

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART I

OMB Burden Statement. The public reporting burden for this collection of information is estimated to average 0.25 hours, including the time for collecting, reviewing and reporting the data. The information is required to establish terms between the PHA and the owner prior to execution of a HAP contract for PBV assistance as provided in §983.152. Assurances of confidentiality are not provided under this collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Office of Public and Indian Housing, US. Department of Housing and Urban Development, Washington, DC 20410. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Privacy Notice. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by 24 CFR § 983.152. The information is being collected to establish the agreement between the PHA and owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. The Personally Identifiable Information (PII) data collected on this form are not stored or retrieved within a system of record.

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract (“Agreement”) is between:

Housing Authority of the County of Riverside (“PHA”) and
Arc Village CIC, LP (“owner”).

1.2 Purpose

The owner agrees to develop the Housing Assistance Payments Contract (“HAP Contract”) units to in accordance with Exhibit B and to comply with Housing Quality Standards (“HQS”), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP Contract with the owner of the Contract units.

1.3 Contents of Agreement

This Agreement consists of Part I, Part II, and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- locations of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.
- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

1.4 Significant Dates

- A. **Effective Date of the Agreement:** The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until a subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will separate effective dates for each stage.

Single-stage project

- i. **Effective Date for all contract units:** 4/1/2025
- ii. **Date of Commencement of the Work:** The date for commencement of work is not later than 4/15/2025 calendar days after the effective date of this Agreement.
- iii. **Time for Completion of Work:** The date for completion of the work is not later than 730 calendar days after the effective date of this Agreement.

Multi-Stage Project

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

| STAGE | NUMBER OF UNITS | EFFECTIVE DATE | DATE OF COMMENCEMENT OF WORK | TIME FOR COMPLETION OF WORK |
|-------|-----------------|----------------|------------------------------|-----------------------------|
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1.5 Nature of the Work

- This Agreement is for **New Construction** of units to be assisted by the project-based Voucher program.
- This Agreement is for **Rehabilitation** of units to be assisted by the project-based Voucher program.

1.6 Schedule of Completion

- A. **Timely Performance of Work:** The owner agrees to begin work no later than the date for commencement of work as stated in Section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. **Time for Completion:** All work must be completed no later than the end of the period stated in Section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in Section 1.4.
- C. **Delays:** If there is a delay in the completion due to unforeseen factors beyond the owner’s control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

1.7 Changes in Work

- A. The owner must obtain prior PHA approval for any change from the work specific in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner at the amounts determined by PHA.

- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner at the amounts determined by PHA in accordance with HUD requirements.
- C. The PHA (or HUD in the case of insured or coinsured mortgages) may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

1.8 Work completion

- A. Conformance with Exhibit B: The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. Evidence of Completion: When the work is completed, the owner must provide the PHA with the following:
 - 1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
 - 2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
 - 3. Additional Evidence of Completion: At the discretion of the PHA, or as required by HUD, this Agreement may specify additional documentation that must be submitted by owner as evidence of completion of the housing. Check the following that apply:
 - A certificate of occupancy or other evidence that the contract units comply with local requirements.
 - An architect's or developer's certification that the housing complies with:
 - the HQS;
 - State, local, or other building codes;
 - Zoning;

- The rehabilitation work write-up for rehabilitated housing;
- The work description for newly constructed housing; or
- Any additional design or quality requirements pursuant to this Agreement.

1.9 Inspection and Acceptance by the PHA of Completed Contract Units

- A. Completion of Contract Units: Upon receipt of owner notice of completion of Contract units, the PHA shall take the following steps:
 - 1. Review all evidence of completion submitted by owner.
 - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.
- B. Non-Acceptance: If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract.
- C. Acceptance: If the PHA determines housing has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

1.10 Acceptance where defects or deficiencies are reported:

- A. If other defects or deficiencies exist, the PHA shall determine whether and to what extent the defects or deficiencies are correctable, whether the units will be accepted after correction of defects or deficiencies, and the requirements and procedures for such correction and acceptance.
- B. Completion in Stages: Where completion in stages is provided for, the procedures of this paragraph shall apply to each stage.

1.11. Execution of HAP Contract

- A. Time and Execution: Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.
- B. Completion in Stages: Where completion in stages is provided for the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in Exhibit C of the contract for each stage. Upon acceptance of the first stage, the owner shall execute the contract and the signature block provided in the contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the contract for such stage.
- C. Form of Contract: The terms of the contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the contract shall be completed by the PHA.
- D. Survival of owner Obligations: Even after execution of the contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial determination of rents

- A. The estimated amount of initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial amount of rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rent for each units may in no event exceed the amount authorized in accordance with HUD regulations and requirements. Where the estimated initial rent to owner exceeds the amount authorized in accordance with HUD regulations, the PHA shall establish a lower initial rent tow owner, in accordance with HUD regulations and requirements.

1.13 Uniform Relocation Act

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

(URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.

- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be paid in accordance with HUD requirements.
- C. The acquisition of real property for a project to be assisted under the program is subject to the URA and 49 CFR part 24, subpart B.
- D. The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E. In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term “initiation of negotiations” means the execution of the Agreement between the owner and the PHA.

1.14 Protection of In-Place Families

- A. In order to minimize displacement of in-place families, if a unit to be placed under Contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA’s waiting list (if they are not already on the list) and, once their continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C. The term “in-place family” means an eligible family residing in a proposed contract unit on the proposal selection date.
- D. Assistance to in-place families may only be provided in accordance with the program regulations and other HUD requirements.

1.15 Termination of Agreement and Contract

The Agreement or 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.

1.16 Rights of HUD if PHA Defaults Under Agreement

If HUD determines that the PHA has failed to comply with this Agreement or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under this Agreement, HUD may assume the PHA's rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in default, pay Annual Contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

1.17 Owner Default and PHA Remedies

A. Owner Default

Any of the following is a default by the owner under the Agreement:

1. The owner has failed to comply with any obligation under the Agreement.
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 Agreement.
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 mortgage insured by HUD and:
 - a. The owner has failed to comply with the regulations for the applicable HUD loan or mortgage insurance 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 Agreement.
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 Agreement include but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

The PHA's exercise or non-exercise of any remedy for owner breach of the Agreement is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

1.18 PHA and Owner Relation to Third Parties

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in contract by the Comptroller General or any federal Department or agency. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

- B. Injury Resulting from Work under the Agreement: The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.
- C. Legal Relationship: The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.
- D. Exclusion of Third Party Claims: Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to enforce any provision of this Agreement or the Contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the Contract.
- E. Exclusion of owner Claims against HUD: Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

1.19 PHA-Owned Units

Notwithstanding Section 1.18 of this Agreement, 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.

1.20 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, in the Agreement or 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 Agreement or HAP contract. The owner must fully and promptly update such disclosures.

1.21 Interest of Member 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 the Agreement or HAP contract or to any benefits arising from the Agreement of HAP contract.

1.22 Transfer of the Agreement, HAP Contract, or Property

A. PHA Consent to Transfer

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract, or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Procedure for PHA Acceptance of Transferee

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract, or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

C. 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 nonprocurement programs.

1.23 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 nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

1.24 Lobbying Certifications

A. The owner certifies, to the best of the 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 Agreement or 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 Agreement or 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.

1.25 Subsidy Layering

- A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

- B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

1.26 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 (including sexual orientation and gender identity), national origin, disability, age, or familial status.

- B. The owner must comply with the following requirements:

1. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;
2. 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;

3. 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;
4. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;
5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 28 CFR part 35
7. 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;
8. 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 Enterprise Development); and
9. 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).
10. HUD’s Equal Access Rule at 24 CFR 5.105.

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.

1.27 Owner Duty to Provide Information and Access to HUD and PHA

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably 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. 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 this Agreement.

1.28 Notices and Owner Certifications

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.
- B. Any certification or warranty by the owner pursuant to the Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

1.29 HUD Requirements

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and will all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements.
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, *Federal Register* notices, or other binding program directives.

1.30 Applicability of Part II Provisions — Check All that Apply

- Equal Employment Opportunity
Section 2.1 applies only to construction contracts of more than \$10,000.

Labor Standards Requirements

Sections 2.3, 2.7, and 2.9 apply only when this Agreement covers nine or more units.

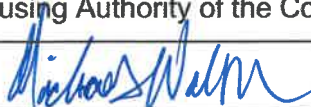
Flood Insurance

Section 2.10 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

EXECUTION OF THE AGREEMENT

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. **WARNING:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

FORM APPROVED COUNTY COUNSEL
 BY: PAULA S. SALCIDO DATE: 4-2-2025

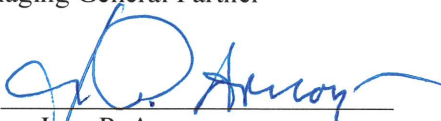
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|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| PUBLIC HOUSING AGENCY (PHA) | |
| Name of PHA (Print) | |
| Housing Authority of the County of Riverside | |
| By: |  |
| Signature of authorized representative | |
| Heidi Marshall, Executive Director Name and official title (Print) | |
| Michael Walsh, Deputy Executive Director Name and official title (Print) | |
| Date | 4/3/2025 |
| OWNER | |
| Name of Owner (Print) | |
| See Following Page (enter Borrower sig block on next page) | |
| By: | |
| Signature of authorized representative | |
| Name and official title (Print) | |
| Date | |

SIGNATURE BLOCK

ARC VILLAGE CIC, LP

Arc Village CIC, LP,
a California limited partnership

By: Pacific Southwest Community Development Corporation,
a California nonprofit public benefit corporation,
Managing General Partner

By: 

Juan P. Arroyo
Executive Vice President

By: CIC Arc Village, LLC,
a California limited liability company,
Administrative General Partner

By: Chelsea Investment Corporation,
a California corporation,
its Manager

By: 

Cheri Hoffman, President

AHAP Exhibit A



HOUSING AUTHORITY of the County of Riverside

Main Office
5555 Arlington Avenue
Riverside, CA 92504-2506
(951) 351-0700
Admin FAX (951) 688-6873
Housing FAX (951) 354-6324
TDD (951) 351-9844

Indio Office
44-199 Monroe, Suite B
P.O. Box 1747
Indio, CA 92201-1747
(760) 863-2828
(760) 863-2838 FAX
TDD (760) 863-2830

Website: harivco.org

January 21, 2025

Cheri Hoffman
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

RE: ARC Village Apartments, Palm Desert, CA

Dear Cheri Hoffman:

The Housing Authority of the County of Riverside (HACR) is pleased to inform you that the above referenced project proposal was selected to receive Project Based Vouchers (PBVs) pursuant to the Request for Proposal released by the HACR on June 2, 2023. The HACR is reserving funding for eight (8) PBVs for a twenty (20) year contract term.

Term and Amount of Subsidy:

| Bedroom Size | Units | Gross Rent | Less Utility Allowance | Contract Rent | Monthly | Months/Year | Annual | Term/Year | AHAP Term 20 Years |
|--------------|-------|------------|------------------------|---------------|---------|-------------|----------|-----------|--------------------|
| 1 | 4 | \$1,772 | \$106 | \$1,666 | \$6,664 | 12 | \$79,968 | 20 | \$1,599,360 |
| 2 | 2 | \$2,211 | \$146 | \$2,065 | \$4,130 | 12 | \$49,560 | 20 | \$991,200 |
| 3 | 2 | \$2,977 | \$188 | \$2,789 | \$5,578 | 12 | \$66,936 | 20 | \$1,338,720 |
| | 8 | | | | | | | Total | \$3,929,280 |

Final commitment of the Project Based Vouchers is subject to the following items:

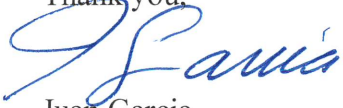
- Project’s receipt of all necessary capital funding for the construction of the project, including but not limited to a tax credit allocation.
- Subsidy layering requirements as defined by the U.S. Department of Housing and Urban Development (HUD).
- National Environmental Policy Act Clearance.
- Approval of an Agreement to Enter into Housing Assistance Payments (AHAP) Contract by the HACR’s Board of Commissioners.

This commitment is also contingent on continued funding from HUD. In the event of a budget decrease, HACR reserves the right to rescind the commitment up until the execution of an AHAP

contract. This letter of commitment is valid until December 31, 2025, all financing must be secured by this deadline. Requests for extensions will not be considered. Therefore, all evidence of secured financing must be provided on or before December 31, 2025.

If you have any questions, please feel free to contact Nicole Sanchez at (760) 863-2825 or via e-mail at NiSanchez@rivco.org

Thank you,



Juan Garcia
Deputy Director
Housing Authority of the County of Riverside

AHAP Exhibit B

EXHIBIT B

Work Description

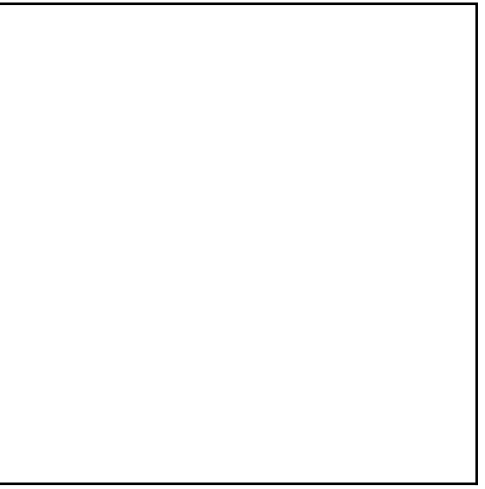
The Arc Village project (the "Project") is a proposed new construction affordable housing development located in the city of Palm Desert, Riverside County, California. The project site is 1.84 acres and is identified as APN # 622-370-014 but does not currently have an address assigned to it. The project is planned to be located at 73295 Country Club Drive, directly south of the Desert Arc Campus, a non-profit human services day facility that serves people with intellectual and development disabilities. The Arc Village community will be one, non-elevator-served, two-story building that will comprise 40 one, two, and three-bedroom units. Ten of the units will be restricted to intellectually and developmentally disabled individuals, who will be provided services by Desert Arc.

The Project is designed by The McKinley Associates, Inc, and will comprise 40 one, two, and three-bedroom units. The building will be of wood frame construction with a flat roof on a concrete slab foundation. Interior amenities will include a community room, central laundry room, and computer room. Exterior amenities will include a picnic area with grill and tables and chairs, playground, 10 surface parking spaces, and 39 carport parking spaces.

The buildings are Type V-B (non-rated construction) and will be designed in accordance with the CTCAC minimum design, accessibility, and sustainability guidelines. Fire sprinklers are NFPA 13. The building foundations are post tensioned and the building exterior type is siding. All plans comply with California title 24, and all include solar.

Unit Amenities include Energy Star-rated efficient appliances, dual-glazed windows coated for limited solar heat gain, low-energy LED lighting, HVAC systems that utilize energy-efficient heat pumps, use of Low Volatile Organic Compound ("VOC") paints and stains for interior surfaces. Accessible units will have built-out accessible bathrooms. Fifteen percent (15%) of the units will be fully accessible to persons with mobility impairments and ten percent (10%) of the units will be built for those with sensory impairments.

The project will be managed by ConAm Management Corporation ("ConAm"). ConAm ensures the regulatory compliance of its properties, evaluates the financial performance of the properties, and reports to lenders, investors, and regulatory agencies. A resident manager trained on CLDAC/TCAC compliance policies will be employed at the property. Managers will respond to tenant questions and issues. The Development will not employ desk or security staff in lieu of a manger unit.



THE MCKINLEY ASSOC., INC.
ARCHITECTURE & PLANNING
1818 FIRST AVE. SUITE 200
TULSA, OKLA. 74103
T: 918.238.1334 F: 918.238.6038

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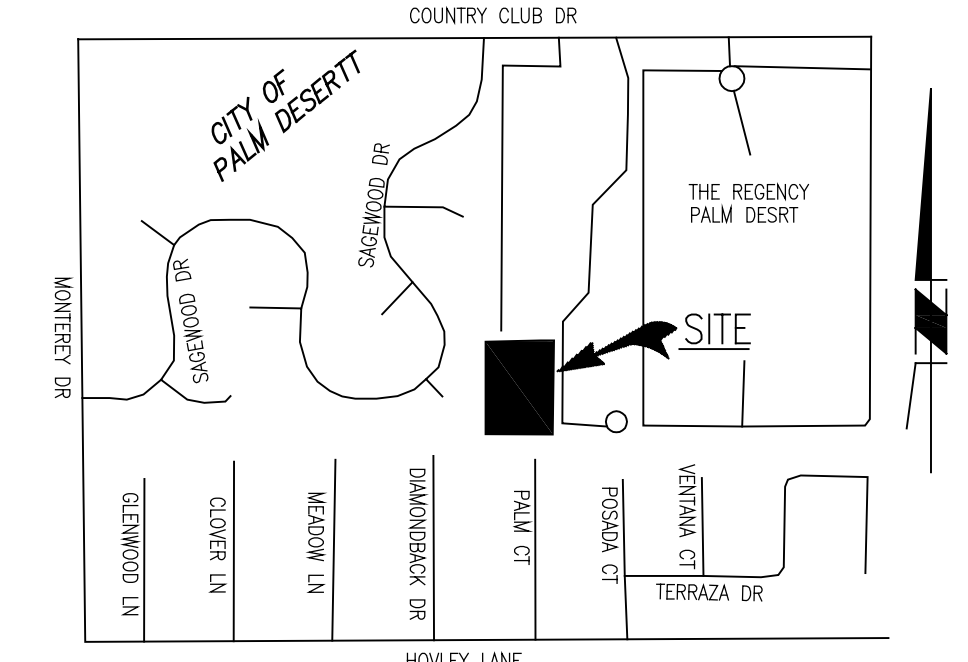


| | |
|-------------|-----------------|
| Issue Dates | |
| 11-11-2024 | FIRST SUBMITTAL |
| 01-21-2025 | EMMERSON REVIEW |

| | |
|------------|-----------------|
| Revisions | |
| 01-21-2025 | EMMERSON REVIEW |

Job Number: 04-24
Drawn By: ML

ARCHITECTURAL
SITE PLAN



VICINITY MAP

CONSTRUCTION DATA

| | |
|--------------------------|---------------------------------------------------------------------------------------------------------------|
| CONSTRUCTION TYPE: | TYPE VIB. SPRINKLERS SCHEDULE NFPA 13 & ONE-HOUR PARTY WALLS |
| OCCUPANCY GROUP: | RESIDENTIAL DWELLING UNITS-R2 COMMUNITY LOUNGE B LAUNDRY MAINTENANCE ACCESSORY TO COMMUNITY LOUNGE B |
| STORIES: | 02 |
| SPRINKLERS: | NFPA 13R |
| UNIT COUNT DATA: | (20) ONE BEDROOM UNITS (10) TWO BEDROOM UNITS (10) THREE BEDROOM UNITS (40) TOTAL DWELLING UNITS |
| BUILDING SQ. FT. TOTALS: | 18,314 SQ. FT. (R2) 1,799 SQ. FT. (B) |
| FIRST FLOOR: | 20,119 SQ. FT. + 2,100 SQ. FT. |
| SECOND FLOOR: | 18,400 SQ. FT. + 2,000 SQ. FT. |
| BUILDING TOTAL: | 38,519 SQ. FT. |

BUILDING OCCUPANT LOAD

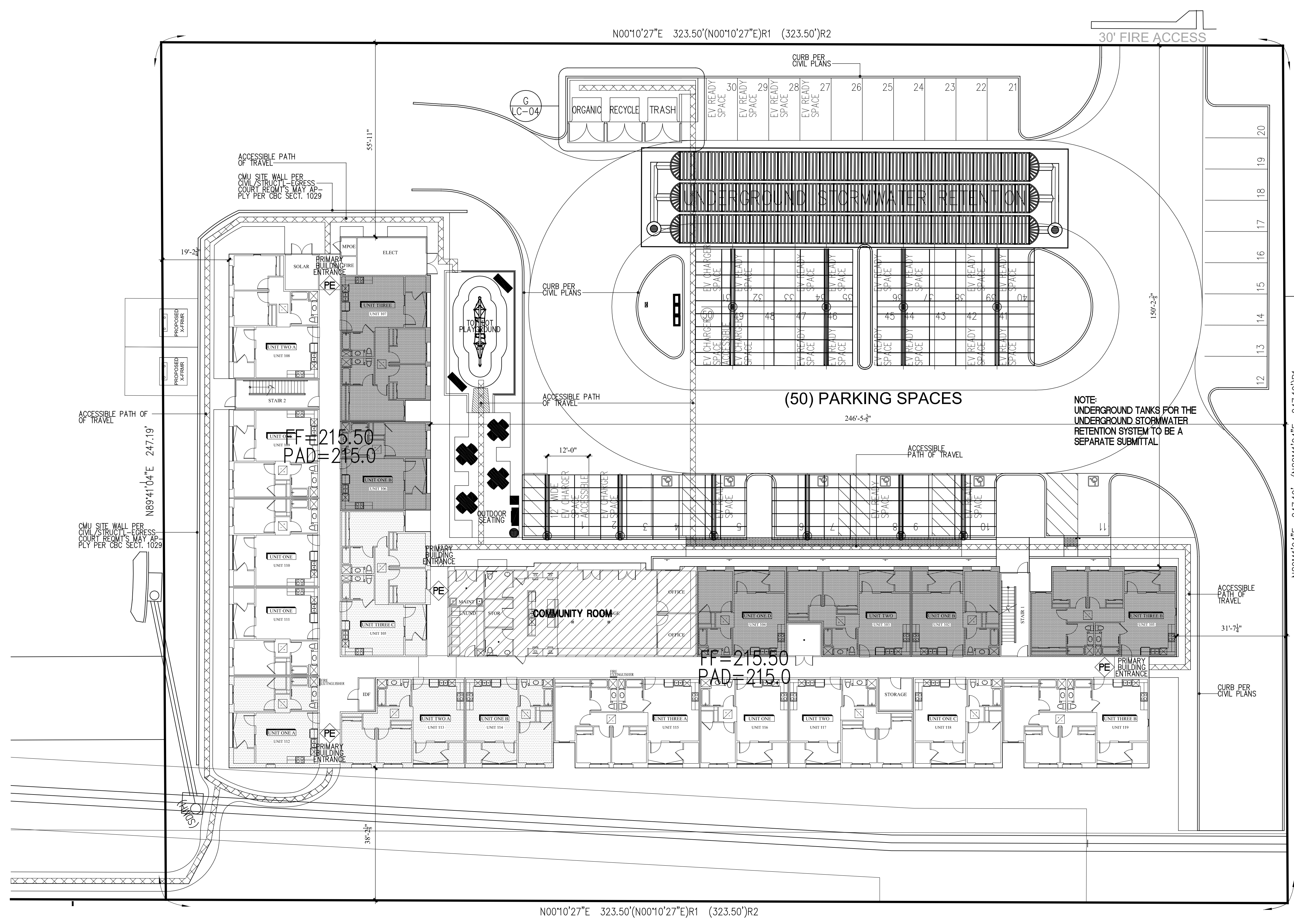
| | |
|----------------------------------------------------------------------|----------------|
| FIRST FLOOR DWELLING UNIT SQUARE FEET: | 18,574 SQ. FT. |
| OCCUPANCY LOAD FACTOR: | 200 |
| OCCUPANCY LOAD: | 93 |
| FIRST FLOOR COMMUNITY ROOM | |
| LOUNGE SQ. FT. | 718 SQ. FT. |
| OFFICE 1 SQ. FT. | 143 SQ. FT. |
| OFFICE 2 SQ. FT. | 140 SQ. FT. |
| COMPUTER 1 SQ. FT. | 77 SQ. FT. |
| COMPUTER 2 SQ. FT. | 77 SQ. FT. |
| KITCHEN SQ. FT. | 170 SQ. FT. |
| MEN'S RM SQ. FT. | 71 SQ. FT. |
| WOMEN'S RM SQ. FT. | 71 SQ. FT. |
| LAUNDRY SQ. FT. | 160 SQ. FT. |
| STORAGE SQ. FT. | 65 SQ. FT. |
| MAINTENANCE SQ. FT. | 110 SQ. FT. |
| COMMUNITY ROOM | |
| TOTAL SQ. FT. | 1,789 SQ. FT. |
| FIRST FLOOR DWELLING UNIT/COMMUNITY ROOM COMBINED TOTAL SQUARE FEET: | 20,193 SQ. FT. |
| OCCUPANCY LOAD FACTOR: | 200 |
| OCCUPANCY LOAD: | 97 |
| SECOND FLOOR DWELLING UNIT SQUARE FEET: | 18,400 SQ. FT. |
| OCCUPANCY LOAD FACTOR: | 200 |
| OCCUPANCY LOAD: | 97 |

PARKING DATA

| | |
|-------------------------------------------------|------------------------------------------------------|
| TOTAL PARKING SPACES: | (48) |
| ADA PARKING SPACES (FUTURE EV CHARGING SPACES): | (7) (ONE OF WHICH IS AN ACTIVATED EV CHARGING SPACE) |
| FUTURE EV CHARGING SPACES: | (30) |
| STANDARD PARKING SPACES: | (18) |

SITE PLAN GENERAL NOTES

- REFER TO CIVIL AND LANDSCAPE DRAWINGS FOR SPECIFIC SITE REQUIREMENTS AND DESIGN ITEMS OUTSIDE OF THE BUILDING FOOTPRINT, INCLUDING BUT NOT LIMITED TO:
HORIZONTAL CONTROL,
PRECISE GRADING,
DESIGN FOR POSITIVE DRAINAGE AWAY FROM THE BUILDING,
HARDSCAPE AND SOFTSCAPE DESIGN,
FIRE LANE TURNING RADIUS, VEHICULAR DRIVE AND LOADING ZONE DESIGN AND ENGINEERING,
PROPERTY LINES, EASEMENTS, BUILDING LOCATIONS - EXISTING AND PROPOSED,
SITE AND MONUMENT SIGNS,
SITE WALLS, FENCING, AND GATE-DESIGN AND ENGINEERING,
EXTERIOR LIGHTING,
PATIO STAIRS,
SITE STAIRS AND RAMPS.



ARCHITECTURAL SITE PLAN
BUILDING ANALYSIS

SCALE: 1/16" = 1'-0"
NOTE:
ALL PROPERTY LINES, EASEMENTS AND BUILDINGS, EXISTING AND PROPOSED, ARE SHOWN ON THE SITE PLAN.

| | |
|----------------------|------------------------------------|
| Units in Project: | (40) |
| Mobility Units: | 15% (40) 15% = (6) Units |
| Communication Units: | 10% (40) 10% = (4) Units |
| Mobility Units: | Units 101, 102, 103, 104, 106, 107 |
| Communication Units: | Units 105, 112, 113, 114 |
| Managers Unit: | 206 |

KEY

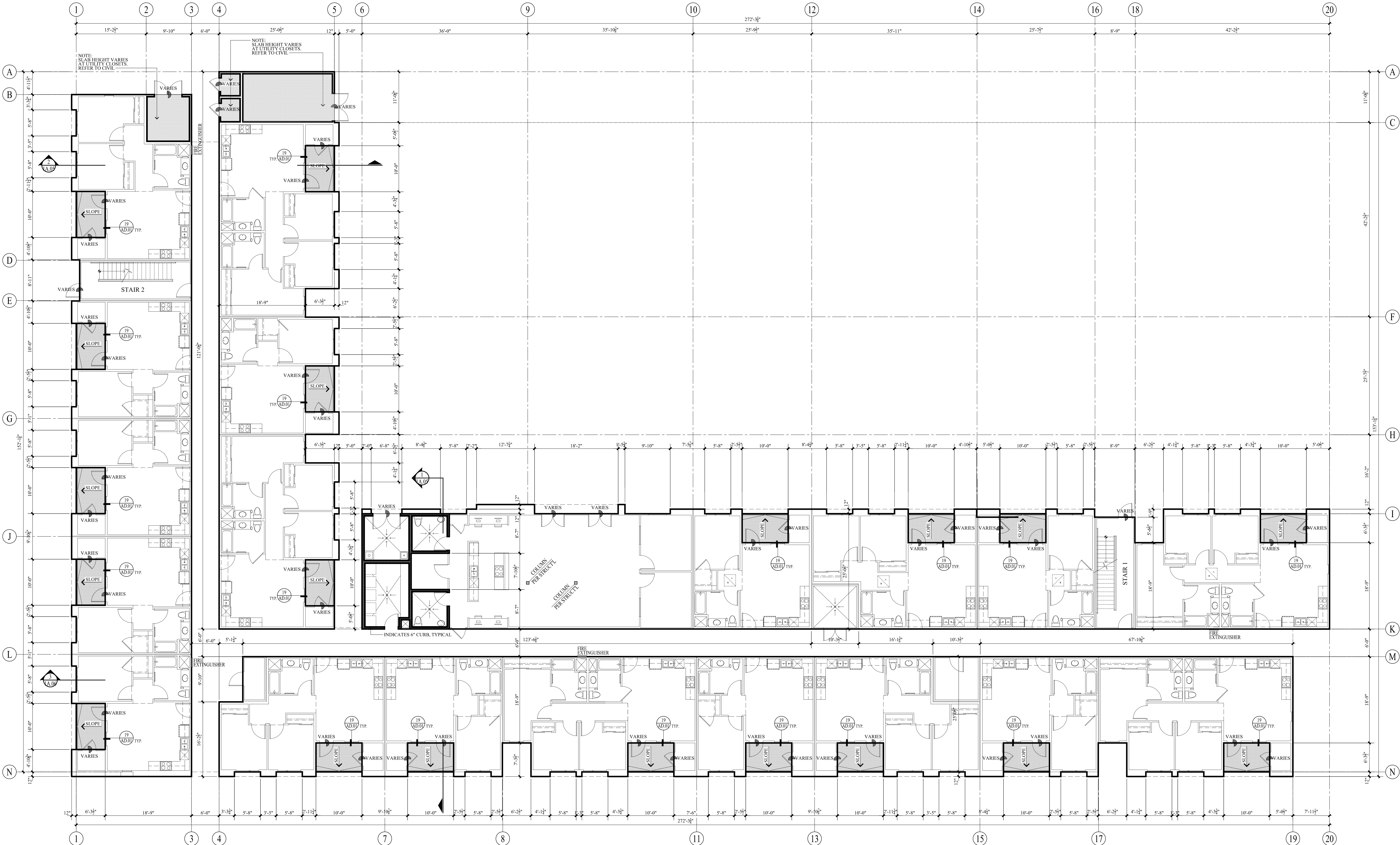
| | |
|---------------|------------------------------------|
| M | Built-Out Accessible Mobility Unit |
| C | Communication Unit |
| (Hatched Box) | Accessible Route |
| (PE) | Primary Entrance |

BUILDING 1

| | |
|---------------------|-----------------|
| FIRST FLOOR UNITS: | UNITS 101 - 119 |
| SECOND FLOOR UNITS: | UNITS 201 - 221 |

ARCHITECTURAL SITE PLAN

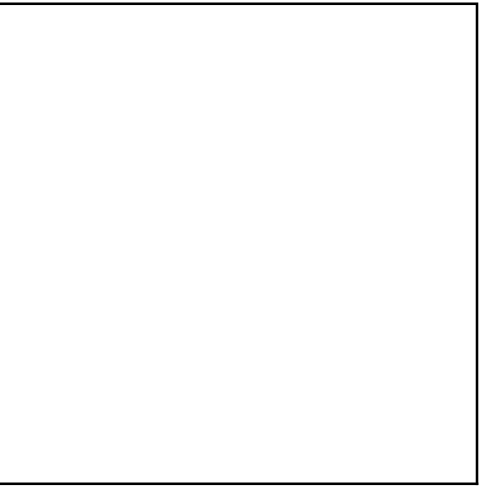
SCALE: 1/16" = 1'-0"



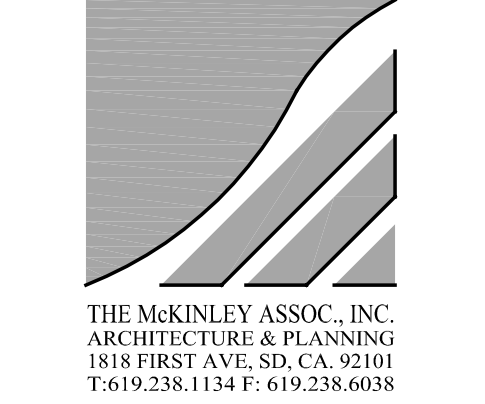
SLAB PLAN

SCALE: 1/8" = 1'-0"

ALL EXTERIOR UNIT PATIOS TO BE PART OF BUILDING SLAB PATIO TO HAVE 4" DEPRESSION WITH 1/4" TYPING SLOPE TO EXTERIOR. FLOOR WITH INTERIOR DRILLING UNIT & SLOPED TO THE EXTERIOR.

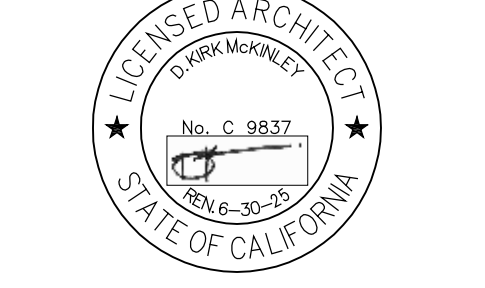


Arc Village
CHELSEA INVESTMENT CORPORATION



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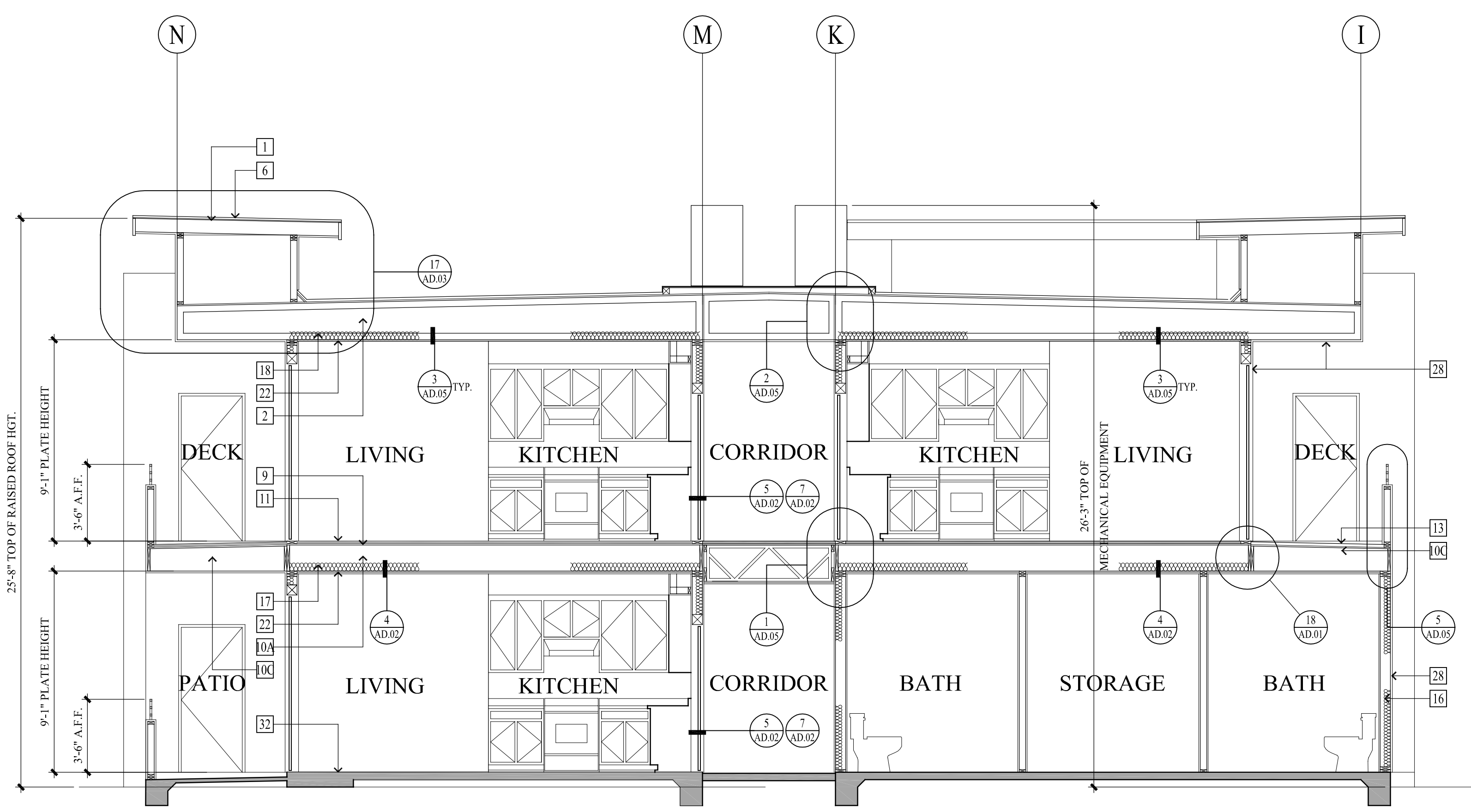
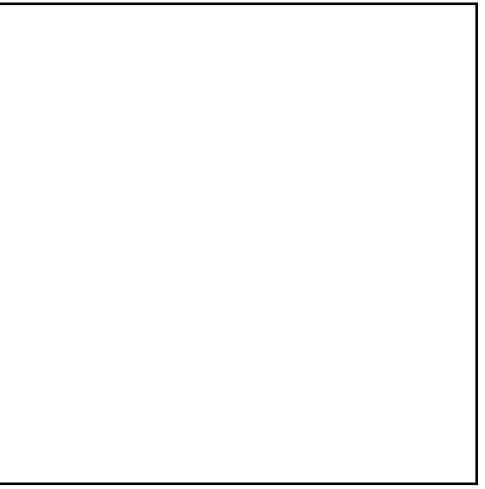
STAMP AND SIGNATURE



| Issue Dates | REVISION |
|-------------|-----------------|
| 11-11-2024 | FIRST SUBMITTAL |
| 01-21-2025 | EMMERSON REVIEW |
| Revisions | |
| 01-21-2025 | EMMERSON REVIEW |

Job Number: 04-24
 Drawn By: ML

SLAB EDGE PLAN



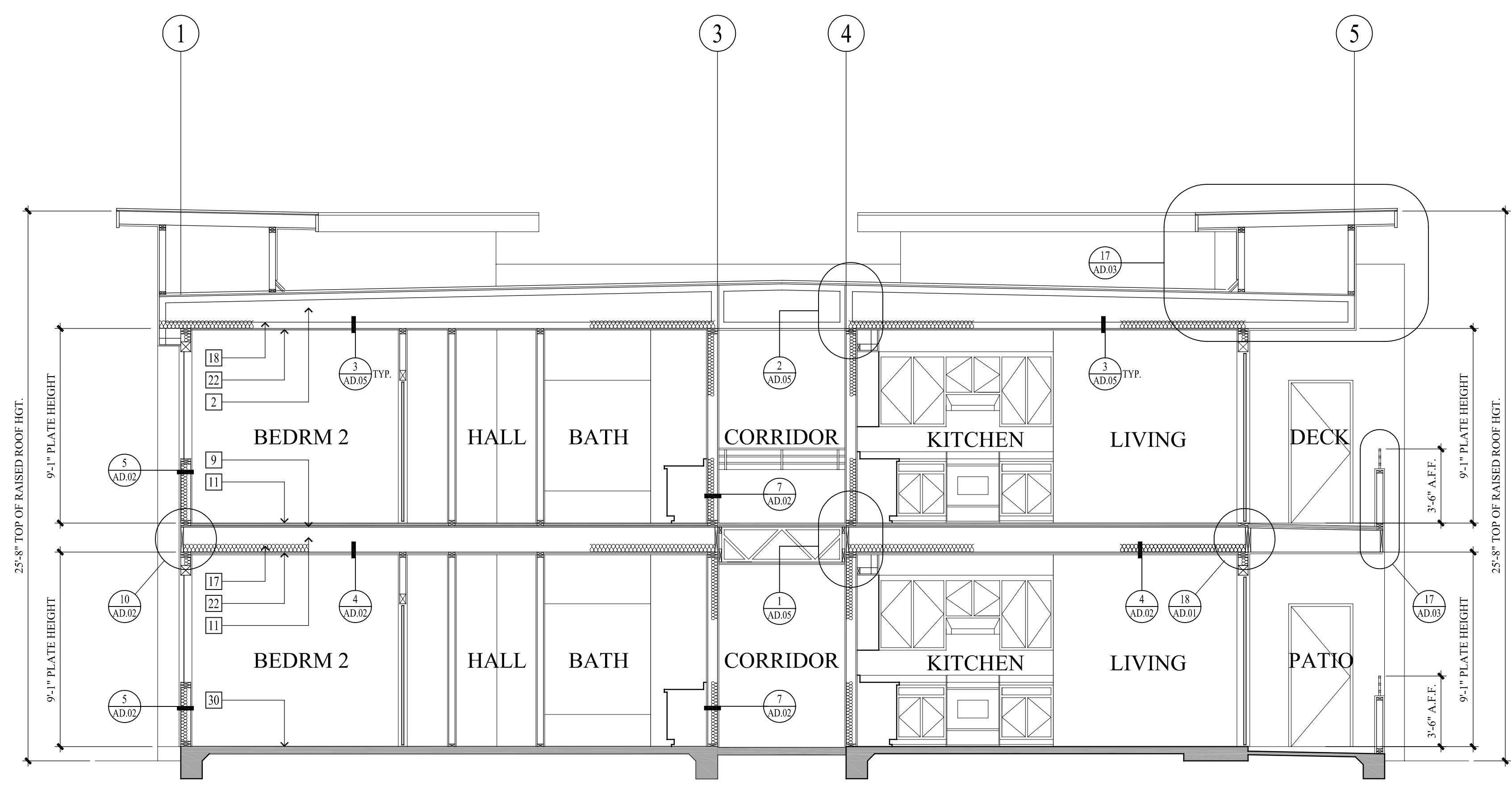
BUILDING SECTION

SCALE: 1/4" = 1'-0"

BUILDING SECTION KEY NOTES

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1 PLYWD ROOF SHEATHG PER STRUCTL</p> <p>2 ROOF TRUSSES PER STRUCTL</p> <p>3 CONTINUOUS RADIANT BARRIER AT ROOF TRUSS-REFER TO TITLE-24</p> <p>4 2x6 RS WD FASCIA/BARGE BD</p> <p>5 CLASS 'N' BUILT-UP ROOF COVERING MATERIALS TO COMPLY W/ STANDARDS IN CBC TABLE 1507.10.2 (JOHN MANSVILLE JM TPO-40 MIL UL ERI0167-01)</p> <p>6 BEAMHEADER PER STRUCTL</p> <p>7 2x STUD WALL PER PLAN/STRUCTL</p> <p>8 PLYWD FLOOR DIAPHRAGM PER STRUCTL</p> <p>9 DWELLING UNIT FLOOR TRUSSES PER STRUCTL</p> <p>10A CORRIDORS: TOP-CHORD BEARING FLOOR TRUSSES PER STRUCTL</p> <p>10B DECKS @ INDIVIDUAL DWELLING UNIT: 2x DECK JOISTS PER STRUCTL</p> | <p>11 DWELLING UNIT FLOORS: 1" MIN. GYPSUM FLOOR TOPPING @ 1/4" PROPRIETARY SOUND REDUCTION MAT</p> <p>12 SECOND FLOOR CORRIDOR FLOORS: 1-1/4" MIN. GYPCRETE @ DRAINAGE COMPOSITE MAT (INSTALL PER MFRS SPECS)</p> <p>13 INDIVIDUAL DWELLING UNIT DECKS: 2-1/2" THICK HARDROCK @ DRAINAGE COMPOSITE MAT (INSTALL PER MFRS SPECS)</p> <p>14 INTERIOR WALLS: R-11 INSULATION PER TITLE-24</p> <p>15 PARTY WALLS BETW. UNITS: R-11 INSULATION PER TITLE-24</p> <p>16 EXTERIOR WALLS: R-21 INSULATION PER TITLE-24</p> <p>17 FLOOR/CEILING: R-19 INSULATION PER TITLE-24</p> <p>18 ROOF/CEILING: R-38 INSULATION IN THE ROOF CAVITY PLUS R-11 RIGID INSULATION ABOVE THE ROOF DECK PER TITLE-24</p> <p>19 VINYL CLAD FRAME WINDOW</p> <p>20 (1) LAYER 1/2" GYPSUM BOARD</p> | <p>21 (1) LAYER 5/8" TYPE 'X' GYPSUM BOARD</p> <p>22 (1) LAYER 5/8" TYPE 'X' GYPSUM BOARD ATTACHED TO RESILIENT CHANNELS @ FLOOR/CEILING ASSEMBLY & ROOF/CEILING ASSEMBLY</p> <p>23 MIN. 26 GA. GALV. SHIT. MTL. GUTTER</p> <p>24 MIN. 26 GA. GALV. SHIT. MTL. DOWNSPOUT</p> <p>25 MIN. 26 GA. 484 GALV. SHIT. MTL. SCUPPER</p> <p>26 STEEL STRINGERS PER PLAN/DETAIL</p> <p>27 WROUGHT-IRON GUARDRAIL ABOVE WOOD-FRAMED STUD WALL</p> <p>28 ONE-COAT STUCCO SYSTEM (INSTALL PER MFRS SPECS) @ MIN. 1x20 GA. WIRE FABRIC MESH @ 1" RIGID FOAM @ BLDG. PAPER.</p> <p>29 MIN. 26 GA. GALV. SHIT. MTL. STUCCO WEEP SCREED</p> <p>30 CONCRETE SLAB & FOUNDATION PER STRUCTL</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

1



BUILDING SECTION

SCALE: 1/4" = 1'-0"

2



THE MCKINLEY ASSOC., INC.
 ARCHITECTURE & PLANNING
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STAMP AND SIGNATURE



Issue Dates: 11-11-2024 FIRST SUBMITTAL
 01-21-2025 EMMERSON REVIEW

Revisions:
 01-21-2025 EMMERSON REVIEW

Job Number: 04-24
 Drawn By: ML

BUILDING SECTIONS

AHAP Exhibit C

EXHIBIT C

Project Name: Arc Village
73295 Country Club Drive
Palm Desert, CA 92260

APN: 622-370-0114

Total Number of Project Based Voucher (PBV) Units in Project Covered by HAP Contract: 8

Total Number Units in the Project: 40

Description and Quantity in Project:

Unit Mix Summary

| | |
|------------------|------------------------------------------------------|
| 1 -bedroom units | 20 |
| 2 -bedroom units | 10 |
| 3 -bedroom units | 10 |
| Manager's units | 1 (1-bedroom unit) included in 1-bedroom count above |

Project Based Section 8 Voucher: *Accessible with mobility feature **Accessible with communication feature

| Bedroom/Bathroom | AMI | Quantity | Unit #s and Accessible Features |
|-------------------------|--------------|-----------------|-------------------------------------------------|
| One Bedroom/One Bath | 40% | 2 | #102 – Accessible with mobility feature #202 |
| One Bedroom/One Bath | 30% | 2 | #106 – Accessible with mobility feature #216 |
| Two Bedroom/One Bath | 40% | 1 | #203 |
| Two Bedroom/One Bath | 30% | 1 | #220 |
| Three Bedroom/One Bath | 40% | 1 | #209 |
| Three Bedroom/One Bath | 30% | 1 | #115 – Accessible mobility adaptable |
| | Total | 8 | |

Initial Rent to Owner for Contract Units (net of HACR utility allowance):

- See attached PBV Contract Rent Determination dated: June 23, 2024



HOUSING AUTHORITY of the County of Riverside

Main Office
5555 Arlington Avenue
Riverside, CA 92504-2506
(951) 351-0700
FAX (951)354-6324
TDD (951) 351-9844

June 23, 2024

Chelsea Investment Corporation
6339 Paseo Del Lago,
Carlsbad, CA 92011
Attn: Jeff Ryan

Indio Office
44-199 Monroe, Ste. B
Indio, CA 92201
(760) 863-2828
(760) 863-2838 FAX
TDD (760) 863-2830

Website: harivco.org

RE: Estimate of Initial Rents – HCV Project-Based Vouchers
Arc Village Apartments, City of Palm Desert

Dear Mr. Ryan:

The Housing Authority of the County of Riverside in accordance with the Code of Federal Regulation (CFR) 983.301 has completed a rent comparability analysis to determine the estimated initial rents for the Project-Based Vouchers that will be utilized for Arc Village Apartments, City of Palm Desert. The estimated initial contract rent, current applicable utility allowance and gross contract rent are as follows:

PBV Contract Rent Determination

| Bedroom Size | 1BR | 2BR | 3BR |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Rent Requested by Owner | \$1,772 | \$2,211 | \$2,978 |
| Reasonable Rent | \$1,772 per AffordableHousing.com | \$2,211 per AffordableHousing.com | \$2,978 per AffordableHousing.com |
| 110% of 2024 FMR eff 10/1/23 | \$1,772 (\$1,611 + 161) | \$2,211 (\$2,010 + 201) | \$2,977 (\$2,707 + 270) |
| less Standard Utility Allowance eff 7/1/24 | \$106 | \$146 | \$188 |
| FMR Rent Cap | \$1,666 | \$2,065 | \$2,789 |
| PBV Contract Rent pursuant to 24 CFR 983.301 (b) - Lowest of (1) Reasonable Rent, (2) Rent requested by Owner, or (3) FMR Rent Cap minus Utility Allowance | \$1,666 | \$2,065 | \$2,789 |

Actual rents will be determined prior to execution of the Project-Based Voucher Program Housing Assistance Payment (HAP) Contract. If you have any questions, please feel free to contact me at (951) 343-5434.

Sincerely,

Erlan Gonzalez

Erlan Gonzalez
Principal Development Specialist

24 Code of Federal Regulations (CFR) 983.301 Determining the rent to owner.

(a) *Initial and redetermined rents.* (1) The amount of the initial and redetermined rent to owner is determined in accordance with this section and § 983.302.

(b) *Amount of rent to owner.* Except for certain tax credit units as provided in paragraph (c) of this section, **the rent to owner must not exceed the lowest of:**

(1) An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance; (2) The reasonable rent; or (3) The rent requested by the owner.

(c) *Rent to owner for certain tax credit units.* (1) This paragraph (c) applies if: (i) A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42); (ii) The contract unit is not located in a qualified census tract; (iii) In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and (iv) The tax credit rent exceeds the applicable fair market rent (or any exception payment standard) as determined in accordance with paragraph (b) of this section. (2) In the case of a contract unit described in paragraph (c)(1) of this section, the rent to owner must not exceed the lowest of: (i) The tax credit rent minus any utility allowance; (ii) The reasonable rent; or (iii) The rent requested by the owner. (3) The “tax credit rent” is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., additional assistance such as tenant-based voucher assistance). (4) A “qualified census tract” is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which: (i) At least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or (ii) Where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

(d) *Rent to owner for other tax credit units.* Except in the case of a tax-credit unit described in paragraph (c)(1) of this section, the rent to owner for all other tax credit units may be determined by the PHA pursuant to paragraph (b) of this section.

(e) *Reasonable rent.* The PHA shall determine the reasonable rent in accordance with § 983.303. The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where, the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

(ii) *Redetermination of rent to owner.* When redetermining the rent to owner, the PHA shall use the most recently published FMR and the PHA utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

Note: 24 CFR 983.301(c) pertaining to tax credits mentioned above is not applicable when the development/unit is located within a Qualified Census Tract (QCT). It is also not applicable when Tax Credit Rents are less than FMR. Linwood Rose is located in a QCT 425.15 and Tax Credit Rents do not exceed FMR so paragraph(c) does not apply.

24 CFR 983.302 Redetermination of rent to owner.

(a) The PHA must redetermine the rent to owner:

(1) Upon the owner’s request; or (2) When there is a 10 percent decrease in the published FMR.

(b) *Rent increase.* (1) The PHA may not make any rent increase other than an increase in the rent to owner as determined pursuant to § 983.301. (Provisions for special adjustments of contract rent pursuant to 42 U.S.C. 1437f(b)(2)(B) do not apply to the voucher program.)

(2) The owner must request an increase in the rent to owner at the annual anniversary of the HAP contract by written notice to the PHA. The length of the required notice period of the owner request for a rent increase at the annual anniversary may be established by the PHA. The request must be submitted in the form and manner required by the PHA.

[Refer to 24 CFR 983.1, 983.2, 982.308(g)(4) The owner must notify the PHA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and any such changes shall be subject to rent reasonableness requirements.]

(3) The PHA may not approve, and the owner may not receive any increase of rent to owner until and unless the owner has complied with all requirements of the HAP contract, including compliance with the HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

(c) *Rent decrease.* (1) If there is a decrease in the rent to owner, as established in accordance with § 983.301, the rent to owner must be decreased, regardless of whether the owner requested a rent adjustment. (2) If the PHA has elected within the HAP contract to not reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract, except: (i) To correct errors in calculations in accordance with HUD requirements; (ii) If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to § 983.55; or (iii) If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

(d) *Notice of rent redetermination.* Rent to owner is redetermined by written notice by the PHA to the owner specifying the amount of the redetermined rent (as determined in accordance with 24 CFR 983.301 and 983.302). The PHA notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract.

(e) *Contract year and annual anniversary of the HAP contract.* (1) The contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. (2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

(3) See § 983.207(c) for information on the annual anniversary of the HAP contract for contract units completed in stages.

24 CFR 983.207(c) Staged completion of contract units. Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development

Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

| Locality/PHA Housing Authority of the County of Riverside, CA | | Unit Type: Multi-Family (Apartment) | | | | Date (mm/dd/yyyy) 7-1-2024 | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|---------|---------|---------------------------|--------------------------------------|----------|
| Utility of Service (Standard) | Fuel Type | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | \$19.00 | \$22.00 | \$25.00 | \$27.00 | \$28.00 | \$31.00 |
| | Bottle Gas | \$60.00 | \$69.00 | \$78.00 | \$87.00 | \$92.00 | \$101.00 |
| | Electric (avg) | \$16.00 | \$19.00 | \$23.00 | \$27.00 | \$32.00 | \$36.00 |
| | Fuel Oil | | | | | | |
| Cooking | Natural Gas | \$5.00 | \$5.00 | \$8.00 | \$9.00 | \$13.00 | \$14.00 |
| | Bottle Gas | \$14.00 | \$14.00 | \$23.00 | \$32.00 | \$41.00 | \$46.00 |
| | Electric (avg) | \$8.00 | \$10.00 | \$14.00 | \$19.00 | \$23.00 | \$27.00 |
| Other Electric | Non-SCE (avg) | \$26.00 | \$30.00 | \$42.00 | \$54.00 | \$66.00 | \$77.00 |
| Other Electric | SCE (Monthly Credit) | \$30.00 | \$38.00 | \$58.00 | \$78.00 | \$98.00 | \$119.00 |
| Air Conditioning | | \$14.00 | \$17.00 | \$23.00 | \$29.00 | \$36.00 | \$42.00 |
| Water Heating | Natural Gas | \$9.00 | \$11.00 | \$16.00 | \$20.00 | \$25.00 | \$30.00 |
| | Bottle Gas | \$32.00 | \$37.00 | \$50.00 | \$64.00 | \$78.00 | \$96.00 |
| | Electric (avg) | \$19.00 | \$22.00 | \$28.00 | \$35.00 | \$41.00 | \$47.00 |
| | Fuel Oil | | | | | | |
| Water | (avg)(MF) | \$27.00 | \$27.00 | \$30.00 | \$32.00 | \$35.00 | \$38.00 |
| Sewer | (avg)(MF) | \$34.00 | \$34.00 | \$34.00 | \$34.00 | \$34.00 | \$34.00 |
| Trash Collection | (avg) | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 |
| Other specify: Electric Charge \$25.83 (Non SCE/Non-Rev Public Monthly) | | \$26.00 | \$26.00 | \$26.00 | \$26.00 | \$26.00 | \$26.00 |
| Other specify: Natural Gas Charge \$5.10 | | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 |
| Other specify: Electric Charge \$41.79 (Monthly (Riverside Public Utilities)) | | \$42.00 | \$42.00 | \$42.00 | \$42.00 | \$42.00 | \$42.00 |
| Range/Microwave | | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 |
| Refrigerator | | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 |
| Actual Family Allowances -May be used by the family to compute allowance while searching for a unit. | | | | | Utility/Service/Appliance | Allowance | |
| Head of Household Name | | | | | Heating | | |
| | | | | | Cooking | | |
| Unit Address 73225 Country Club Dr., Palm Desert, CA 92260 | | | | | Other Electric | | |
| | | | | | Air Conditioning | | |
| | | | | | Water Heating | | |
| Number of Bedrooms UA = 1 BR \$106; 2 BR; \$146 3 BR \$188 | | | | | Water | | |
| | | | | | Sewer | | |
| | | | | | Trash Collection | | |
| | | | | | Other | | |
| | | | | | Range/Microwave | | |
| | | | | | Refrigerator | | |
| | | | | | Total | | |



Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development

Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

| Locality/PHA Housing Authority of the County of Riverside, CA | | Unit Type: Multi-Family (Apartment) | | | | Date (mm/dd/yyyy) 7-1-2024 | |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|----------|--|---------------------------|--------------------------------------|--|
| Utility of Service (Standard) | Fuel Type | 6 BR | 7 BR | | | | |
| Heating | Natural Gas | \$34.00 | \$38.00 | | | | |
| | Bottle Gas | \$110.00 | \$119.00 | | | | |
| | Electric (<i>avg</i>) | \$39.00 | \$42.00 | | | | |
| | Fuel Oil | | | | | | |
| Cooking | Natural Gas | \$16.00 | \$17.00 | | | | |
| | Bottle Gas | \$50.00 | \$55.00 | | | | |
| | Electric | \$30.00 | \$32.00 | | | | |
| Other Electric | Non-SCE (<i>avg</i>) | \$84.00 | \$91.00 | | | | |
| Other Electric | SCE (<i>Monthly Credit</i>) | \$132.00 | \$144.00 | | | | |
| Air Conditioning | | \$46.00 | \$49.00 | | | | |
| Water Heating | Natural Gas | \$33.00 | \$34.00 | | | | |
| | Bottle Gas | \$105.00 | \$110.00 | | | | |
| | Electric (<i>avg</i>) | \$51.00 | \$54.00 | | | | |
| | Fuel Oil | | | | | | |
| Water | (<i>avg</i>)(MF) | \$40.00 | \$42.00 | | | | |
| Sewer | (<i>avg</i>)(MF) | \$34.00 | \$34.00 | | | | |
| Trash Collection | (<i>avg</i>) | \$32.00 | \$32.00 | | | | |
| Other specify: Electric Charge \$25.83 (Non SCE/Non-Rev Public Monthly) | | \$26.00 | \$26.00 | | | | |
| Other specify: Natural Gas Charge \$5.10 | | \$5.00 | \$5.00 | | | | |
| Other specify: Electric Charge \$41.79 (Monthly (Riverside Public Utilities)) | | \$42.00 | \$42.00 | | | | |
| Range/Microwave | | \$11.00 | \$11.00 | | | | |
| Refrigerator | | \$12.00 | \$12.00 | | | | |
| Actual Family Allowances -May be used by the family to compute allowance while searching for a unit. | | | | | Utility/Service/Appliance | Allowance | |
| Head of Household Name | | | | | Heating | | |
| | | | | | Cooking | | |
| Unit Address | | | | | Other Electric | | |
| | | | | | Air Conditioning | | |
| | | | | | Water Heating | | |
| Number of Bedrooms | | | | | Water | | |
| | | | | | Sewer | | |
| | | | | | Trash Collection | | |
| | | | | | Other | | |
| | | | | | Range /Microwave | | |
| | | | | | Refrigerator | | |
| | | | | | Total | | |



adapted from form HUD-52667
(04/2023)



FY 2024 FAIR MARKET RENT DOCUMENTATION SYSTEM

10/1/2023 - 9/30/2024

The FY 2024 Riverside-San Bernardino-Ontario, CA MSA FMRs for All Bedroom Sizes

| Final FY 2024 & Final FY 2023 FMRs By Unit Bedrooms | | | | | |
|-----------------------------------------------------|------------|-------------|-------------|---------------|--------------|
| Year | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
| FY 2024 FMR | \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 |

The Riverside-San Bernardino-Ontario, CA MSA consists of the following counties: Riverside County, CA; and San Bernardino County, CA. All information here applies to the entirety of the Riverside-San Bernardino-Ontario, CA MSA.

FY 2024 FMR EFFECTIVE 10/1/2023 THROUGH 9/30/2024

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn?&year=2024&fmrtype=Final&cbsasub=METRO40140M40140

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

| 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 | \$3,799 | \$4,295 | \$4,790 |

CALCULATE 110% OF FMR BY BEDROOM SIZE (MUST ROUND DOWN)

| | 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|----------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 100% FMR | \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 | \$3,799 | \$4,295 | \$4,790 |
| 10% FMR | 151 | 161 | 201 | 270 | 330 | 379 | 429 | 479 |
| 110% FMR | \$1,668 | \$1,772 | \$2,211 | \$2,977 | \$3,634 | \$4,178 | \$4,724 | \$5,269 |

Proceed to next step of deducting utility allowance from 110% of FMR to determine FMR RENT CAP

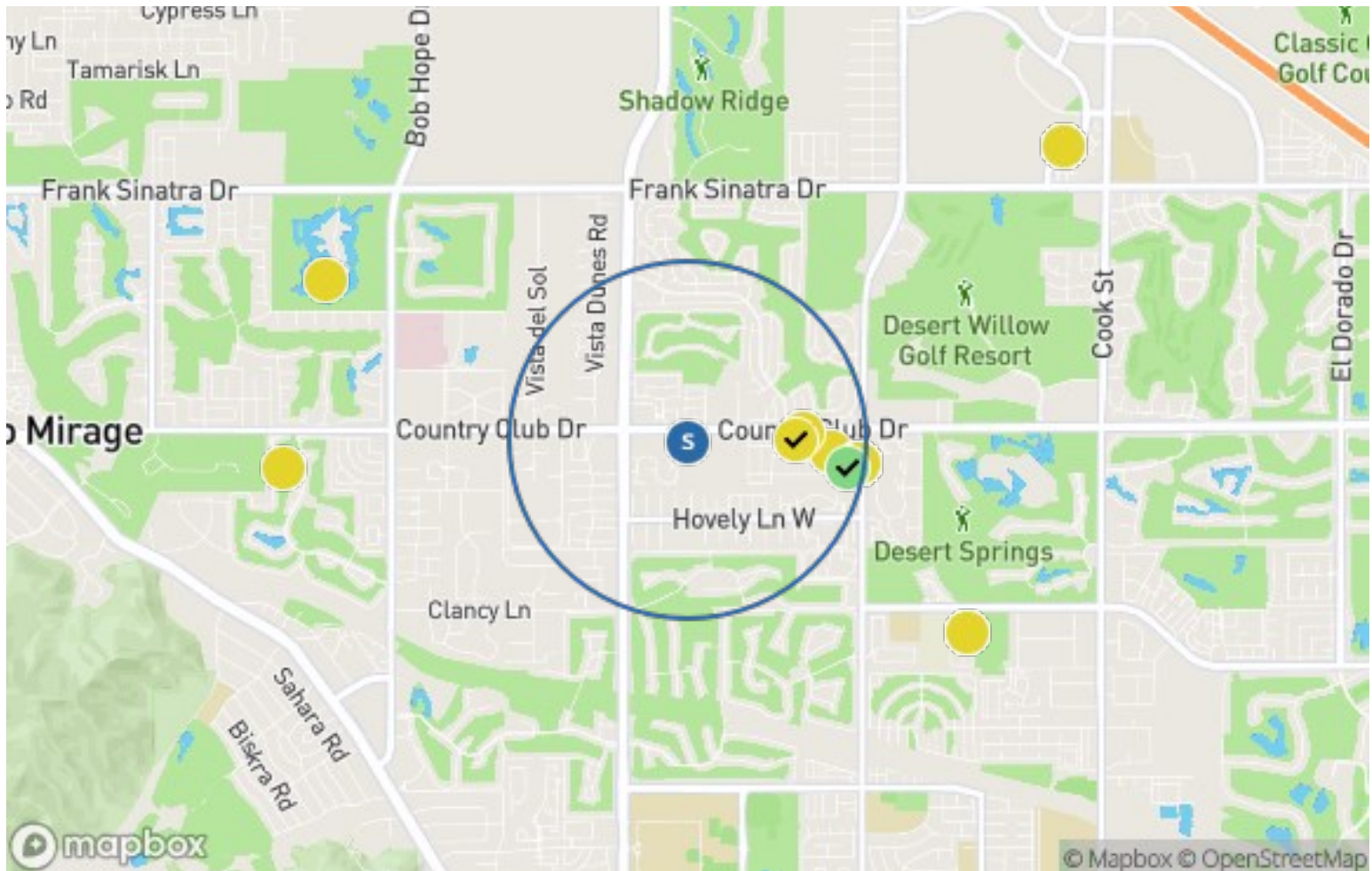
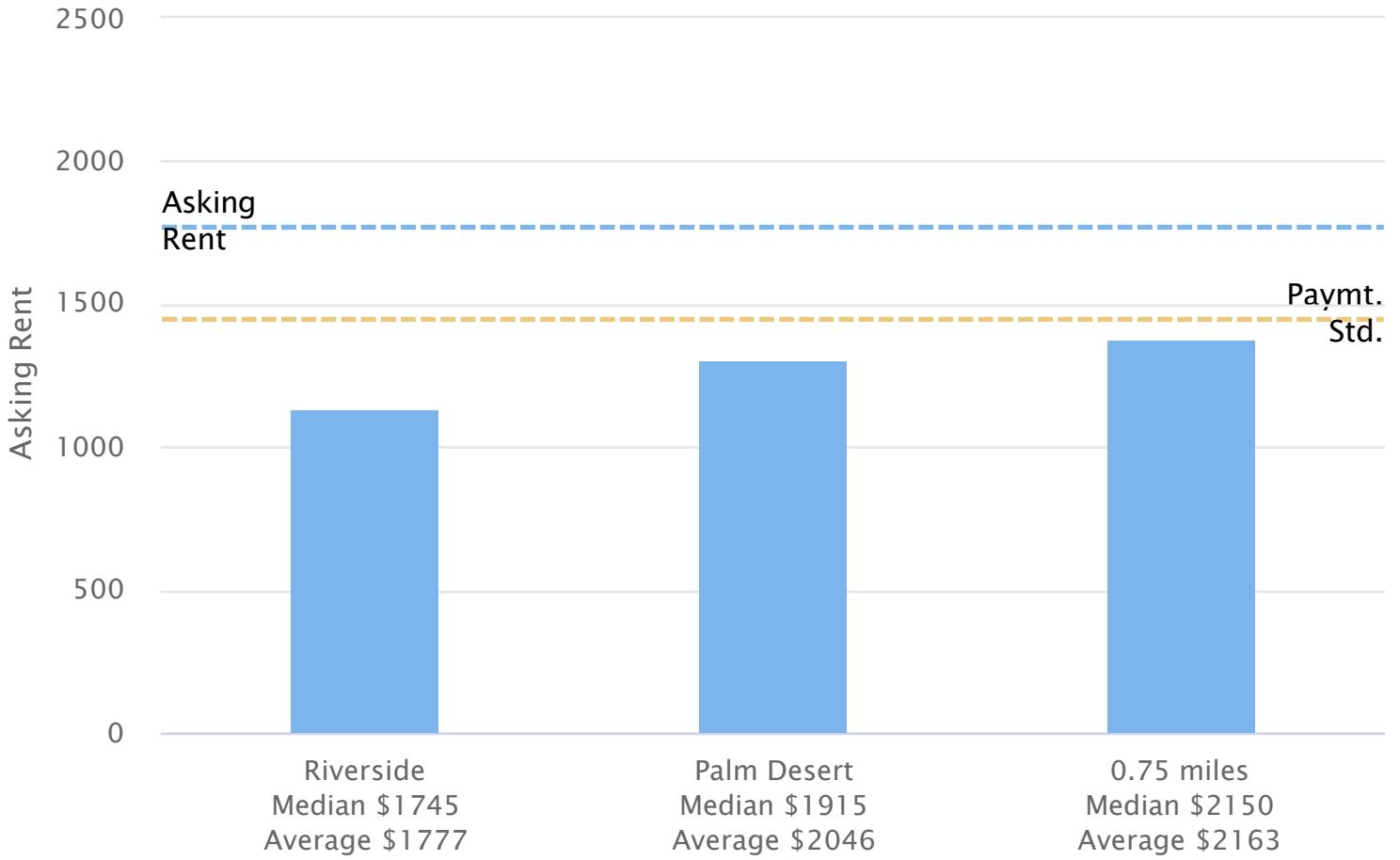
| | 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|-------------------------|------------------------|----------------|----------------|----------------|-----------|-----------|-----------|-----------|
| 110% FMR | \$1,668 | \$1,772 | \$2,211 | \$2,977 | \$3,634 | \$4,178 | \$4,724 | \$5,269 |
| Minus Utility Allowance | | \$106 | \$146 | \$188 | | | | |
| FMR RENT CAP | | \$1,666 | \$2,065 | \$2,789 | | | | |

Attach Utility Allowance Calculation for each BR Size

Rent Reasonable Valuation

| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 2600 Via Calderia | 2600 Via Calderia 2608 | 40445 Portola Ave 106 |
| Model | | 1/1/0/1183 | 1/1/1/1183 | 1/1/0/809 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.45 | 0.48 | 0.68 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 1/1/0 | 1/1/0 | 1/1/1 | 1/1/0 |
| Sq. Ft. | 578 | 1183 | 1183 | 809 |
| Adjustment | | Superior / Adj: -\$108.90 | Superior / Adj: -\$138.90 | Superior / Adj: -\$41.58 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | 2025 | 2015 | 2015 | 2021 |
| Adjustment | | Inferior / Adj: \$230.00 | Inferior / Adj: \$200.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$230.00 | Inferior / Adj: \$200.00 | Inferior / Adj: \$249.60 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Tenant | Tenant | Tenant |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Microwave, Pool, Refrigerator, Stove, Gated Community, Fenced Yard, Fireplace | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Pool, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Unknown | Central | Unknown |
| Parking | 1 Covered Space | 1 - Carport | 2 - Car Garage | 1 - Carport |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$60.00 | Superior / Adj: -\$105.00 | Superior / Adj: -\$25.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 4/22/2024 | 2/7/2024 | 4/28/2024 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$1,772.00 | \$2,300.00 | \$2,000.00 | \$2,496.00 |
| Actual Rent | | | | |
| Adjustment | | \$291.10 | \$156.10 | \$183.02 |
| Adjusted Monthly Rent | | \$2,591.10 | \$2,156.10 | \$2,679.02 |
| COMPARABLE BREAKDOWN | | | | |
| 14,879 Recent comparables in jurisdiction | | | | |
| 1,598 Similar 1 bedroom comparables in Riverside County | | | | |
| 110 Similar 1 bedroom comparables in the City of Palm Desert | | | | |
| 49 Within 0.75 miles | | | | |
| CERTIFICATION | | | | |
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$2,475.41. | | | | |
| The adjusted reasonable rent range is \$2,156.10 to \$2,679.02. | | | | |
| Requested Rent Amount: \$1,772.00 Rent Approved: \$1,772.00. | | | | |
| RR Certifier Signature: <u>Erlan Gonzalez</u> | | | | |
| QC Certifier Signature: _____ | | | | |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$1,772.00 IS reasonable, and the approved rent of \$1,772.00 IS reasonable. | | | | |
| | | | Certification ID 996606CC-07A4-46B2-8D33-5455AEF83CA3 Certification Date 2024-6-23 Version AVM 6.1, RRC 7.0, RW5 Client Reference Voucher Bedroom 1 Family Name Arc Village Housing Authority Housing Authority of the County of Riverside Certifier Erlan Gonzalez Utility Schedule 7/23 Riverside / Multi- Family/ Standard/ SCE Page 1 of 1 excluding appendices. | |

Local Market Analysis



The adjusted reasonable rent range is \$2,156.10 to \$2,679.02.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$2,591.10 | 80.45% Somewhat Similar |
| Comparable 2: | \$2,156.10 | 81.92% Somewhat Similar |
| Comparable 3: | \$2,679.02 | 90.04% Very Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$108.90 adjustment)
Condition for comparable is inferior to subject (\$230.00 adjustment)
Quality for comparable is inferior to subject (\$230.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$291.10)

Comparable 2:

Living area for comparable is superior to subject (-\$108.90 adjustment)
Condition for comparable is inferior to subject (\$200.00 adjustment)
Quality for comparable is inferior to subject (\$200.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Parking for comparable is superior to subject (-\$40.00 adjustment)
Total adjustment for this property is (\$156.10)

Comparable 3:

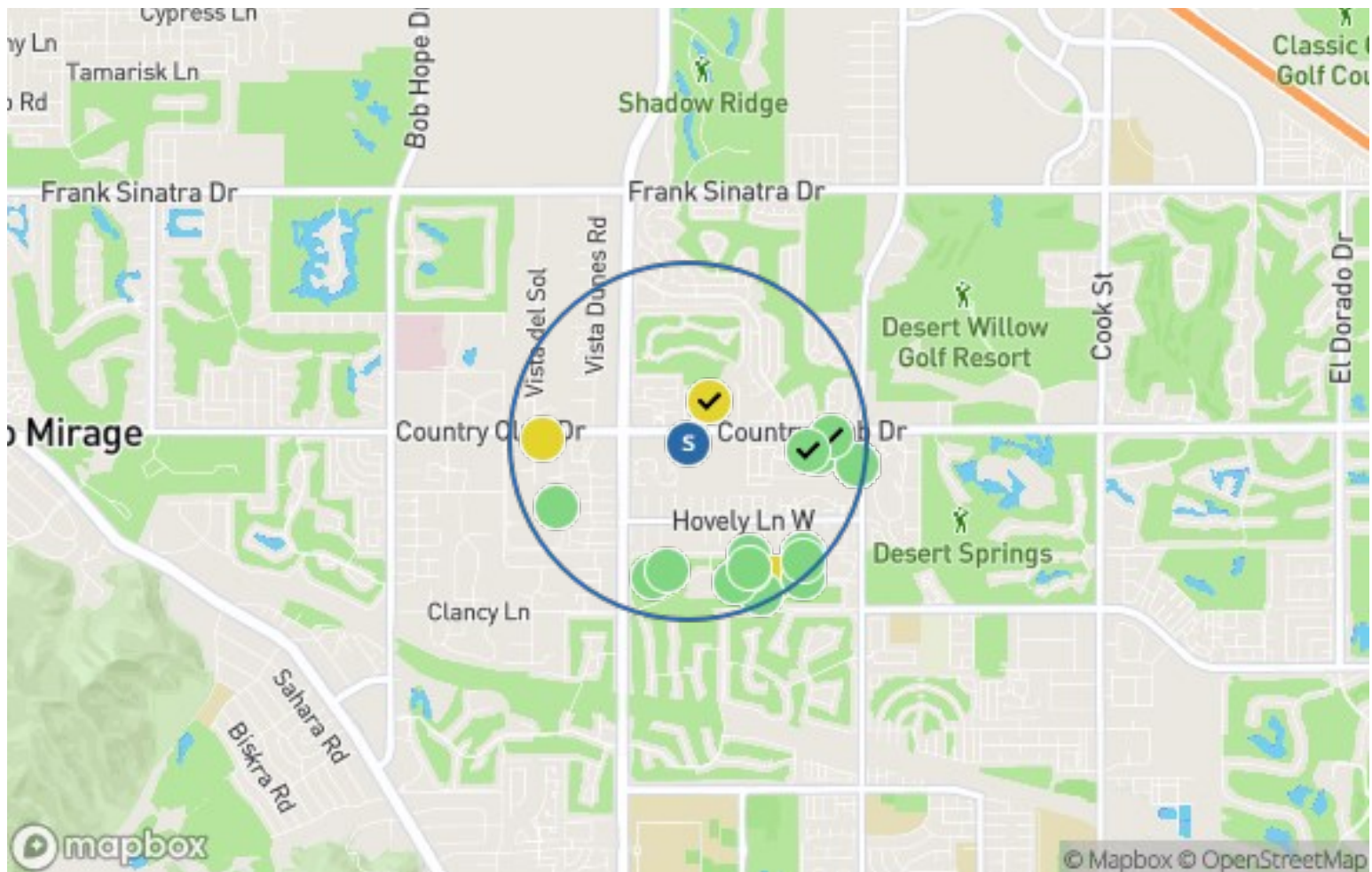
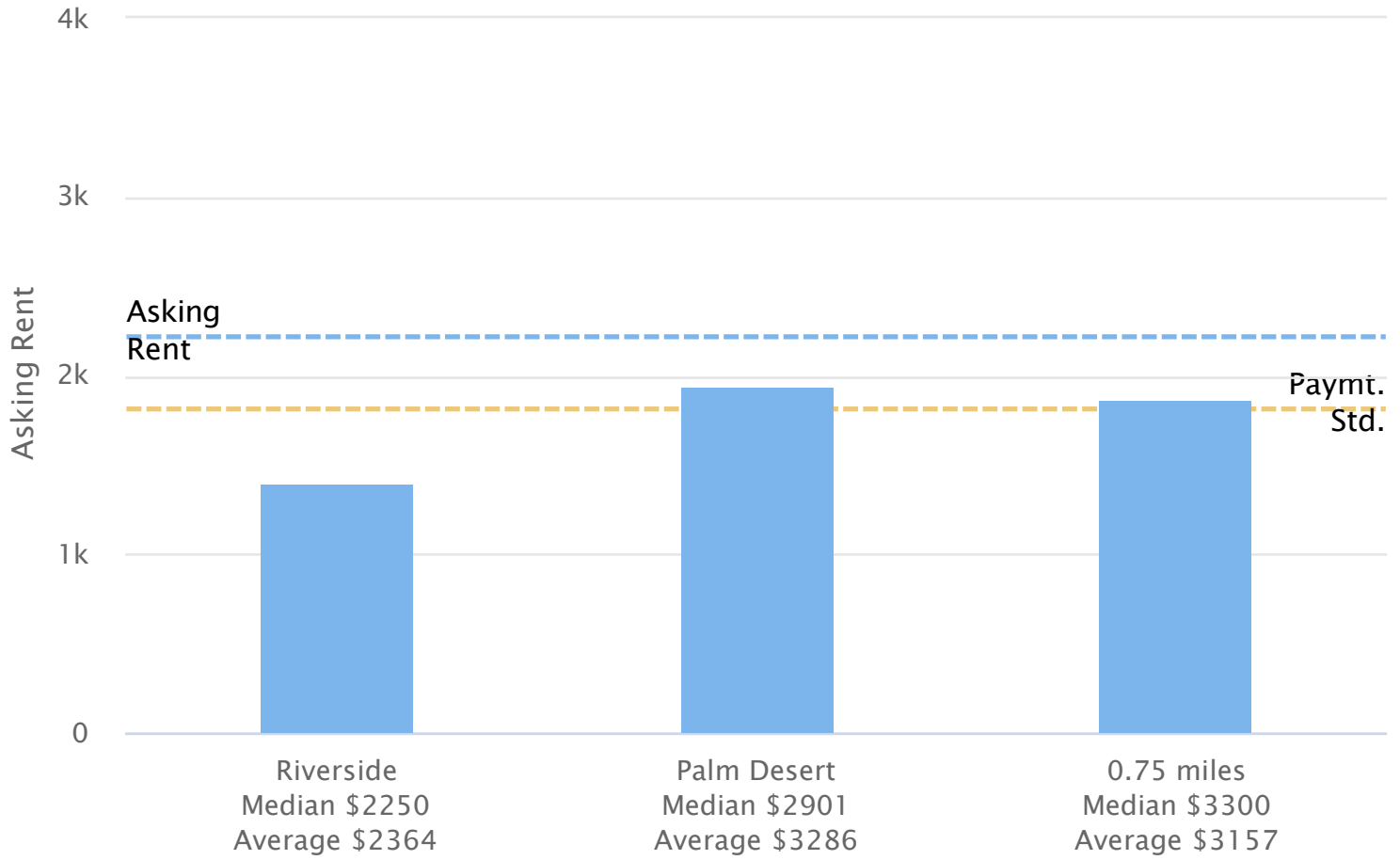
Living area for comparable is superior to subject (-\$41.58 adjustment)
Quality for comparable is inferior to subject (\$249.60 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$183.02)

This rent reasonable certification is based on information provided by others and/or obtained from outside sources. No opinion, warranty, or guarantee of the reliability of the data relied upon is implied or expressed by the use of that data herein, and GOsection8.com does not warrant the correctness of the data. All Data should be verified by the RR Certifier for accuracy.

Rent Reasonable Valuation

| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 6335 Via Stasera | 1806 Via San Martino | 2200 Via Calderia 2207 |
| Model | | 2/2/1/2278 | 2/2/0/1559 | 2/2/0/1300 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.18 | 0.5 | 0.6 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 2/1/0 | 2/2/1 | 2/2/0 | 2/2/0 |
| Sq. Ft. | 733 | 2278 | 1559 | 1300 |
| Adjustment | | Superior / Adj: -\$353.10 | Superior / Adj: -\$193.68 | Superior / Adj: -\$147.06 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | | 2007 | 2012 | 2015 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$320.00 | Inferior / Adj: \$330.00 | Inferior / Adj: \$249.50 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Tenant | Tenant | Tenant |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Microwave, Pool, Refrigerator, Stove, Gated Community, Fireplace | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Garbage Disposal, W/D Hookups, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Central | Unknown | Unknown |
| Parking | 1 Covered Space | 1 - Carport | 1 - Carport | Unknown |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$65.00 | Superior / Adj: -\$60.00 | Superior / Adj: -\$20.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 2/28/2024 | 3/30/2024 | 2/14/2024 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$2,211.00 | \$3,200.00 | \$3,300.00 | \$2,495.00 |
| Actual Rent | | | | |
| Adjustment | | (\$98.10) | \$76.32 | \$82.44 |
| Adjusted Monthly Rent | | \$3,101.90 | \$3,376.32 | \$2,577.44 |
| COMPARABLE BREAKDOWN | | | | |
| 14,879 Recent comparables in jurisdiction | | | | |
| 3,383 Similar 2 bedroom comparables in Riverside County | | | | |
| 630 Similar 2 bedroom comparables in the City of Palm Desert | | | | |
| 70 Within 0.75 miles | | | | |
| CERTIFICATION | | | | |
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$3,018.55. | | | | |
| The adjusted reasonable rent range is \$2,577.44 to \$3,376.32. | | | | |
| Requested Rent Amount: \$2,211.00 Rent Approved: \$2,211.00. | | | | |
| RR Certifier Signature: <u>Erlan Gonzalez</u> | | | | |
| QC Certifier Signature: _____ | | | | |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$2,211.00 IS reasonable, and the approved rent of \$2,211.00 IS reasonable. | | | | |
| | | Certification ID F7042973-6F8C-4215-83B8-973FEDACE4AC Certification Date 2024-6-23 Version AVM 6.1, RRC 7.0, RW5 Client Reference Voucher Bedroom 2 Family Name Arc Village Housing Authority Housing Authority of the County of Riverside Certifier Erlan Gonzalez Utility Schedule 7/23 Riverside / Multi- Family/ Standard/ SCE Page 1 of 1 excluding appendices. | | |

Local Market Analysis



The adjusted reasonable rent range is \$2,577.44 to \$3,376.32.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$3,101.90 | 88.73% Somewhat Similar |
| Comparable 2: | \$3,376.32 | 91.26% Very Similar |
| Comparable 3: | \$2,577.44 | 90.48% Very Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$278.10 adjustment)
Quality for comparable is inferior to subject (\$320.00 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Total adjustment for this property is (-\$98.10)

Comparable 2:

Living area for comparable is superior to subject (-\$148.68 adjustment)
Quality for comparable is inferior to subject (\$330.00 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$76.32)

Comparable 3:

Living area for comparable is superior to subject (-\$102.06 adjustment)
Quality for comparable is inferior to subject (\$249.50 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Pool for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$82.44)

This rent reasonable certification is based on information provided by others and/or obtained from outside sources. No opinion, warranty, or guarantee of the reliability of the data relied upon is implied or expressed by the use of that data herein, and GOsection8.com does not warrant the correctness of the data. All Data should be verified by the RR Certifier for accuracy.

Rent Reasonable Valuation

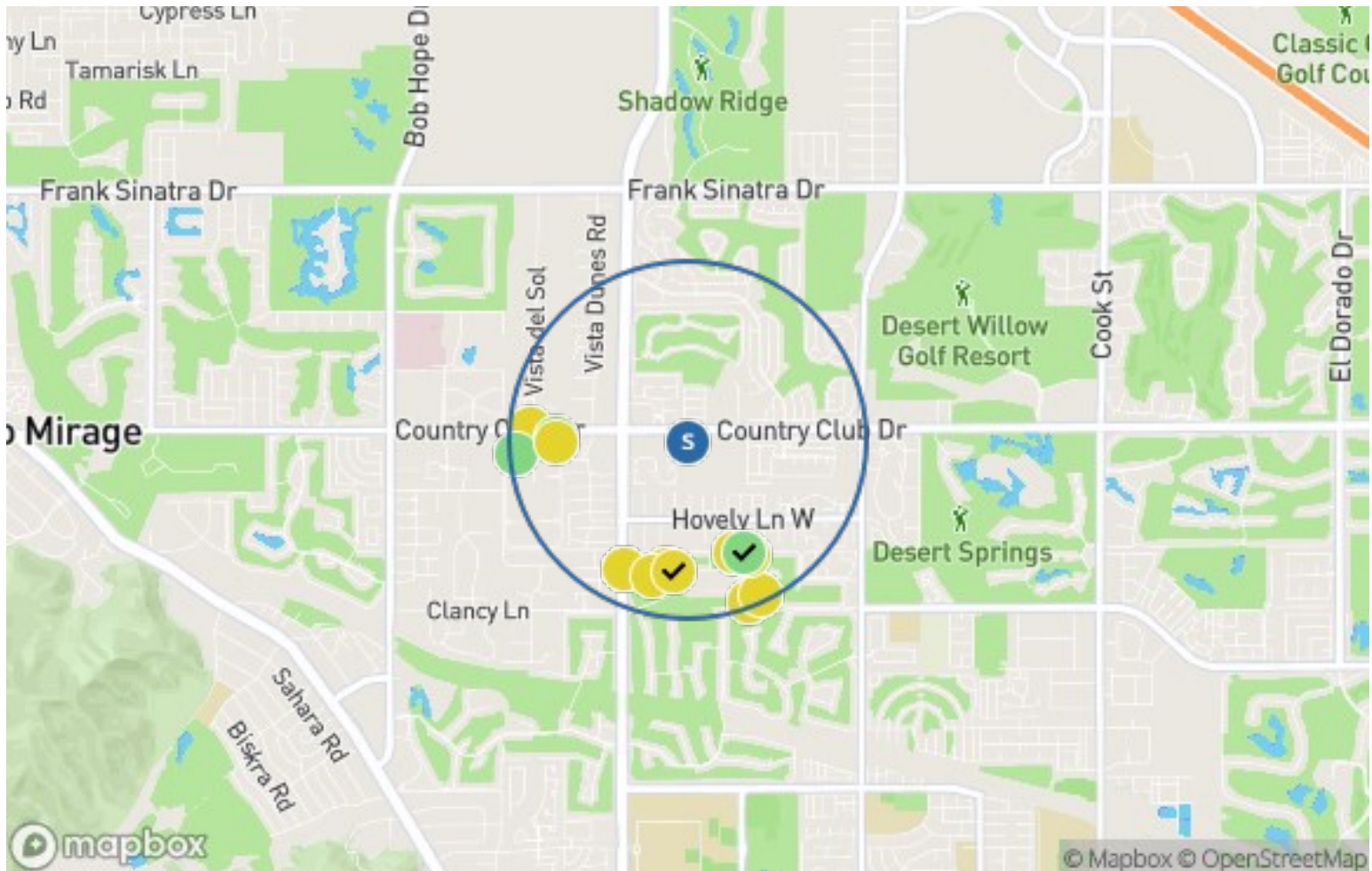
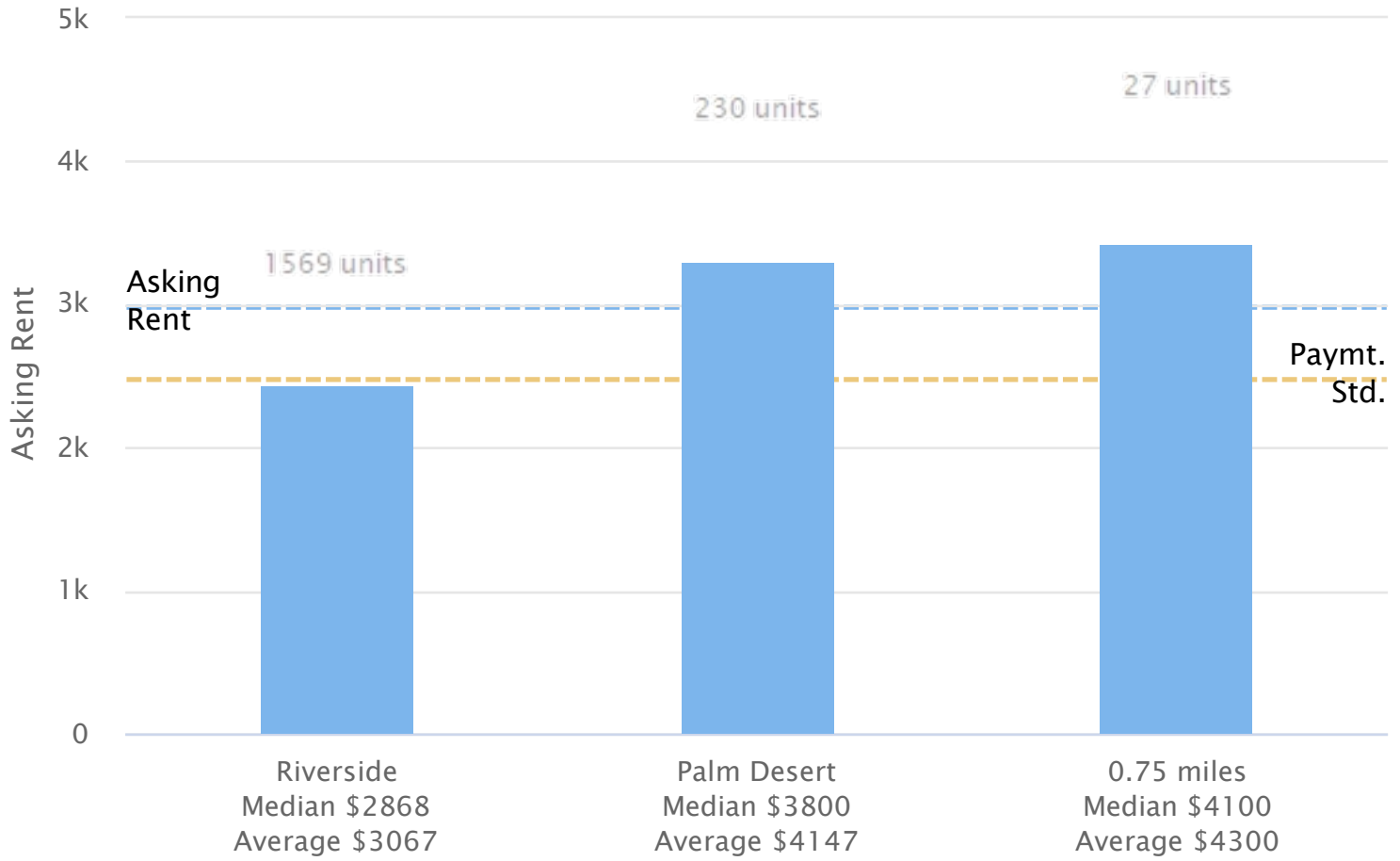
| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|-------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 281 San Remo St | 271 San Remo St | 244 La Paz Way |
| Model | | 3/2/0/1584 | 3/1/1/1670 | 3/2/0/1584 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.54 | 0.52 | 0.56 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 3/2/0 | 3/2/0 | 3/1/1 | 3/2/0 |
| Sq. Ft. | 954 | 1584 | 1670 | 1584 |
| Adjustment | | Superior / Adj: -\$113.40 | Superior / Adj: -\$113.88 | Superior / Adj: -\$113.40 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | | 1979 | 1979 | 1979 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$410.00 | Inferior / Adj: \$410.00 | Inferior / Adj: \$420.00 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Owner | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Electric / Owner | Electric / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Owner | Owner | Tenant |
| Adjustment | | Superior / Adj: -\$224.00 | Superior / Adj: -\$168.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Cable | Washer, Dryer, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Unknown | Central | Unknown |
| Parking | 1 Covered Space | Unknown | 1 - Carport | 1 - Carport |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$60.00 | Superior / Adj: -\$45.00 | Superior / Adj: -\$45.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 7/28/2023 | 4/22/2024 | 7/27/2023 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$2,978.00 | \$4,100.00 | \$4,100.00 | \$4,200.00 |
| Actual Rent | | | | |
| Adjustment | | \$12.60 | \$83.12 | \$261.60 |
| Adjusted Monthly Rent | | \$4,112.60 | \$4,183.12 | \$4,461.60 |

| COMPARABLE BREAKDOWN |
|--------------------------------------------------------------|
| 14,879 Recent comparables in jurisdiction |
| 1,569 Similar 3 bedroom comparables in Riverside County |
| 230 Similar 3 bedroom comparables in the City of Palm Desert |
| 27 Within 0.75 miles |

| CERTIFICATION |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$4,252.44. |
| The adjusted reasonable rent range is \$4,112.60 to \$4,461.60. |
| Requested Rent Amount: \$2,978.00 Rent Approved: \$2,978.00. |
| RR Certifier Signature: <u>Erlan Gonzalez</u> |
| QC Certifier Signature: _____ |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$2,978.00 IS reasonable, and the approved rent of \$2,978.00 IS reasonable. |

| | |
|--------------------|------------------------------------------------------|
| Certification ID | AE3A6B35-B942-449E-BB46-5542A820324F |
| Certification Date | 2024-6-23 |
| Version | AVM 6.1, RRC 7.0, RW5 |
| Client Reference | |
| Voucher Bedroom | 3 |
| Family Name | Arc Village |
| Housing Authority | Housing Authority of the County of Riverside |
| Certifier | Erlan Gonzalez |
| Utility Schedule | 7/23 Riverside / Multi- Family/ Standard/ SCE |
| Page | 1 of 1 excluding appendices. |

Local Market Analysis



The adjusted reasonable rent range is \$4,112.60 to \$4,461.60.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$4,112.60 | 90.36% Very Similar |
| Comparable 2: | \$4,183.12 | 89.10% Somewhat Similar |
| Comparable 3: | \$4,461.60 | 89.96% Somewhat Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$113.40 adjustment)
Quality for comparable is inferior to subject (\$410.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Cooking utility for comparable is superior to subject (-\$18.00 adjustment)
Hot water utility for comparable is superior to subject (-\$38.00 adjustment)
Other electric utility for comparable is superior to subject (-\$75.00 adjustment)
Cooling utility for comparable is superior to subject (-\$31.00 adjustment)
Range/Stove utility for comparable is superior to subject (-\$11.00 adjustment)
Refrigerator utility for comparable is superior to subject (-\$12.00 adjustment)
Electric service charge for comparable is superior to subject (-\$39.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$12.60)

Comparable 2:

Living area for comparable is superior to subject (-\$128.88 adjustment)
Quality for comparable is inferior to subject (\$410.00 adjustment)
Full bath count for comparable is inferior to subject (\$45.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Other electric utility for comparable is superior to subject (-\$75.00 adjustment)
Cooling utility for comparable is superior to subject (-\$31.00 adjustment)
Range/Stove utility for comparable is superior to subject (-\$11.00 adjustment)
Refrigerator utility for comparable is superior to subject (-\$12.00 adjustment)
Electric service charge for comparable is superior to subject (-\$39.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$83.12)

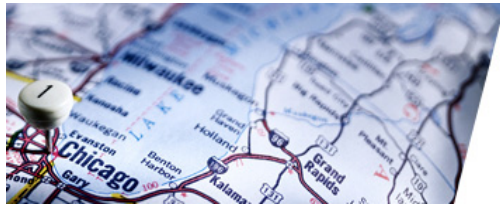
Comparable 3:

Living area for comparable is superior to subject (-\$113.40 adjustment)
Quality for comparable is inferior to subject (\$420.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$261.60)

This rent reasonable certification is based on information provided by others and/or obtained from outside sources. No opinion, warranty, or guarantee of the reliability of the data relied upon is implied or expressed by the use of that data herein, and GOsection8.com does not warrant the correctness of the data. All Data should be verified by the RR Certifier for accuracy.



MENU



2023 and 2024 Small DDAs and QCTs

Overview of 2023 and 2024 Small DDAs and QCTs

The 2024 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2024. The 2024 QCT designations use tract boundaries from the 2020 Decennial census. The 2024 metro DDAs use ZIP Code Tabulation Area (ZCTA) boundaries from the 2010 Decennial census. The designation methodology is explained in the [Federal Register notice](#) published September 21, 2023.

Current zoom: 13

Select Year:

2024
 2023

Select Layer(s):

LIHTC Projects (Zoom 11+)

FMR Outlines (Zoom 4+)

Difficult Development Areas (Zoom 7+)

Non-Metro Difficult Development Areas



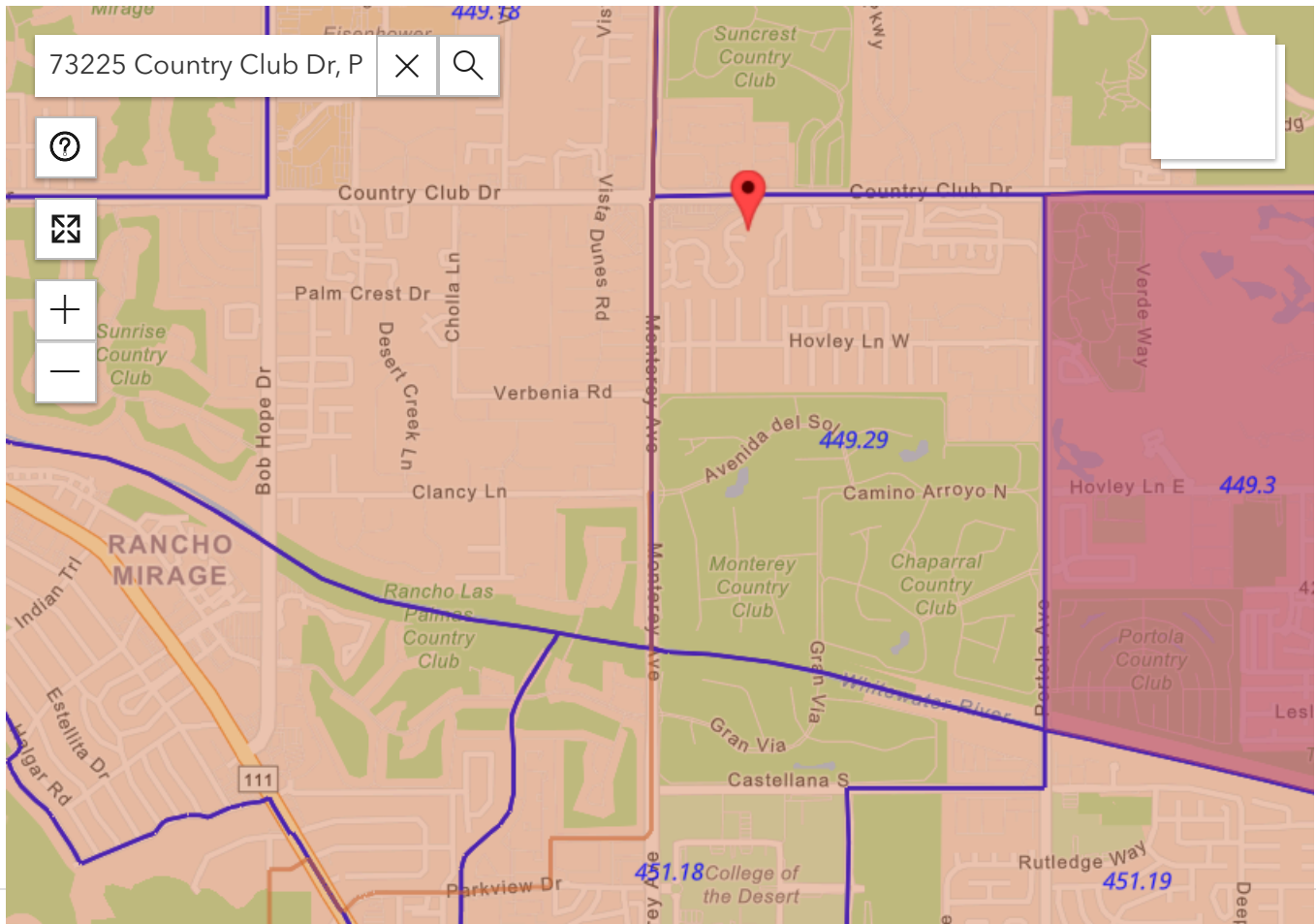
Small Difficult Development Areas



Color QCT Qualified Tracts (Zoom 7+)



Tracts Outline (Zoom 11+)



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Toll Free: 1-800-245-2691 **TDD:** 1-800-927-7589

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Finance
Development
Management

6339 Paseo Del Lago
Carlsbad, CA 92011
Tel (760) 456-6000
Fax (760) 456-6001
www.chelseainvestco.com

Request for Reasonable Rent Study

Developer Name: Chelsea Investment Corporation
Developer Address: 6339 Paseo Del Lago, Carlsbad, CA 92011
Developer Contact: Jeff Ryan
Developer Phone: 317-607-2753 Developer Email: jryan@chelseainvestco.com
Project Name: Arc Village Apartments
Project Address: Directly south of 73225 Country Club Drive, Palm Desert, CA 92260

New Construction or Existing: New Construction

Standard Utility Allowance or Energy Efficient? Standard Utility Allowance
If energy efficient (EE), must attach proof that you have been approved to use the EE allowance by the Housing Authority.

Number of units: 40 Number of Project Based Vouchers: 8

Rent Requested by Owner:

One BR: \$1,772
Two BR: \$2,211
Three BR: \$2,978
Four BR: \$
Other: : \$

Square Footage of Units and number of bathrooms (full/half):

| | | |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| One BR: <u>578 + 92 (balcony/patio/storage)</u> SQ FT | # Bathrooms: <u>1</u> | Half or Full: <u>Full</u> |
| Two BR: <u>733 + 94 (balcony/patio/storage)</u> SQ FT | # Bathrooms: <u>1</u> | Half or Full: <u>Full</u> |
| Three BR: <u>954 + 94 (balcony/patio/storage)</u> SQ FT | # Bathrooms: <u>2</u> | Half or Full: <u>Full</u> |
| Four BR: <u> </u> SQ FT | # Bathrooms <u> </u> | Half or Full: <u> </u> |
| Other: <u> </u> SQ FT | # Bathrooms <u> </u> | Half or Full: <u> </u> |

Utilities and who responsible (Owner or Tenant):

Electric Service Provider: SCE or non-SCE? SCE Who pays? Owner or Tenant? Tenant

Is heating gas or electric? Electric Who pays? Owner or Tenant? Tenant
Is the unit heated by Hydronic Heat? No
Is water heating gas or electric? Electric Who pays? Owner or Tenant? Owner
Is Stove gas or electric? Electric Who pays? Owner or Tenant? Tenant
Who provides the Stove? Owner Who provides the Refrigerator? Owner
Is a microwave provided? Yes
Who pays for Water? Owner
Who pays for Sewer? Owner
Who pays for Trash? Owner

Request for HACR Reasonable Rent Study

May 23, 2024

Page 2

Amenities:

Is there a garbage disposal? Yes Does/Will the unit have a dishwasher? Yes

Does/Will the unit have ceiling fans? No

Does/Will the units have washer and dryer hookups? No Is a washer or dryer provided? No

Does/Will the property have an on-site laundry room? Yes

Does/Will the units have a covered parking space? Yes, carports Is the property gated? Yes

Does/Will the property have a swimming pool? No Does Owner provide Pest Control? Yes

Lawn Care? Yes

Any other amenities? If so, please list? Tot lot, picnic area with grill, common room with computers and kitchen

Developer Signature: _____ Date: 5/23/2024

**AHAP Exhibit D-
HAP Contract**

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

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART 1 OF HAP CONTRACT

OMB Burden Statement. The public reporting burden for this collection of information is estimated to average 1 hour, including the time for collecting, reviewing and reporting the data. This form is required to establish terms between a PHA and owner to provide housing assistance. This contract allows a PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families. Assurances of confidentiality are not provided under this collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Office of Public and Indian Housing, US. Department of Housing and Urban Development, Washington, DC 20410. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Privacy Notice. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by 24 CFR § 983.202. The information sets forth the PHA and owner's agreement to provide housing under the project-based component of the Housing Choice Voucher Program. The Personally Identifiable Information (PII) data collected on this form are not stored or retrieved within a system of record.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) contract is entered into between:

_____ (PHA) and

_____ (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:

**Project-Based Voucher Program
HAP Contract for New Construction/Rehab**

Previous editions are obsolete

**HUD 52530A Page - 1 of Part 1
(04/2023)**

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.) If this is a multi-stage project, this exhibit must include a description of the units in each completed phase.

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 AND IMPLEMENTING REGULATIONS AT 24 CFR PART 8

ADDITIONAL EXHIBITS

d. Single-Stage and Multi-Stage Contracts (place a check mark in front of the applicable project description).

Single-Stage Project

This is a single-stage project. For all contract units, the effective date of the HAP contract is:

_____.

Multi-Stage Project

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage in the "Execution of HAP contract for contract units completed and accepted in stages" (starting on page 9).

The annual anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP contract for the contract units included in the first stage. The expiration date of the HAP contract for all of the contract units completed in stages must be concurrent with the end of the HAP contract term for the units included in the first stage (see 24 CFR 983.207(c)).

e. Term of the HAP contract

1. Beginning of term

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 PBV inspection requirements. The term of the HAP contract for any unit begins on the effective date of the HAP contract.

2. Length of initial term

a. Subject to paragraph 2.b, the initial term of the HAP contract for any contract units is:

_____.

b. The initial term of the HAP contract for any unit 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.

f. 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 f.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 for placement on the PBV waiting list.
- 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 f (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.

g. Income-mixing requirement

- 1. Except as provided in paragraphs g.2 through g.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 g.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 g.1, the PHA shall give preference to the applicable families as listed in g.8 below, for the number of contract units exclusively made available for occupancy by such families. The owner shall rent that 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 g.6 and g.7, below.
6. The following specifies the number of contract units (if any) that received one of the following forms of HUD 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.

Place a check mark in front of the form of assistance received by any of the contract units. The following total number of contract units received a form of HUD assistance listed above:

_____.

If all of the units in the project received such assistance, then skip number g.8, below.

7. The following specifies the number of contract units (if any) that were under any of the following federal rent restrictions:

___ 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.

Place a check mark in front of the type of federal rent restriction that applied to any of the contract units. The following total number of contract units were subject to a federal rent restriction listed above:

_____.

If all of the units in the project were subject to a federal rent restriction, then skip number g.8, below.

8. The following specifies the number of contract units (if any) exclusively made available to elderly families, families eligible for supportive services, or eligible youth receiving Family Unification Program or Foster Youth to Independence (FUP/FYI) assistance:

- a Place a check mark here ___ if any contract units are exclusively made available 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 exclusively made available for occupancy by families eligible for supportive services. The following number of contract units shall be rented to families eligible for supportive services:

_____.

c. Place a check mark here ___ if any contract units are exclusively made available for occupancy by eligible youth receiving FUP/FYI assistance. The following number of contract units shall be rented to eligible youth receiving FUP/FYI assistance:

_____.

9. The PHA and owner must comply with all HUD requirements regarding income mixing.

EXECUTION OF HAP CONTRACT FOR SINGLE-STAGE PROJECT

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.
WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

| |
|--------------------------------------------------------------------------------------|
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) |
| By: Signature of authorized representative |
| Name and official title (Print) Heidi Marshall, Executive Director Date |

| |
|------------------------------------------------------|
| OWNER Name of Owner (Print) |
| By: Signature of authorized representative |
| Name and official title (Print) |
| Date |

SIGNATURE BLOCK

ARC VILLAGE CIC, LP

Arc Village CIC, LP,
a California limited partnership

By: Pacific Southwest Community Development Corporation,
a California nonprofit public benefit corporation,
Managing General Partner

By: _____
Juan P. Arroyo
Executive Vice President

By: CIC Arc Village, LLC,
a California limited liability company,
Administrative General Partner

By: Chelsea Investment Corporation,
a California corporation,
its Manager

By: _____
Cheri Hoffman, President

**EXECUTION OF HAP CONTRACT FOR CONTRACT UNITS COMPLETED
AND ACCEPTED IN STAGES**

(For multi-stage projects, at acceptance of each stage, the PHA and the owner sign the HAP contract execution for the completed stage.)

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.
WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

| |
|-------------------------------------------------------------------------------------------|
| STAGE NO. 1: The Contract is hereby executed for the contract units in this stage. |
| STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is: |
| Date |
| PUBLIC HOUSING AGENCY (PHA) |
| Name of PHA (Print) |
| By: |
| Signature of authorized representative |
| |
| Name and official title (Print) |
| |
| Date |
| OWNER |
| Name of Owner (Print) |
| By: |
| Signature of authorized representative |
| |
| Name and official title (Print) |
| |
| Date |

| |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STAGE NO. 2: The Contract is hereby executed for the contract units in this stage. STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is: |
| Date |
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) |
| By: |
| Signature of authorized representative |
| Name and official title (Print) |
| Date |
| OWNER Name of Owner (Print) |
| By: |
| Signature of authorized representative |
| Name and official title (Print) |
| Date |

| |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STAGE NO. 3: The Contract is hereby executed for the contract units in this stage. STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is: |
| Date |
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) |
| By: |
| Signature of authorized representative |
| |
| Name and official title (Print) |
| |
| Date |
| OWNER Name of Owner (Print) |
| By: |
| Signature of authorized representative |
| |
| Name and official title (Print) |
| |
| Date |

STAGE NO. __: The Contract is hereby executed for the contract units in this stage.

STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is:

Date

PUBLIC HOUSING AGENCY (PHA)

Name of PHA (Print)

By:

Signature of authorized representative

Name and official title (Print)

Date

OWNER

Name of Owner (Print)

By:

Signature of authorized representative

Name and official title (Print)

Date

HAP Exhibit A

EXHIBIT A

Project Name: Arc Village
73295 Country Club Drive
Palm Desert, CA 92260

APN: 622-370-0114

Total Number of Project Based Voucher (PBV) Units in Project Covered by HAP Contract: 8

Total Number Units in the Project: 40

Description and Quantity in Project:

Unit Mix Summary

1 -bedroom units 20
2 -bedroom units 10
3 -bedroom units 10
Manager's units 1 (1-bedroom unit) included in 1-bedroom count above

Project Based Section 8 Voucher: *Accessible with mobility feature **Accessible with communication feature

| Bedroom/Bathroom | AMI | Quantity | Unit #s and Accessible Features |
|-------------------------|--------------|-----------------|-------------------------------------------------|
| One Bedroom/One Bath | 40% | 2 | #102 – Accessible with mobility feature #202 |
| One Bedroom/One Bath | 30% | 2 | #106 – Accessible with mobility feature #216 |
| Two Bedroom/One Bath | 40% | 1 | #203 |
| Two Bedroom/One Bath | 30% | 1 | #220 |
| Three Bedroom/One Bath | 40% | 1 | #209 |
| Three Bedroom/One Bath | 30% | 1 | #115 – Accessible mobility adaptable |
| | Total | 8 | |

Initial Rent to Owner for Contract Units (net of HACR utility allowance):

- See attached PBV Contract Rent Determination dated: June 23, 2024



HOUSING AUTHORITY of the County of Riverside

Main Office
5555 Arlington Avenue
Riverside, CA 92504-2506
(951) 351-0700
FAX (951)354-6324
TDD (951) 351-9844

June 23, 2024

Chelsea Investment Corporation
6339 Paseo Del Lago,
Carlsbad, CA 92011
Attn: Jeff Ryan

Indio Office
44-199 Monroe, Ste. B
Indio, CA 92201
(760) 863-2828
(760) 863-2838 FAX
TDD (760) 863-2830

Website: harivco.org

RE: Estimate of Initial Rents – HCV Project-Based Vouchers
Arc Village Apartments, City of Palm Desert

Dear Mr. Ryan:

The Housing Authority of the County of Riverside in accordance with the Code of Federal Regulation (CFR) 983.301 has completed a rent comparability analysis to determine the estimated initial rents for the Project-Based Vouchers that will be utilized for Arc Village Apartments, City of Palm Desert. The estimated initial contract rent, current applicable utility allowance and gross contract rent are as follows:

PBV Contract Rent Determination

| Bedroom Size | 1BR | 2BR | 3BR |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Rent Requested by Owner | \$1,772 | \$2,211 | \$2,978 |
| Reasonable Rent | \$1,772 per AffordableHousing.com | \$2,211 per AffordableHousing.com | \$2,978 per AffordableHousing.com |
| 110% of 2024 FMR eff 10/1/23 | \$1,772 (\$1,611 + 161) | \$2,211 (\$2,010 + 201) | \$2,977 (\$2,707 + 270) |
| less Standard Utility Allowance eff 7/1/24 | \$106 | \$146 | \$188 |
| FMR Rent Cap | \$1,666 | \$2,065 | \$2,789 |
| PBV Contract Rent pursuant to 24 CFR 983.301 (b) - Lowest of (1) Reasonable Rent, (2) Rent requested by Owner, or (3) FMR Rent Cap minus Utility Allowance | \$1,666 | \$2,065 | \$2,789 |

Actual rents will be determined prior to execution of the Project-Based Voucher Program Housing Assistance Payment (HAP) Contract. If you have any questions, please feel free to contact me at (951) 343-5434.

Sincerely,

Erlan Gonzalez

Erlan Gonzalez
Principal Development Specialist

24 Code of Federal Regulations (CFR) 983.301 Determining the rent to owner.

(a) *Initial and redetermined rents.* (1) The amount of the initial and redetermined rent to owner is determined in accordance with this section and § 983.302.

(b) *Amount of rent to owner.* Except for certain tax credit units as provided in paragraph (c) of this section, **the rent to owner must not exceed the lowest of:**

(1) An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance; (2) The reasonable rent; or (3) The rent requested by the owner.

(c) *Rent to owner for certain tax credit units.* (1) This paragraph (c) applies if: (i) A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42); (ii) The contract unit is not located in a qualified census tract; (iii) In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and (iv) The tax credit rent exceeds the applicable fair market rent (or any exception payment standard) as determined in accordance with paragraph (b) of this section. (2) In the case of a contract unit described in paragraph (c)(1) of this section, the rent to owner must not exceed the lowest of: (i) The tax credit rent minus any utility allowance; (ii) The reasonable rent; or (iii) The rent requested by the owner. (3) The “tax credit rent” is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., additional assistance such as tenant-based voucher assistance). (4) A “qualified census tract” is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which: (i) At least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or (ii) Where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

(d) *Rent to owner for other tax credit units.* Except in the case of a tax-credit unit described in paragraph (c)(1) of this section, the rent to owner for all other tax credit units may be determined by the PHA pursuant to paragraph (b) of this section.

(e) *Reasonable rent.* The PHA shall determine the reasonable rent in accordance with § 983.303. The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where, the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

(ii) *Redetermination of rent to owner.* When redetermining the rent to owner, the PHA shall use the most recently published FMR and the PHA utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

Note: 24 CFR 983.301(c) pertaining to tax credits mentioned above is not applicable when the development/unit is located within a Qualified Census Tract (QCT). It is also not applicable when Tax Credit Rents are less than FMR. Linwood Rose is located in a QCT 425.15 and Tax Credit Rents do not exceed FMR so paragraph(c) does not apply.

24 CFR 983.302 Redetermination of rent to owner.

(a) The PHA must redetermine the rent to owner:

(1) Upon the owner’s request; or (2) When there is a 10 percent decrease in the published FMR.

(b) *Rent increase.* (1) The PHA may not make any rent increase other than an increase in the rent to owner as determined pursuant to § 983.301. (Provisions for special adjustments of contract rent pursuant to 42 U.S.C. 1437f(b)(2)(B) do not apply to the voucher program.)

(2) The owner must request an increase in the rent to owner at the annual anniversary of the HAP contract by written notice to the PHA. The length of the required notice period of the owner request for a rent increase at the annual anniversary may be established by the PHA. The request must be submitted in the form and manner required by the PHA.

[Refer to 24 CFR 983.1, 983.2, 982.308(g)(4) The owner must notify the PHA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and any such changes shall be subject to rent reasonableness requirements.]

(3) The PHA may not approve, and the owner may not receive any increase of rent to owner until and unless the owner has complied with all requirements of the HAP contract, including compliance with the HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

(c) *Rent decrease.* (1) If there is a decrease in the rent to owner, as established in accordance with § 983.301, the rent to owner must be decreased, regardless of whether the owner requested a rent adjustment. (2) If the PHA has elected within the HAP contract to not reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract, except: (i) To correct errors in calculations in accordance with HUD requirements; (ii) If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to § 983.55; or (iii) If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

(d) *Notice of rent redetermination.* Rent to owner is redetermined by written notice by the PHA to the owner specifying the amount of the redetermined rent (as determined in accordance with 24 CFR 983.301 and 983.302). The PHA notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract.

(e) *Contract year and annual anniversary of the HAP contract.* (1) The contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. (2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

(3) See § 983.207(c) for information on the annual anniversary of the HAP contract for contract units completed in stages.

24 CFR 983.207(c) Staged completion of contract units. Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development

Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

| Locality/PHA Housing Authority of the County of Riverside, CA | | Unit Type: Multi-Family (Apartment) | | | | Date (mm/dd/yyyy) 7-1-2024 | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|---------|---------|---------------------------|--------------------------------------|----------|
| Utility of Service (Standard) | Fuel Type | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | \$19.00 | \$22.00 | \$25.00 | \$27.00 | \$28.00 | \$31.00 |
| | Bottle Gas | \$60.00 | \$69.00 | \$78.00 | \$87.00 | \$92.00 | \$101.00 |
| | Electric (avg) | \$16.00 | \$19.00 | \$23.00 | \$27.00 | \$32.00 | \$36.00 |
| | Fuel Oil | | | | | | |
| Cooking | Natural Gas | \$5.00 | \$5.00 | \$8.00 | \$9.00 | \$13.00 | \$14.00 |
| | Bottle Gas | \$14.00 | \$14.00 | \$23.00 | \$32.00 | \$41.00 | \$46.00 |
| | Electric (avg) | \$8.00 | \$10.00 | \$14.00 | \$19.00 | \$23.00 | \$27.00 |
| Other Electric | Non-SCE (avg) | \$26.00 | \$30.00 | \$42.00 | \$54.00 | \$66.00 | \$77.00 |
| Other Electric | SCE (Monthly Credit) | \$30.00 | \$38.00 | \$58.00 | \$78.00 | \$98.00 | \$119.00 |
| Air Conditioning | | \$14.00 | \$17.00 | \$23.00 | \$29.00 | \$36.00 | \$42.00 |
| Water Heating | Natural Gas | \$9.00 | \$11.00 | \$16.00 | \$20.00 | \$25.00 | \$30.00 |
| | Bottle Gas | \$32.00 | \$37.00 | \$50.00 | \$64.00 | \$78.00 | \$96.00 |
| | Electric (avg) | \$19.00 | \$22.00 | \$28.00 | \$35.00 | \$41.00 | \$47.00 |
| | Fuel Oil | | | | | | |
| Water | (avg)(MF) | \$27.00 | \$27.00 | \$30.00 | \$32.00 | \$35.00 | \$38.00 |
| Sewer | (avg)(MF) | \$34.00 | \$34.00 | \$34.00 | \$34.00 | \$34.00 | \$34.00 |
| Trash Collection | (avg) | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 |
| Other specify: Electric Charge \$25.83 (Non SCE/Non-Rev Public Monthly) | | \$26.00 | \$26.00 | \$26.00 | \$26.00 | \$26.00 | \$26.00 |
| Other specify: Natural Gas Charge \$5.10 | | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 |
| Other specify: Electric Charge \$41.79 (Monthly (Riverside Public Utilities)) | | \$42.00 | \$42.00 | \$42.00 | \$42.00 | \$42.00 | \$42.00 |
| Range/Microwave | | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 |
| Refrigerator | | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 | \$12.00 |
| Actual Family Allowances -May be used by the family to compute allowance while searching for a unit. | | | | | Utility/Service/Appliance | Allowance | |
| Head of Household Name | | | | | Heating | | |
| | | | | | Cooking | | |
| Unit Address 73225 Country Club Dr., Palm Desert, CA 92260 | | | | | Other Electric | | |
| | | | | | Air Conditioning | | |
| | | | | | Water Heating | | |
| Number of Bedrooms UA = 1 BR \$106; 2 BR; \$146 3 BR \$188 | | | | | Water | | |
| | | | | | Sewer | | |
| | | | | | Trash Collection | | |
| | | | | | Other | | |
| | | | | | Range/Microwave | | |
| | | | | | Refrigerator | | |
| | | | | | Total | | |



Utility Allowance Schedule

See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

| Locality/PHA Housing Authority of the County of Riverside, CA | | Unit Type: Multi-Family (Apartment) | | | | Date (mm/dd/yyyy) 7-1-2024 | |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|----------|--|---------------------------|--------------------------------------|--|
| Utility of Service (Standard) | Fuel Type | 6 BR | 7 BR | | | | |
| Heating | Natural Gas | \$34.00 | \$38.00 | | | | |
| | Bottle Gas | \$110.00 | \$119.00 | | | | |
| | Electric (<i>avg</i>) | \$39.00 | \$42.00 | | | | |
| | Fuel Oil | | | | | | |
| Cooking | Natural Gas | \$16.00 | \$17.00 | | | | |
| | Bottle Gas | \$50.00 | \$55.00 | | | | |
| | Electric | \$30.00 | \$32.00 | | | | |
| Other Electric | Non-SCE (<i>avg</i>) | \$84.00 | \$91.00 | | | | |
| Other Electric | SCE (<i>Monthly Credit</i>) | \$132.00 | \$144.00 | | | | |
| Air Conditioning | | \$46.00 | \$49.00 | | | | |
| Water Heating | Natural Gas | \$33.00 | \$34.00 | | | | |
| | Bottle Gas | \$105.00 | \$110.00 | | | | |
| | Electric (<i>avg</i>) | \$51.00 | \$54.00 | | | | |
| | Fuel Oil | | | | | | |
| Water | (<i>avg</i>)(MF) | \$40.00 | \$42.00 | | | | |
| Sewer | (<i>avg</i>)(MF) | \$34.00 | \$34.00 | | | | |
| Trash Collection | (<i>avg</i>) | \$32.00 | \$32.00 | | | | |
| Other specify: Electric Charge \$25.83 (Non SCE/Non-Rev Public Monthly) | | \$26.00 | \$26.00 | | | | |
| Other specify: Natural Gas Charge \$5.10 | | \$5.00 | \$5.00 | | | | |
| Other specify: Electric Charge \$41.79 (Monthly (Riverside Public Utilities)) | | \$42.00 | \$42.00 | | | | |
| Range/Microwave | | \$11.00 | \$11.00 | | | | |
| Refrigerator | | \$12.00 | \$12.00 | | | | |
| Actual Family Allowances -May be used by the family to compute allowance while searching for a unit. | | | | | Utility/Service/Appliance | Allowance | |
| Head of Household Name | | | | | Heating | | |
| | | | | | Cooking | | |
| Unit Address | | | | | Other Electric | | |
| | | | | | Air Conditioning | | |
| | | | | | Water Heating | | |
| Number of Bedrooms | | | | | Water | | |
| | | | | | Sewer | | |
| | | | | | Trash Collection | | |
| | | | | | Other | | |
| | | | | | Range /Microwave | | |
| | | | | | Refrigerator | | |
| | | | | | Total | | |



adapted from form HUD-52667
(04/2023)



FY 2024 FAIR MARKET RENT DOCUMENTATION SYSTEM

10/1/2023 - 9/30/2024

The FY 2024 Riverside-San Bernardino-Ontario, CA MSA FMRs for All Bedroom Sizes

| Final FY 2024 & Final FY 2023 FMRs By Unit Bedrooms | | | | | |
|-----------------------------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|
| Year | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
| FY 2024 FMR | \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 |

The Riverside-San Bernardino-Ontario, CA MSA consists of the following counties: Riverside County, CA; and San Bernardino County, CA. All information here applies to the entirety of the Riverside-San Bernardino-Ontario, CA MSA.

FY 2024 FMR EFFECTIVE 10/1/2023 THROUGH 9/30/2024

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn?&year=2024&fmrtype=Final&cbsasub=METRO40140M40140

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

| 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 | \$3,799 | \$4,295 | \$4,790 |

CALCULATE 110% OF FMR BY BEDROOM SIZE (MUST ROUND DOWN)

| | 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|----------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 100% FMR | \$1,517 | \$1,611 | \$2,010 | \$2,707 | \$3,304 | \$3,799 | \$4,295 | \$4,790 |
| 10% FMR | 151 | 161 | 201 | 270 | 330 | 379 | 429 | 479 |
| 110% FMR | \$1,668 | \$1,772 | \$2,211 | \$2,977 | \$3,634 | \$4,178 | \$4,724 | \$5,269 |

Proceed to next step of deducting utility allowance from 110% of FMR to determine FMR RENT CAP

| | 0 Bedroom (Efficiency) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom | 7 Bedroom |
|-------------------------|------------------------|----------------|----------------|----------------|-----------|-----------|-----------|-----------|
| 110% FMR | \$1,668 | \$1,772 | \$2,211 | \$2,977 | \$3,634 | \$4,178 | \$4,724 | \$5,269 |
| Minus Utility Allowance | | \$106 | \$146 | \$188 | | | | |
| FMR RENT CAP | | \$1,666 | \$2,065 | \$2,789 | | | | |

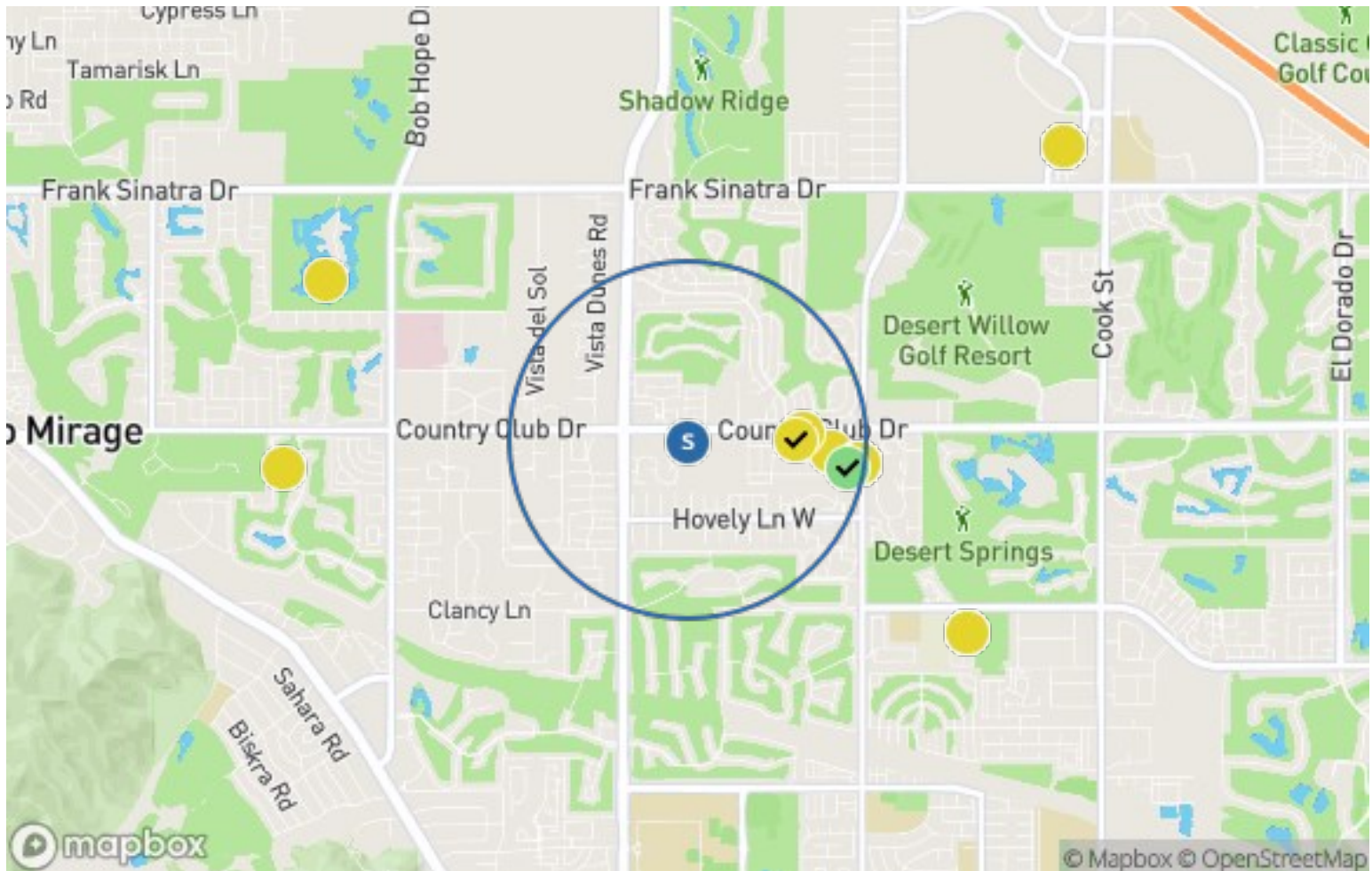
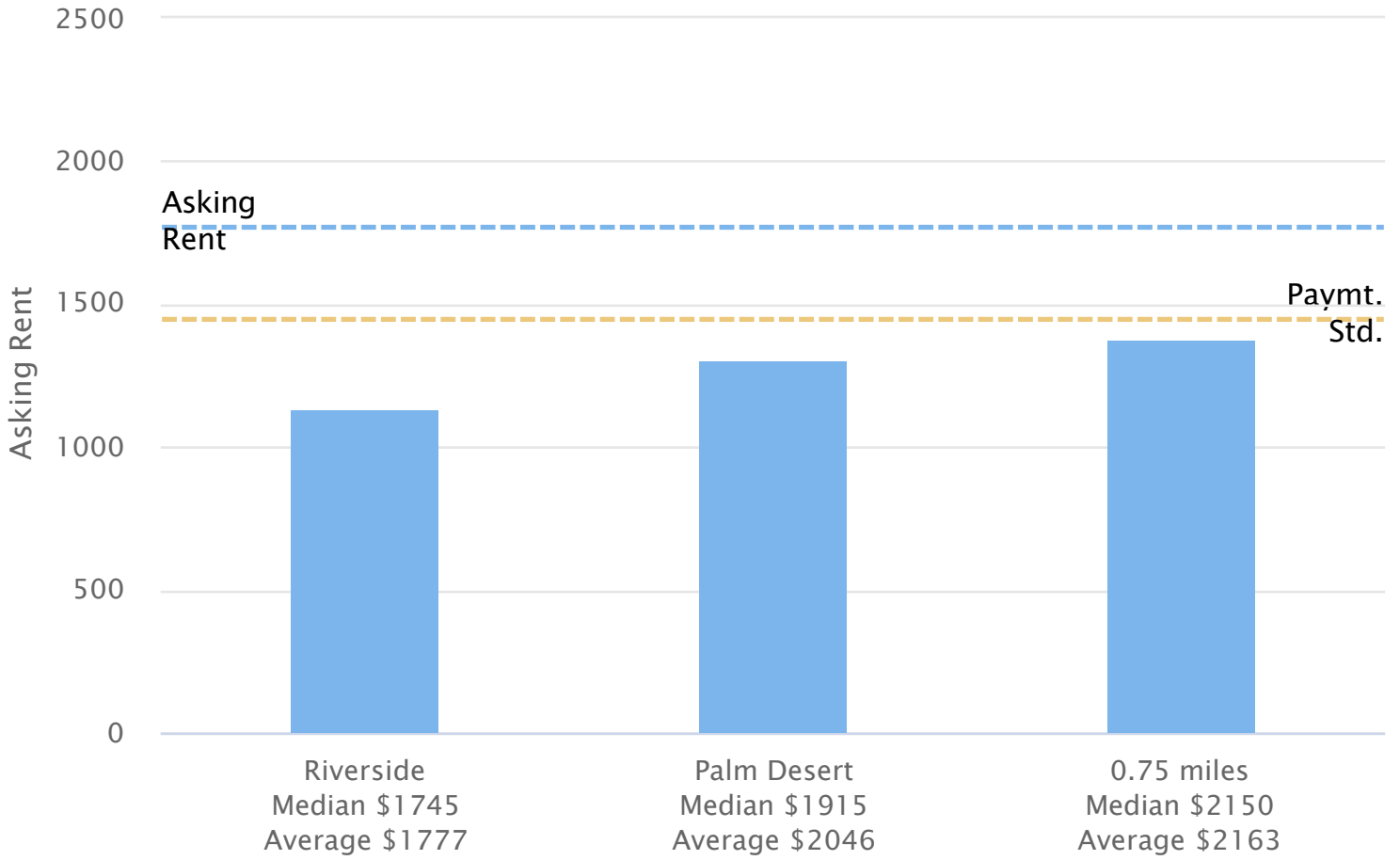
Attach Utility Allowance Calculation for each BR Size

Rent Reasonable Valuation

| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 2600 Via Calderia | 2600 Via Calderia 2608 | 40445 Portola Ave 106 |
| Model | | 1/1/0/1183 | 1/1/1/1183 | 1/1/0/809 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.45 | 0.48 | 0.68 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 1/1/0 | 1/1/0 | 1/1/1 | 1/1/0 |
| Sq. Ft. | 578 | 1183 | 1183 | 809 |
| Adjustment | | Superior / Adj: -\$108.90 | Superior / Adj: -\$138.90 | Superior / Adj: -\$41.58 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | 2025 | 2015 | 2015 | 2021 |
| Adjustment | | Inferior / Adj: \$230.00 | Inferior / Adj: \$200.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$230.00 | Inferior / Adj: \$200.00 | Inferior / Adj: \$249.60 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Tenant | Tenant | Tenant |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Microwave, Pool, Refrigerator, Stove, Gated Community, Fenced Yard, Fireplace | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Pool, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Unknown | Central | Unknown |
| Parking | 1 Covered Space | 1 - Carport | 2 - Car Garage | 1 - Carport |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$60.00 | Superior / Adj: -\$105.00 | Superior / Adj: -\$25.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 4/22/2024 | 2/7/2024 | 4/28/2024 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$1,772.00 | \$2,300.00 | \$2,000.00 | \$2,496.00 |
| Actual Rent | | | | |
| Adjustment | | \$291.10 | \$156.10 | \$183.02 |
| Adjusted Monthly Rent | | \$2,591.10 | \$2,156.10 | \$2,679.02 |
| COMPARABLE BREAKDOWN | | | | |
| 14,879 Recent comparables in jurisdiction | | | | |
| 1,598 Similar 1 bedroom comparables in Riverside County | | | | |
| 110 Similar 1 bedroom comparables in the City of Palm Desert | | | | |
| 49 Within 0.75 miles | | | | |
| CERTIFICATION | | | | |
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$2,475.41. | | | | |
| The adjusted reasonable rent range is \$2,156.10 to \$2,679.02. | | | | |
| Requested Rent Amount: \$1,772.00 Rent Approved: \$1,772.00. | | | | |
| RR Certifier Signature: <u>Erlan Gonzalez</u> | | | | |
| QC Certifier Signature: _____ | | | | |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$1,772.00 IS reasonable, and the approved rent of \$1,772.00 IS reasonable. | | | | |

Certification ID [996606CC-07A4-46B2-8D33-5455AEF83CA3](#)
 Certification Date 2024-6-23
 Version AVM 6.1, RRC 7.0, RW5
 Client Reference
 Voucher Bedroom 1
 Family Name Arc Village
 Housing Authority Housing Authority of the County of Riverside
 Certifier Erlan Gonzalez
 Utility Schedule 7/23 Riverside / Multi- Family/ Standard/ SCE
 Page 1 of 1 excluding appendices.

Local Market Analysis



The adjusted reasonable rent range is \$2,156.10 to \$2,679.02.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$2,591.10 | 80.45% Somewhat Similar |
| Comparable 2: | \$2,156.10 | 81.92% Somewhat Similar |
| Comparable 3: | \$2,679.02 | 90.04% Very Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$108.90 adjustment)
Condition for comparable is inferior to subject (\$230.00 adjustment)
Quality for comparable is inferior to subject (\$230.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$291.10)

Comparable 2:

Living area for comparable is superior to subject (-\$108.90 adjustment)
Condition for comparable is inferior to subject (\$200.00 adjustment)
Quality for comparable is inferior to subject (\$200.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Parking for comparable is superior to subject (-\$40.00 adjustment)
Total adjustment for this property is (\$156.10)

Comparable 3:

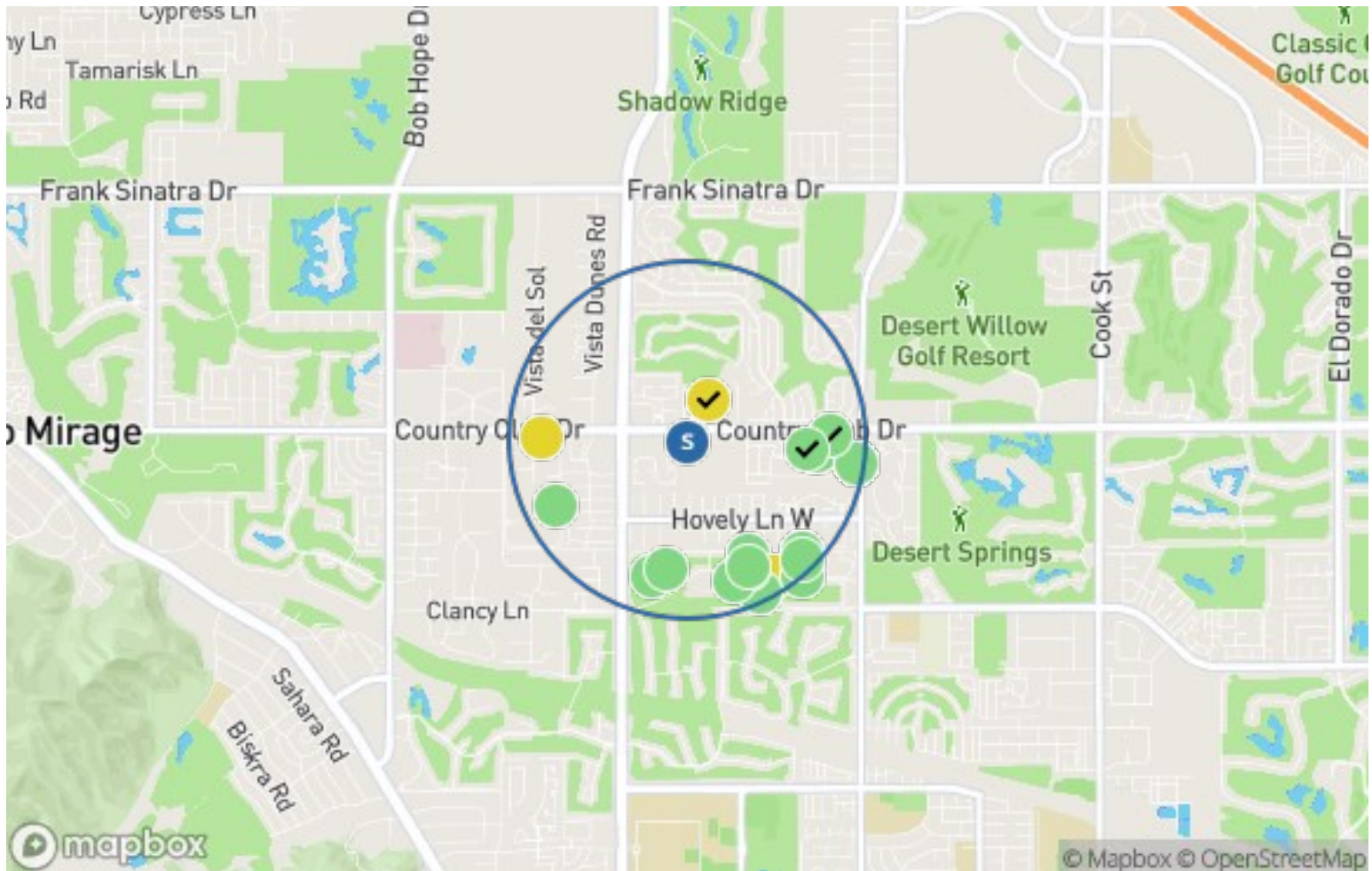
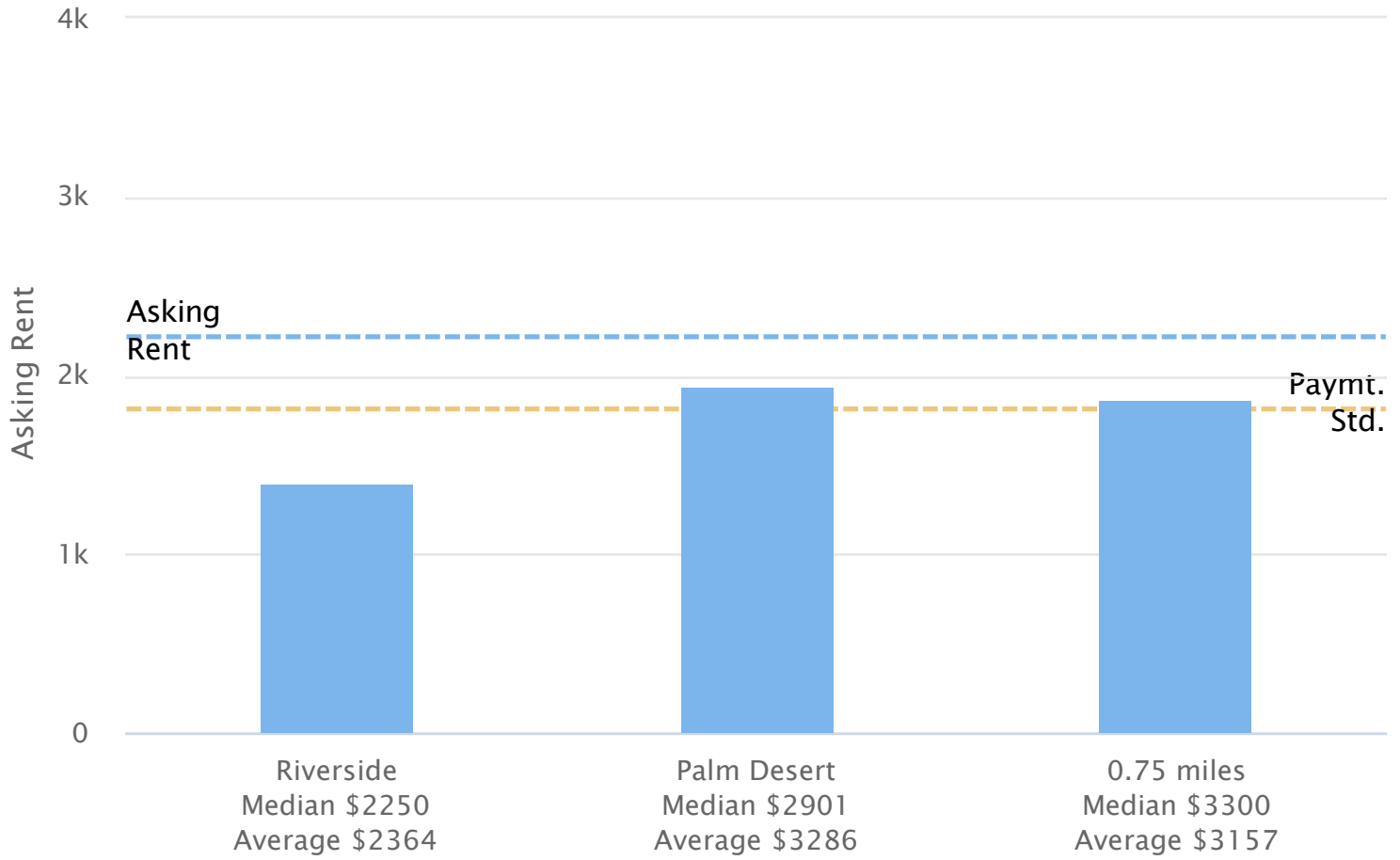
Living area for comparable is superior to subject (-\$41.58 adjustment)
Quality for comparable is inferior to subject (\$249.60 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$183.02)

This rent reasonable certification is based on information provided by others and/or obtained from outside sources. No opinion, warranty, or guarantee of the reliability of the data relied upon is implied or expressed by the use of that data herein, and GOsection8.com does not warrant the correctness of the data. All Data should be verified by the RR Certifier for accuracy.

Rent Reasonable Valuation

| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 6335 Via Stasera | 1806 Via San Martino | 2200 Via Calderia 2207 |
| Model | | 2/2/1/2278 | 2/2/0/1559 | 2/2/0/1300 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.18 | 0.5 | 0.6 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 2/1/0 | 2/2/1 | 2/2/0 | 2/2/0 |
| Sq. Ft. | 733 | 2278 | 1559 | 1300 |
| Adjustment | | Superior / Adj: -\$353.10 | Superior / Adj: -\$193.68 | Superior / Adj: -\$147.06 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | | 2007 | 2012 | 2015 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$320.00 | Inferior / Adj: \$330.00 | Inferior / Adj: \$249.50 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Natural Gas / Tenant | Electric / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Tenant | Tenant | Tenant |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Microwave, Pool, Refrigerator, Stove, Gated Community, Fireplace | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Garbage Disposal, W/D Hookups, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Central | Unknown | Unknown |
| Parking | 1 Covered Space | 1 - Carport | 1 - Carport | Unknown |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$65.00 | Superior / Adj: -\$60.00 | Superior / Adj: -\$20.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 2/28/2024 | 3/30/2024 | 2/14/2024 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$2,211.00 | \$3,200.00 | \$3,300.00 | \$2,495.00 |
| Actual Rent | | | | |
| Adjustment | | (\$98.10) | \$76.32 | \$82.44 |
| Adjusted Monthly Rent | | \$3,101.90 | \$3,376.32 | \$2,577.44 |
| COMPARABLE BREAKDOWN | | | | |
| 14,879 Recent comparables in jurisdiction | | | | |
| 3,383 Similar 2 bedroom comparables in Riverside County | | | | |
| 630 Similar 2 bedroom comparables in the City of Palm Desert | | | | |
| 70 Within 0.75 miles | | | | |
| CERTIFICATION | | | | |
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$3,018.55. | | | | |
| The adjusted reasonable rent range is \$2,577.44 to \$3,376.32. | | | | |
| Requested Rent Amount: \$2,211.00 Rent Approved: \$2,211.00. | | | | |
| RR Certifier Signature: <u>Erlan Gonzalez</u> | | | | |
| QC Certifier Signature: _____ | | | | |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$2,211.00 IS reasonable, and the approved rent of \$2,211.00 IS reasonable. | | | | |
| | | | Certification ID F7042973-6F8C-4215-83B8-973FEDACE4AC Certification Date 2024-6-23 Version AVM 6.1, RRC 7.0, RW5 Client Reference Voucher Bedroom 2 Family Name Arc Village Housing Authority Housing Authority of the County of Riverside Certifier Erlan Gonzalez Utility Schedule 7/23 Riverside / Multi- Family/ Standard/ SCE Page 1 of 1 excluding appendices. | |

Local Market Analysis



The adjusted reasonable rent range is \$2,577.44 to \$3,376.32.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$3,101.90 | 88.73% Somewhat Similar |
| Comparable 2: | \$3,376.32 | 91.26% Very Similar |
| Comparable 3: | \$2,577.44 | 90.48% Very Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$278.10 adjustment)
Quality for comparable is inferior to subject (\$320.00 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Total adjustment for this property is (-\$98.10)

Comparable 2:

Living area for comparable is superior to subject (-\$148.68 adjustment)
Quality for comparable is inferior to subject (\$330.00 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$76.32)

Comparable 3:

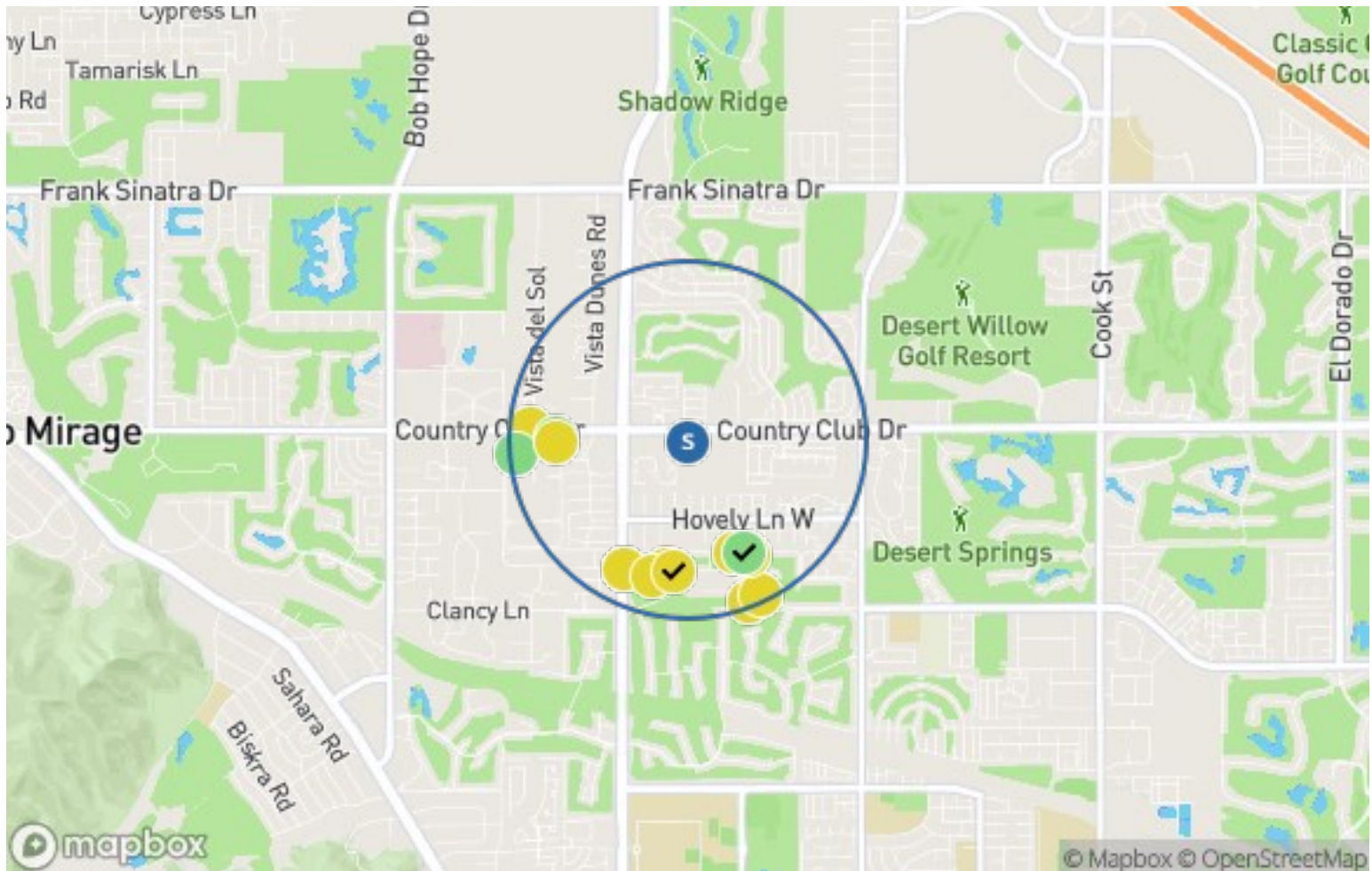
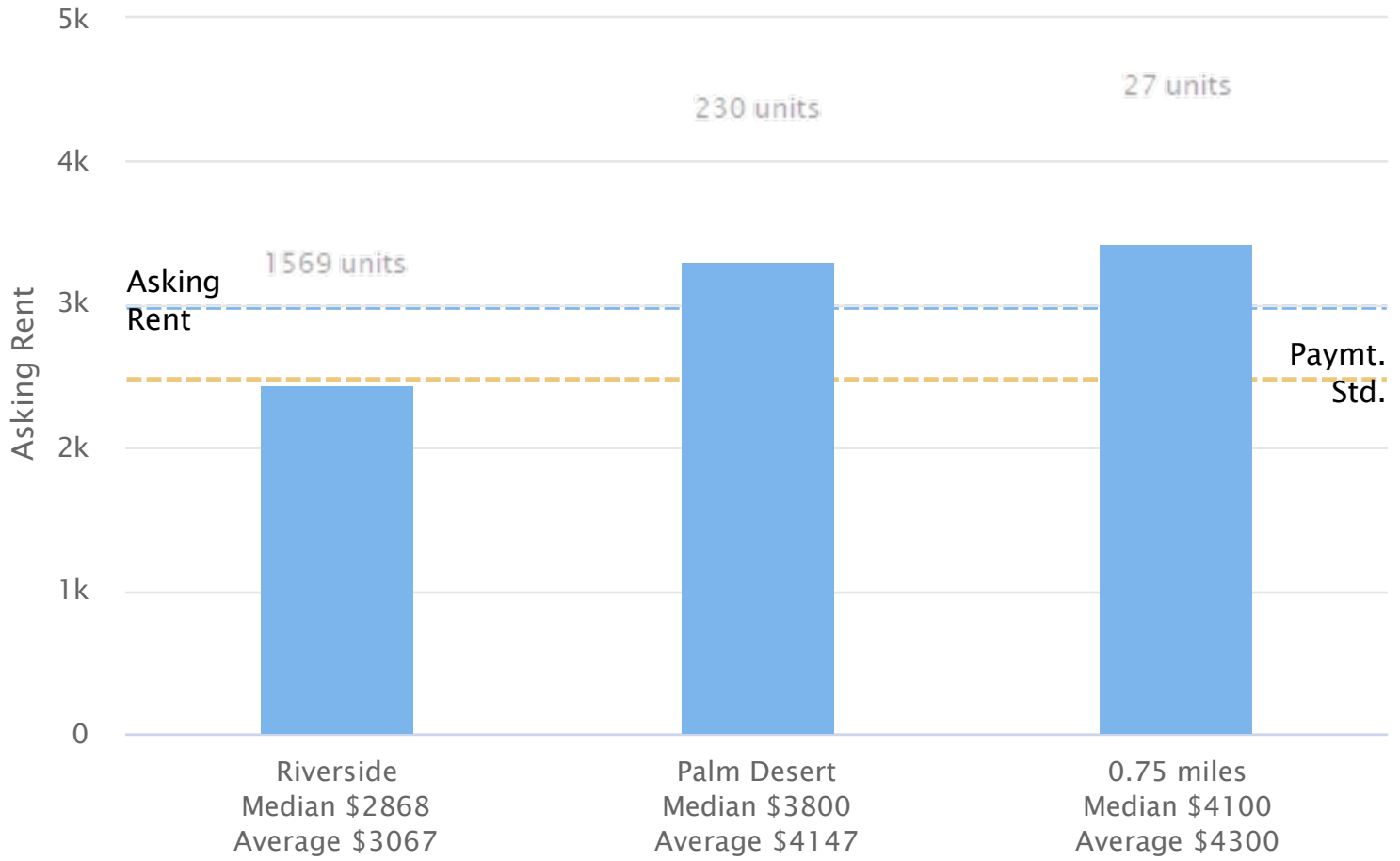
Living area for comparable is superior to subject (-\$102.06 adjustment)
Quality for comparable is inferior to subject (\$249.50 adjustment)
Full bath count for comparable is superior to subject (-\$45.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Pool for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$82.44)

This rent reasonable certification is based on information provided by others and/or obtained from outside sources. No opinion, warranty, or guarantee of the reliability of the data relied upon is implied or expressed by the use of that data herein, and GOsection8.com does not warrant the correctness of the data. All Data should be verified by the RR Certifier for accuracy.

Rent Reasonable Valuation

| | Subject | Comparable 1 | Comparable 2 | Comparable 3 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Address | 73225 Country Club Dr | 281 San Remo St | 271 San Remo St | 244 La Paz Way |
| Model | | 3/2/0/1584 | 3/1/1/1670 | 3/2/0/1584 |
| City | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 | Palm Desert 92260 |
| LOCATION | | | | |
| Subdivision | | | | |
| Proximity to Subject | | 0.54 | 0.52 | 0.56 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| Size | | | | |
| Beds/Baths/Half Baths | 3/2/0 | 3/2/0 | 3/1/1 | 3/2/0 |
| Sq. Ft. | 954 | 1584 | 1670 | 1584 |
| Adjustment | | Superior / Adj: -\$113.40 | Superior / Adj: -\$113.88 | Superior / Adj: -\$113.40 |
| TYPE | | | | |
| Property Type | apartment | apartment | apartment | apartment |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AGE | | | | |
| Year Built | | 1979 | 1979 | 1979 |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| CONDITION & QUALITY | | | | |
| Rating | Excellent | Average | Average | Average |
| Adjustment | | Inferior / Adj: \$410.00 | Inferior / Adj: \$410.00 | Inferior / Adj: \$420.00 |
| UTILITIES | | | | |
| Heat | Electric / Tenant | Natural Gas / Tenant | Natural Gas / Tenant | Natural Gas / Tenant |
| Hot Water / Paid By | Electric / Tenant | Natural Gas / Owner | Natural Gas / Tenant | Natural Gas / Tenant |
| Cooking / Paid By | Electric / Tenant | Electric / Owner | Electric / Tenant | Electric / Tenant |
| Sewer Type / Paid By | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner | Public Sewer / Owner |
| Water Type / Paid By | City Water / Owner | City Water / Owner | City Water / Owner | City Water / Owner |
| Lights / Other Electric | Tenant | Owner | Owner | Tenant |
| Adjustment | | Superior / Adj: -\$224.00 | Superior / Adj: -\$168.00 | Similar / Adj: \$0.00 |
| MAINTENANCE | | | | |
| Maintenance | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash | Lawn, Pest, Trash |
| Adjustment | | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 | Similar / Adj: \$0.00 |
| AMENITIES | | | | |
| Amenities | Dishwasher, Garbage Disposal, Onsite Laundry, Microwave, Refrigerator, Stove, Gated Community | Washer, Dryer, Dishwasher, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Cable | Washer, Dryer, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove, Fireplace | Washer, Dryer, Garbage Disposal, W/D Hookups, Pool, Refrigerator, Stove |
| AC | Central | Central | Central | Central |
| Heat | Central | Unknown | Central | Unknown |
| Parking | 1 Covered Space | Unknown | 1 - Carport | 1 - Carport |
| Exterior Features | Balcony | | | |
| Lot Size | | | | |
| Adjustment | | Superior / Adj: -\$60.00 | Superior / Adj: -\$45.00 | Superior / Adj: -\$45.00 |
| RENT ADJUSTMENTS | | | | |
| Data Source | | Internet Listing | Internet Listing | Internet Listing |
| Date Listed | | 7/28/2023 | 4/22/2024 | 7/27/2023 |
| Date Rented | | | | |
| Listing Status | | Rented | Rented | Rented |
| Asking Rent | \$2,978.00 | \$4,100.00 | \$4,100.00 | \$4,200.00 |
| Actual Rent | | | | |
| Adjustment | | \$12.60 | \$83.12 | \$261.60 |
| Adjusted Monthly Rent | | \$4,112.60 | \$4,183.12 | \$4,461.60 |
| COMPARABLE BREAKDOWN | | | | |
| 14,879 Recent comparables in jurisdiction | | | | |
| 1,569 Similar 3 bedroom comparables in Riverside County | | | | |
| 230 Similar 3 bedroom comparables in the City of Palm Desert | | | | |
| 27 Within 0.75 miles | | | | |
| CERTIFICATION | | | | |
| I (we) estimate the monthly market rent of the subject as of 06/23/2024 to be \$4,252.44. | | | | |
| The adjusted reasonable rent range is \$4,112.60 to \$4,461.60. | | | | |
| Requested Rent Amount: \$2,978.00 Rent Approved: \$2,978.00. | | | | |
| RR Certifier Signature: <u>Erlan Gonzalez</u> | | | | |
| QC Certifier Signature: _____ | | | | |
| In accordance with 24 CFR 982.4, 982.54 (d) (15), 982.158(f)(7) and 982.507, I certify that based on the information provided to the Housing Authority of the County of Riverside, the requested rent of \$2,978.00 IS reasonable, and the approved rent of \$2,978.00 IS reasonable. | | | | |
| | | | Certification ID AE3A6B35-B942-449E-BB46-5542A820324F Certification Date 2024-6-23 Version AVM 6.1, RRC 7.0, RW5 Client Reference Voucher Bedroom 3 Family Name Arc Village Housing Authority Housing Authority of the County of Riverside Certifier Erlan Gonzalez Utility Schedule 7/23 Riverside / Multi- Family/ Standard/ SCE Page 1 of 1 excluding appendices. | |

Local Market Analysis



The adjusted reasonable rent range is \$4,112.60 to \$4,461.60.

| | | |
|---------------|-------------------|-------------------------|
| Comparable 1: | \$4,112.60 | 90.36% Very Similar |
| Comparable 2: | \$4,183.12 | 89.10% Somewhat Similar |
| Comparable 3: | \$4,461.60 | 89.96% Somewhat Similar |

Comments on market data, property condition, recent improvements, general market conditions, final reconciliation of market rent, or any rent concessions:

Comparable 1:

Living area for comparable is superior to subject (-\$113.40 adjustment)
Quality for comparable is inferior to subject (\$410.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Cooking utility for comparable is superior to subject (-\$18.00 adjustment)
Hot water utility for comparable is superior to subject (-\$38.00 adjustment)
Other electric utility for comparable is superior to subject (-\$75.00 adjustment)
Cooling utility for comparable is superior to subject (-\$31.00 adjustment)
Range/Stove utility for comparable is superior to subject (-\$11.00 adjustment)
Refrigerator utility for comparable is superior to subject (-\$12.00 adjustment)
Electric service charge for comparable is superior to subject (-\$39.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$12.60)

Comparable 2:

Living area for comparable is superior to subject (-\$128.88 adjustment)
Quality for comparable is inferior to subject (\$410.00 adjustment)
Full bath count for comparable is inferior to subject (\$45.00 adjustment)
Half bath count for comparable is superior to subject (-\$30.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Other electric utility for comparable is superior to subject (-\$75.00 adjustment)
Cooling utility for comparable is superior to subject (-\$31.00 adjustment)
Range/Stove utility for comparable is superior to subject (-\$11.00 adjustment)
Refrigerator utility for comparable is superior to subject (-\$12.00 adjustment)
Electric service charge for comparable is superior to subject (-\$39.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$83.12)

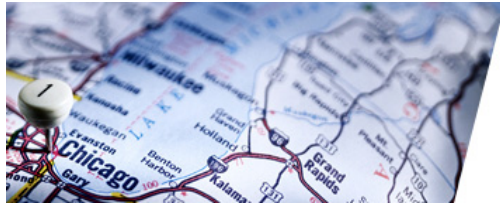
Comparable 3:

Living area for comparable is superior to subject (-\$113.40 adjustment)
Quality for comparable is inferior to subject (\$420.00 adjustment)
Microwave for comparable is inferior to subject (\$5.00 adjustment)
Dish washer for comparable is inferior to subject (\$15.00 adjustment)
Pool for comparable is superior to subject (-\$25.00 adjustment)
Laundry for comparable is superior to subject (-\$40.00 adjustment)
Gated community for comparable is unknown (\$0 adjustment)
Total adjustment for this property is (\$261.60)

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MENU



2023 and 2024 Small DDAs and QCTs

Overview of 2023 and 2024 Small DDAs and QCTs

The 2024 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2024. The 2024 QCT designations use tract boundaries from the 2020 Decennial census. The 2024 metro DDAs use ZIP Code Tabulation Area (ZCTA) boundaries from the 2010 Decennial census. The designation methodology is explained in the [Federal Register notice](#) published September 21, 2023.

Current zoom: 13

Select Year:

2024 2023

Select Layer(s):

LIHTC Projects (Zoom 11+)

FMR Outlines (Zoom 4+)

Difficult Development Areas (Zoom 7+)

Non-Metro Difficult Development Areas



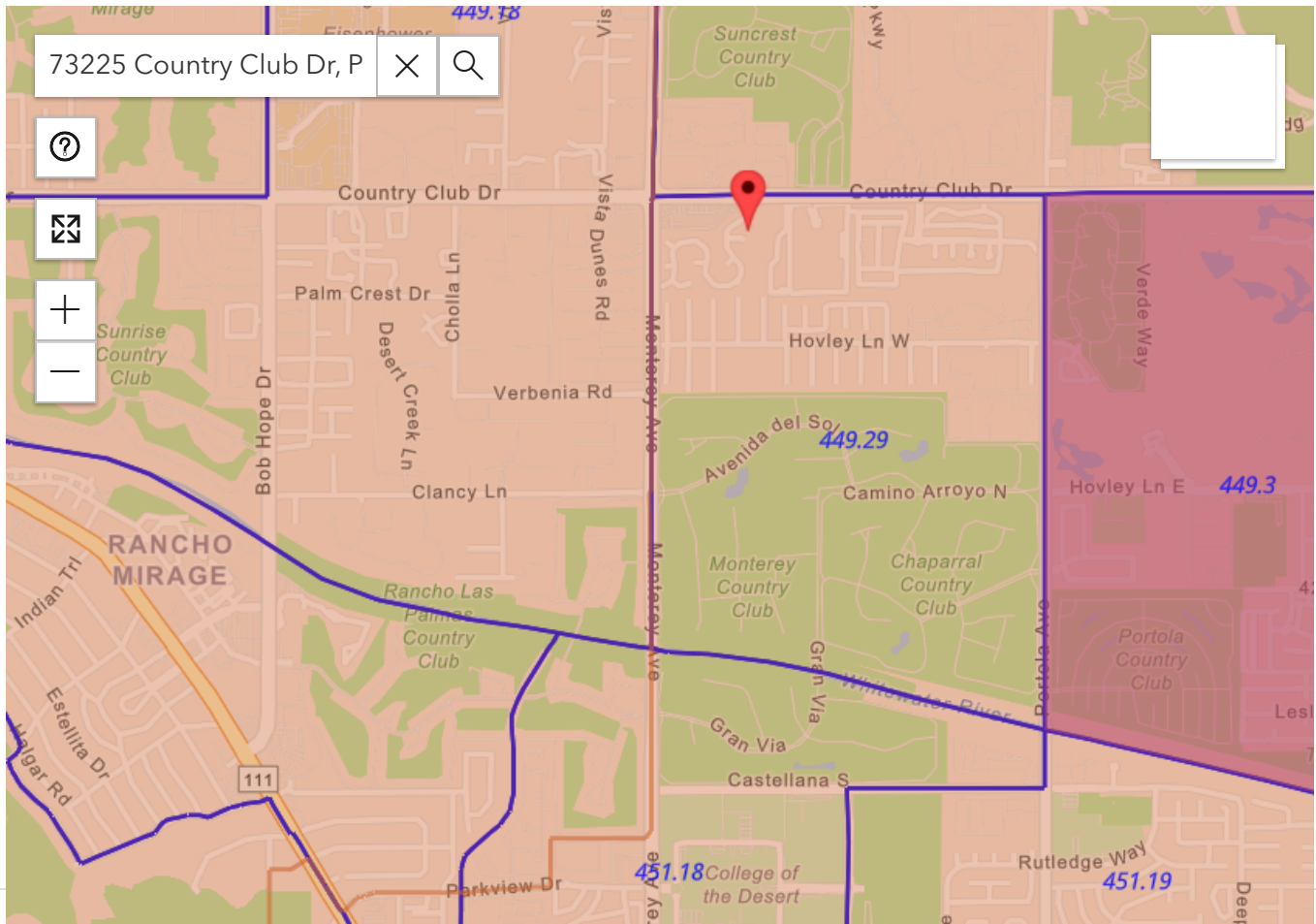
Small Difficult Development Areas



Color QCT Qualified Tracts (Zoom 7+)



Tracts Outline (Zoom 11+)



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HUD USER

P.O. Box 23268, Washington, DC 20026-3268

Toll Free: 1-800-245-2691 **TDD:** 1-800-927-7589

Local: 1-202-708-3178 **Fax:** 1-202-708-9981





Finance
Development
Management

6339 Paseo Del Lago
Carlsbad, CA 92011
Tel (760) 456-6000
Fax (760) 456-6001
www.chelseainvestco.com

Request for Reasonable Rent Study

Developer Name: Chelsea Investment Corporation
Developer Address: 6339 Paseo Del Lago, Carlsbad, CA 92011
Developer Contact: Jeff Ryan
Developer Phone: 317-607-2753 Developer Email: jryan@chelseainvestco.com
Project Name: Arc Village Apartments
Project Address: Directly south of 73225 Country Club Drive, Palm Desert, CA 92260

New Construction or Existing: New Construction

Standard Utility Allowance or Energy Efficient? Standard Utility Allowance
If energy efficient (EE), must attach proof that you have been approved to use the EE allowance by the Housing Authority.

Number of units: 40 Number of Project Based Vouchers: 8

Rent Requested by Owner:
One BR: \$1,772
Two BR: \$2,211
Three BR: \$2,978
Four BR: \$
Other: : \$

Square Footage of Units and number of bathrooms (full/half):
One BR: 578 + 92 (balcony/patio/storage) SQ FT # Bathrooms: 1 Half or Full: Full
Two BR: 733 + 94 (balcony/patio/storage) SQ FT # Bathrooms: 1 Half or Full: Full
Three BR: 954 + 94 (balcony/patio/storage) SQ FT # Bathrooms: 2 Half or Full: Full
Four BR: SQ FT # Bathrooms Half or Full:
Other: SQ FT # Bathrooms Half or Full:

Utilities and who responsible (Owner or Tenant):
Electric Service Provider: SCE or non-SCE? SCE Who pays? Owner or Tenant? Tenant

Is heating gas or electric? Electric Who pays? Owner or Tenant? Tenant
Is the unit heated by Hydronic Heat? No
Is water heating gas or electric? Electric Who pays? Owner or Tenant? Owner
Is Stove gas or electric? Electric Who pays? Owner or Tenant? Tenant
Who provides the Stove? Owner Who provides the Refrigerator? Owner
Is a microwave provided? Yes
Who pays for Water? Owner
Who pays for Sewer? Owner
Who pays for Trash? Owner

Request for HACR Reasonable Rent Study

May 23, 2024

Page 2

Amenities:

Is there a garbage disposal? Yes Does/Will the unit have a dishwasher? Yes

Does/Will the unit have ceiling fans? No

Does/Will the units have washer and dryer hookups? No Is a washer or dryer provided? No

Does/Will the property have an on-site laundry room? Yes

Does/Will the units have a covered parking space? Yes, carports Is the property gated? Yes

Does/Will the property have a swimming pool? No Does Owner provide Pest Control? Yes

Lawn Care? Yes

Any other amenities? If so, please list? Tot lot, picnic area with grill, common room with computers and kitchen

Developer Signature: _____ Date: 5/23/2024

HAP Exhibit B

HAP EXHIBIT B

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

Building

- Maintenance of building exterior, interior, and site areas
- Common area recreational space, interior and exterior
- On-site surface parking

Laundry

- Common laundry machines – machines purchased and maintained by Owner; Residents pay per use

Kitchen Appliances

- Stove/Oven
- Garbage Disposal
- Refrigerator
- Dishwasher

Services

- Adult education, health and wellness, or skill building classes. Includes but is not limited to financial literacy, computer training, ESL, nutrition, exercise, health information/awareness, art classes. Minimum of 60 hours of instruction per year
- After School Childcare. This includes but is not limited to: homework assistance, organized group activities, supervised open play, etc. Minimum of 10 hours of instruction each week during the school year.

HAP Exhibit C

HAP EXHIBIT C

Utilities

- Sewer
- Electric (heating/cooling, cooking, hot water)
- Water
- Trash
- Telephone/Cable
- Internet

Utilities paid by Owner:

Water, sewer, trash, electric (hot water)

Utilities paid by Residents:

Electric (heating/cooling, cooking), Telephone/cable, internet

HAP Exhibit D

HAP EXHIBIT D

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

At Section 504 Accessible Units

Building:

Units (6): **Unit 101, Unit 102, Unit 103, Unit 104, Unit 106, Unit 107**

- Ground floor units
- Accessible path to unit entrance
- Accessible path within the unit to all rooms
- Kitchens - countertops at 34" height
- Kitchens - upper cabinets at 46" max to lower shelf
- Kitchens – 30" long accessible work counter space
- Kitchens - Adaptable cabinets (removable base and doors)
- Kitchens - sink depth 6" or less
- Bathrooms - appropriate toilet clearances, grab bars; vanity height and faucet clearances; grab bars as required
- Bathrooms – appropriate tub/shower clearances

At Units for Visually or Hearing Impaired

Building:

Units (4): **Unit 105, Unit 112, Unit 113, Unit 114**

- Ground Floor Units
- Visual/flashing doorbell
- Additional audible/visual fire alarms

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
NEW CONSTRUCTION OR REHABILITATION**

PART 2 OF HAP CONTRACT

OMB Burden Statement. The public reporting burden for this collection of information is estimated to average 1 hour. This form is required to establish terms between a PHA and owner to provide housing assistance. This contract allows a PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families. Assurances of confidentiality are not provided under this collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Office of Public and Indian Housing, US. Department of Housing and Urban Development, Washington, DC 20410. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

2. DEFINITIONS

Agreement. Agreement to enter into HAP Contract between the owner and the PHA. The HAP contract was entered into following new construction or rehabilitation of the contract units by the owner pursuant to an Agreement.

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

**Project-Based Voucher Program
HAP Contract for New Construction/Rehab**

Previous editions are obsolete

**HUD 52530A Page - 1 of Part 2
(04/2023)**

(f) Having equivalent levels of control in other ownership structures.

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.

Newly constructed housing. Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the project-based voucher program.

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

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.

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)).

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.

Rehabilitated housing. Housing units that exist on the proposal selection date but do not substantially comply with the HQS on that date and are developed pursuant to an Agreement between the PHA and owner for use under the project-based voucher program.

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
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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
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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 tenant selection 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 for placement on the PBV waiting list.

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 only terminate the tenancy 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 (including sexual orientation and gender identity), 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 24 CFR part 8; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* ; 28 CFR part 35; 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:
 - i. 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
 - ii. 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, 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 nonprocurement 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:
 - a. Any sale or assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - b. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract;

- c. The creation of a security interest in the HAP contract or the property;
 - d. Foreclosure or other execution on a security interest; or
 - e. 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 nonprocurement programs.

22. SUBSIDY LAYERING

a. Owner disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

b. Limit of payments

Housing assistance payments under the HAP contract must be no more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

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 years' 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.

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART II

OMB Burden Statement. The public reporting burden for this collection of information is estimated to average 0.25 hours, including the time for collecting, reviewing and reporting the data. This form is required to establish terms between a PHA and owner to provide housing assistance. Assurances of confidentiality are not provided under this collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Office of Public and Indian Housing, US. Department of Housing and Urban Development, Washington, DC 20410. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

2.1 Equal Employment Opportunity

- A. The owner shall incorporate or cause to be incorporated into any contract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor 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 this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.
3. The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor of will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, 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 HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.
7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order

as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

- B. The owner agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.
- C. The owner agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.
- D. The owner further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the owner fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the owner under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the owner, and refer the case to the Department of Justice for appropriate legal proceedings.

2.2 Reserved

2.3 HUD—Federal Labor Standards Provisions

The owner is responsible for inserting the entire text of section 2.3 of this Agreement in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 2.3. (Note: Sections 2.3(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

(a)(1) Minimum Wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the

Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD the PHA. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at: <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his

or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and Trainees.(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and

individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and

individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 2.3(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the

compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 2.3(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the PHA, HUD, the U. S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor

standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms “laborers” and “mechanics” include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by

the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

2.4 Reserved

2.5 Reserved

2.6 Reserved

2.7 Wage and Claims Adjustments

The owner shall be responsible for the correction of all violations under section 2.3, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 2.3. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 2.3.

2.8 Reserved

2.9 Evidence of Unit(s) Completion; Escrow

- A. The owner shall evidence the completion of the unit(s) by furnishing the PHA, in addition to the requirements listed in Part I of this Agreement, a certification of compliance with the provisions of sections 2.3 and 2.7 of this Agreement, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Agreement. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.
- B. The escrows required under this section and section 2.7 of shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing such escrows shall be designated and approved by HUD.

2.10 Flood Insurance

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if

the sale of flood insurance has been made available under the National Flood Insurance Program, the owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.