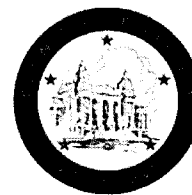


**SUBMITTAL TO THE BOARD OF COMMISSIONERS  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 10.3  
(ID # 11026)

**MEETING DATE:**

Tuesday, November 19, 2019

**FROM:** HOUSING AUTHORITY:

**SUBJECT:** HOUSING AUTHORITY: Approval of the Section 8 Project-Based Voucher Program Housing Assistance Payments Contract (HAP Contract) for Existing Housing, Hemet Vista I & II Apartments, Located in the City of Hemet Between Hemet Vista 1&2R Partners, LP and the Housing Authority of the County of Riverside; Find that the Environmental Assessment for the proposed project is a categorically excluded activity in accordance to the National Environmental Policy Action; District 3, [\$0]

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

1. Approve the attached Section 8 Project-Based Voucher Program Housing Assistance Payments Contract (HAP Contract) for Existing Housing, Hemet Vista I & II Apartments, Located in the City of Hemet Between Hemet Vista 1&2 PartnersR, LP and the Housing Authority of the County of Riverside; and
2. Authorize the Executive Director of the Housing Authority of the County of Riverside, or designee, to execute the attached HAP Contract and to take all necessary steps to implement the HAP Contract, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel; and

**ACTION:**Policy

Robert Field, Assistant County Executive Officer/ECD

10/15/2019

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**MINUTES OF THE BOARD OF COMMISSIONERS**

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: November 19, 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. Find that the proposed project is 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).

<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:</b>	No
			<b>For Fiscal Year:</b>	2019/20

**C.E.O. RECOMMENDATION:** [CEO use]

**BACKGROUND:**

**Summary**

Palm Communities (Developer) submitted an application in August of 2019 to the Housing Authority of the County of Riverside (HACR) for Housing Choice Voucher Program (HCVP or Section 8) Project-Based Vouchers for the existing Hemet Vista I & II Apartments on approximately 4.79 acres which consists of a 144-unit affordable housing development located adjacent 225 West Fruitvale Avenue in the City of Hemet on the corner of State and Fruitvale Avenue more specifically Assessor Parcel Number 439-060-036 (Project Site). The Developer was awarded 22 HCVP Project-Based Vouchers through competitive Requests for Proposals released by the Housing Authority of the County of Riverside on August 12, 2019 which will provide a rental subsidy for the existing project (Project).

The Section 8 Project-Based Voucher Program Housing Assistance Payments Contract meets conditions of Categorically Excluded Not Subject To Section 58.5 under Title 24 Code of Federal Regulations (CFR) 58.35(b) in which the proposed Project-Based Vouchers will be placed into existing housing without any associated rehabilitation and the Project is limited to rental assistance.

**Impact on Residents and Businesses**

Rental assistance will have a positive impact on the residents to stabilize housing and operation of the existing housing complex in addition to providing affordable housing to the community.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund. The Housing Authority's contribution to the project includes Housing Choice Voucher Program (HCVP or Section 8) Project-Based Vouchers which are fully funded from the United States Department of Housing and Urban Development.

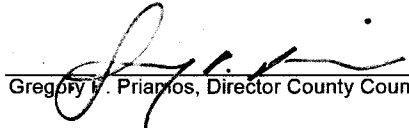
**ATTACHMENT:**

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

- Environmental Review for Activity/Project that is Categorically Excluded Not Subject to Section 58.5 Pursuant to 24 CFR Part 58.35(b)
- Section 8 Project-Based Voucher Program Housing Assistance Payments Contract

  
\_\_\_\_\_  
Alex Gann

11/12/2019

  
\_\_\_\_\_  
Gregory L. Priamos, Director County Counsel

11/7/2019



U.S. Department of Housing and Urban  
Development  
451 Seventh Street, SW  
Washington, DC 20410  
www.hud.gov  
espanol.hud.gov

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

**Project Information**

**Project Name:** Hemet Vista I & II Apartments

**Responsible Entity:** County of Riverside

**Grant Recipient** (if different than Responsible Entity): Hemet Vista 1&2R Partners, L.P.

**State/Local Identifier:** PBV3-19-002

**Preparer:** Nicole Sanchez

**Certifying Officer Name and Title:** Kevin Jeffries, Chairman of the Board of Supervisors

**Project Location:** 225 West Fruitvale Avenue, Hemet, CA 92543, APN 439-060-036

**Description of the Proposed Project** [24 CFR 58.32; 40 CFR 1508.25]: Palm Communities submitted a proposal for Project Based Vouchers in response to a request for proposals for the Housing Choice Vouchers Program from the Housing Authority of the County of Riverside (HACR) in August of 2019. Through the response for proposals Palm Communities was awarded 22 Project Based Vouchers that will provide rental subsidies for their existing Hemet Vistas I & II Apartment complex. The property is located at 225 West Fruitvale Avenue, Hemet, CA 92543 with Assessor Parcel Number 439-060-036 on approximately 4.79 acres and consists of 144 large family units. The Project Based Vouchers are awarded with the condition that supportive services be offered onsite free of charge to all residents to promote self-sufficiency. Palm Communities will contract with Communities Advocating for Resident Empowerment (C.A.R.E) to provide employment training, computer training, financial education, food distribution and mental health case management in the onsite community room. Services will be provided for 20 years.

Project Name

Project Locality and State

HEROS Number

**Level of Environmental Review Determination:**

☐ Activity/Project is Exempt per 24 CFR 58.34(a): \_\_\_\_\_

☒ Activity/Project is Categorically Excluded Not Subject To §58.5 per 24 CFR 58.35(b):  
\_\_\_\_\_

**Funding Information**

Grant Number	HUD Program	Funding Amount
PBV3-19-002	Housing Choice Vouchers Program	\$10,788,480.00

**Estimated Total HUD Funded Amount:**

**This project anticipates the use of funds or assistance from another Federal agency in addition to HUD in the form of (if applicable):**

**Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:**

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

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

<b>Compliance Factors:</b> Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4 and 58.6	Are formal compliance steps or mitigation required?	Compliance determinations
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §58.6</b>		
<b>Airport Runway Clear Zones and Accident Potential Zones</b>  24 CFR Part 51 Subpart D	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	The project site is not within 15,000 feet of a military airport or 2,500 feet of a civilian airport. The project is in compliance with Airport Hazards requirements.  <a href="https://www.google.com/maps/dir/Hemet-Ryan+Airport-HMT,+West+Stetson+Avenue,+Hemet,+CA">https://www.google.com/maps/dir/Hemet-Ryan+Airport-HMT,+West+Stetson+Avenue,+Hemet,+CA</a>

Project Name

Project Locality and State

HEROS Number

		/225+West+Fruitvale+Avenue,+Hemet,+CA /@33.7457135,- 117.0219397,14z/data=!3m1!4b1!4m13!4m1 2!1m5!1m1!1s0x80db65eacee8570d:0x97cd 05d3c736ff91!2m2!1d- 117.0222078!2d33.7300616!1m5!1m1!1s0x 80db68b2732e53a5:0xf1000715422c366!2m 2!1d-116.9726972!2d33.7616839
<b>Coastal Barrier Resources</b>  Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	The project is located in a state that does not contain CBRS units. Therefore, this project is in compliance with the Coastal Barrier Resources Act.  <a href="https://www.fws.gov/cbra/maps/mapper.htm">https://www.fws.gov/cbra/maps/mapper.htm</a> 1
<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]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	The project does not involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard Area.  FEMA Zone X, Map No. 06065C1488H

### **Mitigation Measures and Conditions [40 CFR 1505.2(c)]**

Summarize below 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

Preparer Signature: Nicole Sanchez Date: 9-26-19

Name/Title/Organization: Nicole Sanchez, Development Specialist, County of Riverside

Responsible Entity Agency Official Signature:

J. Davis Date: 10/9/19

Project Name

Project Locality and State

HEROS Number

Name/Title: Juan Garcia, Principal Development Specialist, County of Riverside

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

**CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

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

**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 \_\_\_\_\_ (PHA) and

Hemet Vista 1&2R Partners, L.P. \_\_\_\_\_ (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**

Previous editions are obsolete

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

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

NOV 19 2019 10.3



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:

12/01/2019.

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.

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:
- 22\_\_\_\_\_.
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

By:

Signature of authorized representative

Carrie Harmon

Name and official title (Print)

11/01/2019

Date

**OWNER**

Name of Owner (Print)

Hemet Vistas 1&2R Partners LP

By:

Signature of authorized representative

Hemet Vistas 1&2R Partners LP, a California limited partnership  
By: PC Hemet Vistas 1&2R Developers LLC, a California limited liability  
Company, its administrative general partner  
By: Palm Communities, a California corporation  
its sole member/manager  
By: Danavon L. Horn, President

Name and official title (Print)

11/05/2019

Date

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

Previous editions are obsolete

**HUD 52530B Page - 8 of Part 1  
(07/2019)**

FORM APPROVED COUNTY COUNSEL  
BY: Synthia M. Gunzel 11.7.19  
SYNTHIA M. GUNZEL  
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> Name of PHA (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date
<b>OWNER</b> Name of Owner (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date

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

**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

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

**HUD 52530B Page - 1 of Part 2  
(07/2019)**

(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

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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.

## EXHIBIT A

Hemet Vista I & II Apartments

555 E. Fruitvale Ave, Hemet, CA 92543

APN: 439-241-007

**Total Number of Project Based Voucher (PBV) Units in Project Covered by HAP Contract:** 22 (Hemet Vista I & II Apartments)

**Total Number Units in the Project:** 144 including 1 manager's unit

**Description and Quantity in Project:**

- 3BR/2BA apartment: 8
  - Units: 2, 39, 44, 78, 91, 101, 117, 136
- 4BR/2 BA apartment: 14
  - Units: 6, 7, 12, 13, 23, 25, 29, 30, 31, 36, 38, 41, 61, 66

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

- Contract rent for 3BR/2BA apartment: \$ 1,816 = (\$1,888 payment std - \$72 UA)
- Contract rent for 4BR/2.5BA apartment: \$ 2,046 = (\$2,132 payment std - \$86 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, tot lot, pool
- Common laundry machines – machines purchased and maintained by Owner; Residents pay to use laundry machines.



## EXHIBIT C

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

- Water, sewer, trash.

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

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

## EXHIBIT D

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

#### At Section 504 Accessible Units (Units 13, 21, 29, 39, 49, 59, 63, 85, 95, 97, 113, 121, 129, 133 and 137. - 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 5,65,81,103,117,139)

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