Condemnor, either under threat of Condemnation or while legal proceedings for Condemnation are pending.

(c) "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(d) "Date of Taking" means that date which is the earlier of (i) the date Condemnor has the right to take possession of the property being condemned, or (ii) the date Condemnor takes title to the property being condemned.

##### 14.2 Rights and Obligations

If during the Term there is any taking of all or any part of the Property, the Improvements, or any interest in this Lease by Condemnation, the rights and obligations of the Parties shall be determined pursuant to this Section 14. Each Party waives the provisions of Code of Civil Procedure Section 1265.130 allowing either Party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Property.

##### 14.3 Total Taking

(a) If all or substantially all of the Property, Improvements, or Master Landlord or Master Tenant's interest in this Lease shall be taken by Condemnation, this Lease shall terminate as of the Date of Taking. For purposes of this Section, "substantially all" of the Property, Improvements, or the Master Landlord or Master Tenant's interest in this Lease shall be deemed to have been taken if the Condemnation in Master Landlord's reasonable discretion prevents the remaining property from practicably being used by Master Tenant for the purposes contemplated by this Lease ("Total Taking").

(b) In the event of a Total Taking, Master Tenant shall be entitled to that portion of the Award attributable to the fair market value of the Improvements, plus compensation for fixtures and equipment and goodwill and relocation benefits and Master Landlord shall be entitled to receive the balance of any Award.

#### 14.4 Partial Taking

(a) In the event of a taking, which is less than a Total Taking ("Partial Taking"), the Term of this Lease shall not be reduced or affected in any way.

(b) In the event of a Partial Taking:

(1) Subject to the rights of Project Lender(s), if any, that portion of the Award as may be required to reasonably repair and restore any Improvements on the Property shall be made payable to the Master Tenant for the cost of repair, restoration or reconstruction of the damaged or destroyed Improvements.

(2) If and to the extent that the Improvements cannot, in Master Landlord's reasonable judgment, be so repaired and restored, Master Landlord shall be entitled to retain the Award to reasonably compensate Master Landlord for the fair market value of Master Landlord's interest in this Lease taken by Condemnor and the fair market value of the Improvements which cannot be repaired or restored.

(c) If the temporary use or occupancy of all or any part of the Improvements shall be taken for any public or quasi use for a period exceeding sixty (60) days during the Term of this Lease, Master Tenant shall have the option to terminate this Lease upon thirty (30) days notice to Master Landlord, subject to the rights of Project Lenders, if any. If Master Tenant does not give, within ten (10) days of learning of the temporary use or occupancy, the thirty (30) day notice of this option to terminate the Lease, Master Tenant shall continue to pay in full the Rent and other sums due from Master Tenant to Master Landlord under this Lease, and Master Landlord shall be entitled to receive the balance, if any, of the Award.

#### 14.5 Condemnation Proceedings

Master Tenant shall have the right to participate in any Condemnation proceedings concerning or affecting the Property, Improvements, or Master Landlord's interest in this Lease and Master Tenant's interest in this Lease. In case of a taking of all or any part of the Property or the commencement of any proceedings or negotiations which might result in such taking, any Party receiving information as to the same shall promptly give written notice thereof to the other.

#### 15. ASSIGNMENT & SUBLETTING

Except in conjunction with the routine rental operations of residential apartment units at the Property, Master Tenant may not assign, sublet, transfer all or any of its interest in this Lease or alter the use of the Property without the prior written consent of Master Landlord at Master Landlord's sole discretion. In the event Master Landlord grants its consent to an assignment or transfer, Master Tenant shall not be released from any duties or obligations for the performance of all of the terms and conditions of this Lease, including, without limitation, the payment of Rent, upon the date of such assignment or transfer.

#### 16. DEFAULTS AND TERMINATION

##### 16.1 Termination for Cause

This Lease may be terminated by Master Landlord upon written notice to Master Tenant for

just cause, with no penalties incurred by Master Landlord, upon the occurrence of any of the following events:

- (a) Master Tenant's failure to maintain licenses or permits as maybe required by any local, state, or federal governmental agency;
- (b) Master Tenant's failure to comply with all Laws;
- (c) In the event that a petition of bankruptcy shall be filed by or against the Master Tenant.
- (d) Master Tenant's Default for cause, as such term is defined in Sec. 16.2;
- (e) Master Tenant's failure to maintain the Property;
- (f) Master Tenant's failure to comply with any of the terms and conditions of this Lease; or
- (g) Master Tenant's failure to comply with any of the terms and conditions of the Property Management Agreement.

#### 16.2 Defaults

Each of the following shall, after the giving of any required notice and the expiration of any applicable cure period described herein, constitute a default ("Default") by Master Tenant under this Lease:

- (a) Master Tenant's failure to pay any installment of Rent or other sum due under this Lease when due and payable, and such failure continues for a period of more than thirty (30) days after written notice to pay by Master Landlord;
- (b) Master Tenant's failure to perform any non-monetary obligation, provision, term, covenant or condition of this Lease, and such failure continues for more than thirty (30) days after written notice from the Master Landlord. However, if the Default is of such a character that it cannot be reasonably cured within thirty (30) days, Master Tenant shall not be in Default hereunder if Master Tenant shall commence the cure of such Default within thirty (30) days of Master Landlord's written notice to Master Tenant and shall thereafter diligently prosecute the same to completion;
- (c) The Property or any Improvements are not used for its intended purpose for a period exceeding ninety (90) days. However, in the event of Damage or Destruction or Condemnation to or of the Improvements, the terms and provisions of Sections 13 and 14 shall govern;
- (d) If a receiver, guardian, conservator, trustee or assignee, or any other or similar officer or Person shall be appointed to take charge of the Property and/or Improvements, and such appointment is not vacated within ninety (90) days thereafter;
- (e) The material falsity of any representation or breach of any warranty or covenant



made by Master Tenant under the terms of this Lease shall constitute a default for which no cure is provided, provided that Master Landlord gives notice to Master Tenant of such material falsity within twelve (12) months following the Lease Date.

(f) Master Tenant shall (a) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (b) make a general assignment for the benefit of creditors, (c) be adjudicated a bankrupt or insolvent, or (d) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition that is not withdrawn within ninety (90) days of the filing thereof or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

(g) If without the application, approval or consent of Master Tenant, a proceeding shall be instituted in any court of competent jurisdiction under any law relating to bankruptcy, in respect of Master Tenant or any constituent member or partner or majority shareholder, of Master Tenant for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Master Tenant, in good faith, the same shall (a) result in the entry of an order for relief or any such adjudication or appointment, or (b) continue undismissed, or pending and un-stayed, for any period of ninety (90) consecutive days; or

(h) Master Tenant shall suffer or attempt to effect an assignment or transfer of this Lease in violation of this Lease.

#### 16.3 Termination for Cause of Uncured Default

Upon occurrence of any Default by Master Tenant, Master Landlord may at its option and without any further demand or notice, provide a 60 day written notice of Termination of this Lease to Master Tenant, and on the date specified in such notice, Master Tenant's right to possession of the Property and Improvements shall cease immediately and this Lease shall terminate. Upon such Termination, Master Landlord may reenter the Property, and subject to the rights of subtenants, Master Landlord may eject all parties in possession of the Property through legal process and repossess and enjoy the Property.

#### 16.4 Cumulative Nature of Remedies

The foregoing rights and remedies granted to Master Landlord under this Section 16 shall be cumulative to all other rights and remedies now or hereafter given to Master Landlord by Law or in equity or by the Terms of this Lease. No remedy herein conferred upon or reserved to Master Landlord is intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy given under this Lease or now existing at law or in equity or by statute; and may be exercised in such manner, at such times and in such order as Master Landlord may determine in its sole discretion. No delay or omission in the exercise of any right or power upon the occurrence of any Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by Master Landlord. In the event of a Default by

Master Landlord or Master Tenant, neither party shall be entitled to recover consequential damages from the other. In order to entitle Master Landlord to exercise any right or remedy reserved to it under this Lease, no notice shall be required except as expressly provided herein.

#### 16.5 Master Landlord's Right to Cure Breach

If an emergency threatens life or material damage to the Property, at any time and without notice to Master Tenant or any other party, Master Landlord may (but shall not be obligated to) cure any default by Master Tenant under this Lease at Master Tenant's sole cost and expense. If Master Landlord, by reason of Master Tenant's failure, pays any sum or does any act under this Section 16, the reasonable sum paid by Master Tenant plus the reasonable cost of performing such act shall be due as additional Rent within thirty (30) days after written demand therefore by Master Landlord to Master Tenant. Except as specifically provided under the terms of this Lease, no such payment or act shall constitute a cure or waiver of the breach or a waiver of any remedy for Default or render Master Landlord liable for any loss or damage resulting from any such act.

#### 16.6 Termination's Effect on Property Management Agreement

In the event that Master Landlord elects to terminate this Lease for any reason whatsoever, Master Landlord may also elect, in its sole and absolute discretion, to terminate the Property Management Agreement.

### 17. SURRENDER: ENTRY

#### 17.1 Surrender

##### (a) Surrender upon Expiration or Earlier Termination

Subject to the provisions of this Lease, upon the Expiration or earlier Termination of this Lease, Master Tenant shall surrender the Property to Master Landlord.

##### (b) Voluntary Surrender

Master Tenant may surrender the Property to Master Landlord upon sixty (60) days prior written notice at any time during the Term of this Lease with the written consent of the Master Landlord. In such event, Master Tenant shall be relieved of any and all obligations arising on or subsequent to the date the Lease is so surrendered to Master Landlord, provided, however that Master Tenant shall remain obligated on all obligations that arise prior to the date of such surrender.

##### (c) Ownership and Encumbrance of the Improvements

Improvements on the Property shall be the sole and absolute property of Master Landlord, who may transfer, sell, assign or remove the same subsequent to any Termination or Expiration of the Lease. Master Landlord retains the right to further encumber the Property or Improvements during the term of the Lease.

17.2 Master Landlord's Entry on Property Master Landlord shall have the right to enter the Property at any reasonable time during normal business hours without notice for any reasonable purpose. Master Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Master Landlord's entry on the Property as provided in this section, except damage resulting from the negligent acts or negligent omissions of Master Landlord. Master Tenant shall not be entitled to an abatement or

reduction of Rent if Master Landlord exercises any rights reserved in this Section.

#### 18. NOTICES

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease made or given by either Party to the other shall be personally delivered or sent by reputable overnight courier or United States certified mail, return receipt requested, postage prepaid, and shall be deemed received upon delivery if personally served, one (1) day after deposit with an overnight courier, or three (3) days after deposit in the United States mail, if sent certified mail, return receipt requested, postage prepaid. Such notices shall be addressed as follows:

If to Master Landlord:  
ATTN: Deputy Executive Director  
5555 Arlington Ave  
Riverside, CA 92504

If to Master Tenant:  
ATTN: Chief Executive Officer  
5555 Arlington Ave.  
Riverside, CA 92504

Or to such other place or places as Master Landlord and Master Tenant may designate by written notice similarly delivered.

#### 19. QUIET POSSESSION

Master Tenant shall peaceably and quietly have, hold and enjoy the Property during the Term hereof, as the same may be extended, without hindrance by Master Landlord, subject to all of the provisions of this Lease.

#### 20. INTENTIONALLY DELETED

#### 21. GENERAL PROVISIONS

##### 21.1 Waiver

The waiver by Master Landlord or Master Tenant of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by the Master Landlord shall not be deemed to be a waiver of any preceding breach by Master Tenant of any term, covenant, or condition of this Lease, other than the failure to pay the particular Rent so accepted, regardless of Master Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

##### 21.2 Estoppel Certificates

At any time and from time to time, within twenty (20) days after notice of request by either Party, the Party so requested shall execute, acknowledge, and deliver to the requesting Party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is

unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured Defaults or failures to perform any covenant or Provision of this Lease on the part of the other Party hereto or specifying any such Defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any lender, auditor, creditor, banker, and investment banker of either Party and by any prospective purchaser or mortgage of the Property or all or any part or parts of Master Tenant's or Master Landlord's interests under this Lease.

#### 21.3 Modification

No Provision of this Lease may be amended or varied except by an agreement in writing signed by the Parties.

#### 21.4 Governing Law

The Lease shall be governed by and interpreted under the laws of the State of California.

#### 21.5 Successors

The covenants, conditions and agreements of this Lease shall be binding upon and shall inure to the benefit of the heirs, representatives, successors and assigns of the Parties hereto.

#### 21.6 Severability

If the Provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other Provisions of this Lease shall in no way be affected thereby, and this Lease shall be construed as though such invalid, illegal or unenforceable Provisions had never been contained herein, provided that such construction does not materially alter the rights or obligations of either Party hereunder.

#### 21.7 RESERVED

#### 21.8 Termination for Improper Consideration

Master Landlord may, by written notice to Master Tenant, immediately terminate the right of Master Tenant under this Lease if it is found that consideration, in any form, was offered or given by Master Tenant, either directly or through an intermediary, to any Master Landlord officer, employee or agent with the intent of securing the Lease or securing favorable treatment with respect to the award, amendment or extension of the Lease or the making of any determinations with respect to the Master Tenant's performance pursuant to the Lease. In the event of such termination, Master Landlord shall be entitled

to pursue the same remedies against the Master Tenant as it could pursue in the event of default by the Master Tenant. Master Tenant shall immediately report any attempt by an Master Landlord officer or employee to solicit such improper consideration. The report shall be made to the Master Landlord's manager charged with the supervision of the officer or employee or the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0491 or (800) 544-6861.

#### 21.9 Captions

The captions of the sections of this Lease are for convenience only and shall not be considered

or referred to in resolving questions of interpretation or construction.

#### 21.10 Brokers

Each Party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

#### 21.11 Force Majeure

Except as provided below, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, extraordinary governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the control of the Party obligated to perform any term, covenant or condition of this Lease, shall excuse the performance by such Party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to Rent or Master Landlord's financial obligations pursuant to this Lease, unless abatement is provided for in those instances under this Lease. Either Party encountering such force majeure delays shall send written notice thereof to the other Party no later than ten (10) days after the commencement of such force majeure delay. If the Party encountering such force majeure delay fails to send notice thereof to the other Party within ten (10) days after the commencement of such delay, then any alleged delay occurring more than ten (10) days prior to the date of such notice shall not be deemed to extend any time for performance set forth herein.

#### 21.12 Conflict of Documents

To the extent of any inconsistency between this Lease and any other related agreements entered into prior to the Lease Date, the terms of this Lease shall prevail.

#### 21.13 Compliance with Laws

Master Tenant and Master Landlord agree to be bound by all Laws as they pertain to the performance of this Lease.

#### 21.14 Federal Lobbyist Requirements

Master Tenant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and Housing & Urban Development's 24 Code of Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, 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 any federal contract, the making of any federal grant loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification of said documents.

#### 21.15 Conflict of Interest

Master Tenant represents, warrants and agrees that to the best of its knowledge, except as previously disclosed to Master Landlord in writing, it does not presently have, nor will it acquire during the Term of this Lease, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one

percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement the Housing Authority of the County of Riverside ("Housing Authority"). Upon execution of this Lease and during its Term, as appropriate, the Master Tenant shall disclose in writing to the Commission any other contract or employment during the Term of this Lease by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interest of the third parties.

#### 21.16 Access, Retention, and Inspection of Records

Master Tenant shall retain all books, documents, papers, accounting records, rental payment receipts, reports, data, information, ledgers, accounts receivable, rental agreements, contracts with third parties, maintenance records, expenses, costs, liabilities, rents collected, rents owed, vacancy rates, insurance records, tax records, profit and loss statements, and any other documents or agreements related to the Development, Property, Lease, or Child Care Center, (collectively referred to as "Records") of the Master Tenant, which relate in any way to the Development, Property, Lease, or Child Care Center. Upon twenty four (24) hours notice, and at any and all other times as reasonably requested by Master Landlord, Master Tenant shall provide Master Landlord, and any of its authorized representatives, access to review, inspect, examine, audit, and make copies of the Records. Master Tenant shall provide such access during normal business hours or at any other times as reasonably requested by Master Landlord. Master Tenant is required to retain the Records during the Term of this Lease and for no less than five (5) years after expiration of the Term or termination of this Lease. Master Tenant's, or any of its assignee's or subcontractor's, failure to keep and maintain adequate records, in Master Landlord's sole discretion, shall be deemed a material breach of this Lease and Master Landlord may elect to terminate this Lease, upon thirty (30) days written notice to Master Tenant. In the event that Master Tenant assigns any of its rights under this Lease or the Property Management Agreement, then Master Tenant shall require all assignees to comply with the provisions of this section, in favor of Master Landlord, and language substantially similar thereto shall also be incorporated into Master Tenant's agreements with any assignees.

#### 21.17 Safety Standards and Accident Prevention

Master Tenant shall comply with all applicable federal, state and local laws governing safety, health and sanitation. Master Tenant shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Lease.

#### 21.18 Drug-Free Workplace Act of the State of California

Master Tenant certifies under penalty of perjury under the laws of the State of California that Master Tenant will comply with the requirements of the Drug-Free Workplace Act of 1990.

#### 21.19 Reserved

#### 21.20 Reserved

#### 21.21 Reserved

21.22 Reserved

21.23 Reserved

21.24 Reserved

21.25 Master Tenant's Responsibility and Debarment

(a) A responsible Master Tenant demonstrates the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the terms and conditions of this Lease. It is the policy of Master Landlord to conduct business only with responsible contractors.

(b) Master Tenant is hereby notified that if the Housing Authority acquires information concerning the performance of the Master Tenant on this or other contracts which indicates that the Master Tenant is not responsible, the Housing Authority may, in addition to other remedies provided in the contract, debar the Master Tenant from bidding on Housing Authority contracts for a specified period of time not to exceed five (5) years, and terminate any or all existing contracts the Master Tenant may have with the Housing Authority.

(c) Housing Authority may debar Master Tenant if the Housing Authority's Board of Commissioners (the "Board of Commissioners") finds, in its discretion, that the Master Tenant has done any of the following: (1) violated any term of a contract with the County, or Housing Authority, (2) committed any act or omission which negatively reflects on the Master Tenant's quality, fitness or capacity to perform a contract with the County, Housing Authority, or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County, Housing Authority, or any other public entity.

(d) If there is evidence that Master Tenant may be subject to debarment, the Housing Authority will notify Master Tenant in writing of the evidence, which is the basis for the proposed debarment and will advise Master Tenant of the scheduled date for a debarment hearing before the Contractor Hearing Board.

(e) The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Master Tenant and/or the Master Tenant's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Master Tenant should be debarred, and, if so, the appropriate length of time of the debarment. If Master Tenant fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Master Tenant may be deemed to have waived all rights of appeal.

(f) A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

(g) These terms shall also apply to subcontractors and/or sub-consultants of Master Tenant.

**21.26 Master Tenant's Charitable Contribution Compliance**

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Master Tenant's to complete the Charitable Contributions Certification as included in Attachment E — Required Contract Forms, the Housing Authority seeks to ensure that all Housing Authority or Housing Authority contractors that receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Master Tenant that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

**21.27 Interpretation**

No provision of this Lease is to be interpreted for or against either Party because that Party or that Party's legal representative drafted such provision, but this Lease is to be constructed as if it was drafted by each of the Parties hereto.

**21.28 Waiver** No breach of any provision hereof can be waived unless in writing. Waiver of any breach of any provision shall not be deemed to be a waiver of any subsequent breach of the same or any other provision hereof.

**21.29 Entire Agreement**

This Lease contains the entire agreement between the Parties with respect to the subject matter hereof. No verbal agreement or implied covenant, unless included in such a contemporaneous agreement, shall be held to vary the Provisions hereof, any statements, laws or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own inspection of the Property and Development, and examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Lease. The failure or refusal of either Party to inspect the Property and Development, to read this Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

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[Signature Page to Follow]



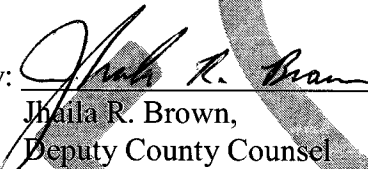
IN WITNESS WHEREOF, Master Landlord and Master Tenant have executed this Lease through their duly authorized officers this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**MASTER LANDLORD:**

HOUSING AUTHORITY OF THE COUNTY  
OF RIVERSIDE, a public entity,  
corporate and politic

By: \_\_\_\_\_  
Carrie Harmon,  
Deputy Executive Director

APPROVED AS TO FORM:  
Gregory P. Priamos,  
County Counsel


By:   
Jhaila R. Brown,  
Deputy County Counsel

**MASTER TENANT:**

RIVERSIDE COMMUNITY HOUSING  
CORP., a California nonprofit public benefit  
corporation

By: \_\_\_\_\_  
Robert Field,  
Chief Executive Officer

APPROVED AS TO FORM:  
Gregory P. Priamos,  
General Counsel

By:   
Amrit P. Dhillon,  
Deputy General Counsel

**EXHIBIT "A" TO MASTER LEASE**  
**LEGAL DESCRIPTION**  
**(TO BE ADDED)**

FORM

**EXHIBIT "B" TO MASTER LEASE-**  
**HOUSING AUTHORITY REQUIREMENTS**

The Master Tenant agrees to comply with the following Housing Authority requirements:

1. **Termination for Improper Consideration**

Housing Authority may, by written notice to the Master Tenant, immediately terminate the right of the Master Tenant to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Master Tenant, either directly or through an intermediary, to any Housing Authority officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Master Tenant's performance pursuant to this Agreement. In the event of such termination, Commission shall be entitled to pursue the same remedies against the Master Tenant as it could pursue in the event of default by the Master Tenant.

The Master Tenant shall immediately report any attempt by a Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to Housing Authority's Executive Director or his designee.

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

2. **Confidentiality of Reports**

The Master Tenant shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of Housing Authority.

3. **Housing Authority's Quality Assurance Plan**

Housing Authority will evaluate Master Tenant's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Master Tenant's compliance with all contract terms and performance standards. Master Tenant deficiencies which Housing Authority determines are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by Housing Authority and Master Tenant. If improvement does not occur consistent with the corrective measure, Master Tenant on may terminate this Agreement or seek other remedies as specified in this Agreement.

7. Independent Contractor

This Agreement does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Housing Authority and the Master Tenant.

8. Drug-Free Workplace Act of the State of California

Master Tenant certifies under penalty of perjury under the laws of the State of California that the Tenant will comply with the requirements of the Drug-Free Workplace Act of 1990.

9. Compliance with Laws

The Master Tenant agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement. If the compensation under this Agreement is in excess of \$100,000 then Master Tenant shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Master Tenant must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

Master Tenant shall comply with the following laws:

10. Civil Rights Act of 1964, Title VI (Non-discrimination in Federally Assisted Programs)

Master Tenant shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

11. Section 109 of the Housing and Community Development Act of 1974

Master Tenant shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

12. Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973

Master Tenant shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Agreement

on the basis of age or with respect to an otherwise qualified disabled individual.

13. Executive Order 11246 and 11375, Equal Opportunity in Employment (Non-discrimination in Employment by Government Contractors and Subcontractors)

Master Tenant shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment which requires that during the performance of this Agreement, the Master Tenant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, ancestry, marital status, or disability. The Master Tenant will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Master Tenant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Master Tenant will, in all solicitations or advertisements for employees placed by or on behalf of the Master Tenant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Master Tenant will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Master Tenant's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Master Tenant will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Master Tenant will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Master Tenant's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Master Tenant may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Master Tenant will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor

issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Master Tenant will take such actions with respect to any subcontract or purchase order as Commission may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Master Tenant becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by Commission, the Master Tenant may request the United States to enter into such litigation to protect the interests of the United States.

16. Contractor Responsibility and Debarment

- A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Housing Authority to conduct business only with responsible Contractors.
- B. The Contractor is hereby notified that if the Housing Authority acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Housing Authority may, in addition to other remedies provided in the contract, debar the Contractor from bidding on Housing Authority contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with the Housing Authority.
- C. Housing Authority may debar a Contractor if the Board of Commissioners finds, in its discretion, that the Master Tenant has done any of the following: (1) violated any term of a contract with the County, the Housing Authority, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, the Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County, the Housing Authority or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, Housing Authority will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the

Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in Master Landlordship or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Commission.
- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- I. These terms shall also apply to subcontractors and subconsultants of County, Housing Authority contractors, consultants, vendors and agencies.
17. Section 3 of the Housing and Community Development Act of 1968, as Amended

- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The Master Tenant agrees to send to each labor organization or representative of workers with which the Master Tenant has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Master Tenant's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The Master Tenant agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Master Tenant will not subcontract with any subcontractor where the Master Tenant has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The Master Tenant will certify that any vacant employment positions, including training positions, that are filled (1) after the Master Tenant is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Master Tenant's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and



employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

18. Barriers For the Disabled

The Project shall be developed to comply with all applicable federal, state and local requirements for access for disabled persons.

19. Lead-Based Paint

Master Tenant and its contractors and subcontractors shall not use lead-based paint in construction or maintenance of the Project. Master Tenant shall cause this provision to be incorporated in all contracts and subcontracts for work performed on the Project which involve the application of paint.

22. Lobbyist Ordinances

Federal Lobbyist Requirements: Master Tenant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of 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 any Federal contract, the making of any Federal grant, loan or cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

Master Tenant must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Tenant will comply with the Lobbyist Requirements.

Failure on the part of the Master Tenant or persons/subcontractors acting on behalf of the Tenant to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

23. Reserved.

24. Tenant's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers For Charitable Purposes Act regulates entities receiving or raising charitable contributions.

The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Master Tenant to complete the "Charitable Contributions Certificate" form the

Housing Authority seeks to ensure that all Housing Authority Master Tenant's that receive or raise charitable contributions comply with California law in order to protect the Commission and its taxpayers. A Master Tenant that received or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

FORM

**EXHIBIT "C" TO MASTER LEASE  
HAP AGREEMENT  
(TO BE ADDED)**

**FORM**