



ST. LOUIS
HOUSING
AUTHORITY

Latasha K. Barnes
Executive Director

Request for Proposal

HOUSING CHOICE VOUCHER PROJECT-BASED
PROGRAM

Solicitation No. RFP: HCV 24-01

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RFP Issued: September 16, 2024

EQUAL
OPPORTUNITY
EMPLOYER

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Requests for Proposals will be received until:

Closing Time: 5:00 p.m. (CST)

Closing Date: October 30, 2024

Where: St. Louis Housing Authority
Housing Choice Voucher Program
3520 Page Boulevard
St. Louis, MO 63106

PROJECT DESCRIPTION / SCOPE OF WORK

The St. Louis Housing Authority (SLHA) is seeking proposals from property owners for participation in its Housing Choice Voucher Project-Based Program, which provides project-based subsidy for eligible units through funding received by SLHA from the U.S. Department of Housing and Urban Development (HUD) for its Housing Choice Voucher Program (HCVP). The SLHA is authorized to allocate up to 20 percent of its HCVP funding, the equivalent of approximately **1,300** units, for project-based initiatives.

The Housing Choice Voucher Program, formerly referred to as the Section 8 Program, provides rental subsidy to property owners based on Payment Standards determined by HUD based on the Fair Market Rent (FMR) for the neighborhood in which the property is located. Project-based subsidy differs from the more traditional Housing Choice Voucher in that the subsidy is allocated for a given unit instead of a portable voucher assigned to a family. However, for a unit to be eligible to receive Housing Choice project-based assistance, the units for which funding is received must be occupied by families eligible to receive Housing Choice Voucher assistance. Eligibility requirements are further outlined below.

This Request for Proposal seeks responses from unit owners of existing units or units proposed for rehabilitation or new construction, as defined below, that further SLHA's goals and that meet criteria outlined in this solicitation.

1. **Existing unit** is defined as any existing rental housing units that require a minimum expenditure of less than \$1,000 in improvements per unit including the units prorated share of work to be accomplished on communal areas or systems to meet the standards necessary to receive Housing Assistance Payments. The subsidy layering requirements are not applicable to existing housing.
2. **Rehabilitation** is defined as any rental housing unit that requires more than \$1,000 in improvements to meet the standards necessary to receive Housing Assistance Payments and is completed within 6 months of the approval of the project before the execution of the Agreement to Enter into a Housing Assistance Payment Contract.
3. **New construction** is defined as any new rental housing unit not under construction before the award of the Agreement to Enter into a Housing Assistance Payment Contract (AHAP).

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Subsidy Layering

The SLHA may provide PBV assistance for newly constructed and rehabilitated housing only in accordance with the following HUD subsidy layering regulations (24 CFR 4.13) and other requirements:

(a) In making the certification for assistance subject to Section 102(d), the Secretary will consider the aggregate amount of assistance from the Department and from other sources that is necessary to ensure the feasibility of the assisted activity. The Secretary will take into account all factors relevant to feasibility, which may include, but are not limited to, past rates of returns for owners, sponsors, and investors; the long-term needs of the project and its tenants; and the usual and customary fees charged in carrying out the assisted activity.

(b) If the Department determines that the aggregate of assistance within the jurisdiction of the Department to a housing project from the Department and from other governmental sources exceeds the amount that the Secretary determines is necessary to make the assisted activity feasible, the Department will consider all options available to enable it to make the required certification, including reductions in the amount of Section 8 subsidies. The Department also may impose a dollar-for-dollar, or equivalent, reduction in the amount of HUD assistance to offset the amount of other government assistance. In grant programs, this could result in a reduction of any grant amounts not yet drawn down. The Department may make these adjustments immediately, or in conjunction with servicing actions anticipated to occur in the near future (e.g., in conjunction with the next annual adjustment of Section 8 rents).

(c) If an applicant does not meet the \$200,000 disclosure requirement in § 4.7(b), an applicant must certify whether there is, or is expected to be made, available with respect to the housing project any other governmental assistance. The Department may also require any applicant subject to this subpart A to submit such a certification in conjunction with the Department's processing of any subsequent servicing action on that project. If there is other government assistance for purposes of the two preceding sentences, the applicant must submit such information as the Department deems necessary to make the certification and subsequent adjustments under Section 102(d).

(d) The certification under Section 102(d) shall be retained in the official file for the housing project.

PROGRAM GOALS

SLHA is seeking to partner with private property owners to increase the availability of affordable housing via the Housing Choice Voucher Project-Based Program. The program goals are as follows:

1. Attain units converted for accessibility.
2. Identify and partner with properties with larger bedrooms amounts (three or more bedrooms).
3. Provide affordable housing for low-income, disabled and or elderly families requiring supportive living environments.
4. Improve properties requiring rehabilitation because of significant code violations.
5. Provide housing units in neighborhoods where affordable housing is not readily available.
6. Increase affordable housing where subsidies are needed to reduce displacement because of gentrification.
7. Establish units in poverty impacted neighborhoods undergoing rehabilitation as part of a comprehensive neighborhood revitalization strategy in which subsidies are required to reduce displacement.

PROGRAM OBJECTIVES

The objectives of the Housing Choice Voucher Project-Based Program are:

1. Utilize the expertise of the private sector to protect and increase affordable housing.
2. Leverage private funds to develop affordable housing.

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3. Ensure long term availability of affordable housing.
4. Encourage mixed-income development and in mixed-income communities.
5. Support other City of St. Louis housing initiatives.

ELIGIBLE PROPERTIES

Eligible properties must comply with HCVP Housing Quality Standards (as outlined in Appendix A) and must be occupied by HCVP eligible families within six (6) months of the date of the contract award. Additionally, the property must be in an eligible neighborhood in the SLHA jurisdiction which includes St. Louis City and St. Louis County . HUD requires that all new project-based assistance agreements or HAP contracts be for units in census tracts with poverty rates of less than 20 percent unless HUD specifically approves an exception. The map included in Appendix B highlights the areas that are currently eligible to receive project-based subsidies in accordance with HUD regulations.

INELIGIBLE PROPERTIES

The following properties or units are **not** eligible for the Housing Choice Voucher Project-Based Program.

1. Units that are occupied by the owner of the property. This does not apply to cooperatives, which are deemed rental housing.
2. Properties located in a flood zone area unless flood insurance is obtained.
3. Shared housing; nursing homes; and facilities providing continual psychiatric, medical nursing services, board and care or intermediate care.
4. Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions, college or other school dormitories.
5. Manufactured homes. Manufactured homes are defined as structures, which can be transported in one or more sections of eight (8) feet or more in width or forty (40) feet or more in length, or, when erected on site, are three hundred twenty (320) or more square feet, and which are built on a permanent chassis and designed to be used as a dwelling when connected to utilities, and includes plumbing, heating, air-conditioning, and electrical systems.
6. Units subsidized with any Federal, State and local rental subsidy.
7. Units subsidized with tenant-based assistance under the HOME program or any other duplicative Federal or housing subsidy. This does not include the housing component of a welfare payment, a Social Security payment or a rent reduction because of a tax credit.

AWARD AND USE OF SUBSIDY

The Housing Choice Voucher Project-Based Program seeks to incorporate the most flexibility possible to facilitate the expansion and preservation of affordable housing units in the SLHA jurisdiction. The SLHA will offer project-based subsidy through the solicitation of proposals until such time as the allocation for the fiscal year has been awarded.

If a development is selected for funding but the units are not occupied by HCVP eligible families, SLHA will sign an *Agreement to Enter into a Housing Assistance Payment* (AHAP) to reserve the Project-Based Assistance for a term of not more than six (6) months for existing units under the Housing Choice Voucher Program or one (1) year for units undergoing rehabilitation or eighteen (18) months for new construction. Once the units are occupied by eligible families, a *Housing Assistance Payment* (HAP) contract will be executed for a period up to ten years, contingent on available funding. If the units are not occupied within the six months of the AHAP, the allocation will be rescinded or amended, and the owner will be required to submit a new application in a

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subsequent round of Requests for Proposals to be considered for assistance. The initial and subsequent HAP contract between the SLHA and the owner will be determined by the Payment Standards, based on the Fair Market Rent, and rent reasonableness standards in place at the time the HAP contract is executed. The current Payment Standards are included in Appendix C.

The SLHA will enter into a contract with owners to provide the committed rental housing subsidy for up to ten years for the initial contract, subject to congressional appropriation. Project-based dwelling units in single-family properties and dwelling units specifically for elderly or disabled families or families receiving supportive services will be awarded for not more than 25% of the number of dwelling units in any one building that may have project-based voucher assistance. HCVP-eligible families will be required to pay 30 percent of their adjusted income, as defined by HUD regulation, to the owner directly for rent. The project-based subsidy amount provided by SLHA will amount to the difference between the Payment Standard established for each unit and the rent paid by the HCVP eligible family to the owner.

HOUSING CHOICE VOUCHER PROGRAM SUBSIDY LEVEL

Project-based assistance will be provided at a rate not to exceed the Payment Standard in Appendix C for the area in which the property is located. The Payment Standard may be as much as 110 percent of HUD Fair Market Rents (see Appendix D) adjusted for bedroom size. However, the initial and subsequent contract rent will be based on an analysis of the reasonableness of the proposed rent and the neighborhood in which the property is located. Fair Market Rents and rent adjustment factors, published by HUD on an annual basis, are used by the SLHA to determine the Payment Standards.

MAXIMUM AVAILABLE SUBSIDY LEVEL PER PROJECT

Properties selected for participation in the Housing Choice Voucher Project-Based Program are eligible to receive project-based assistance for a maximum of 25 percent of the total number of units in any one building. However, the following types of housing are exempt; project-based dwelling units in single-family properties and dwelling units specifically for elderly families, disabled families or families receiving supportive services. The remaining 75 percent of the units must be rented for an amount equivalent to the market rate for the neighborhood in which the property is located and must not receive subsidy from any other source. Applications requesting Housing Choice Voucher Project-Based subsidy in order to provide supportive service environments for low-income families or persons may be awarded HAP Contracts only if the units to be subsidized were not previously available with supportive services for low-income families.

ELIGIBLE TENANTS

If an owner is awarded project-based assistance through the Housing Choice Voucher Project-Based Program for units that are occupied at the time of the award, the unit owner is prohibited from displacing non-eligible families for the purpose of creating a vacancy to be filled by an eligible family. If the owner is unable to occupy the units to be assisted with HCVP eligible families, or if families to be assisted are living in units unsuitable to their family size, the SLHA may elect to reject or partially assist the project at its discretion.

Contract units may only be rented to eligible families. The SLHA must determine eligibility in accordance with HUD requirements. The units must be appropriate for the size of the family under the subsidy standards.

Maintenance of the PBV Site-Based Waiting list will be managed by SLHA or its designee. Each waiting list will comply with the *Administrative Plan* to ensure and permit proper selection from the waiting list. The waiting lists shall contain at a minimum the following information: Applicant name, number of family members, family unit

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size (number of bedrooms family qualifies for under SLHA subsidy standards), date and time of application, qualification for any local preference, and racial or ethnic designation of the head of household.

POST SELECTION REQUIREMENTS

The following conditions must be met before the HAP Contract can be issued.

Relocation

Prohibition against displacement of residential tenants from assisted units; the owner agrees that work on any unit to be subsidized with assistance under this contract shall not result in the displacement of residential tenants from the units to be subsidized. If a residential tenant is displaced through a waiver of this requirement or in violation of this requirement, the owner shall provide relocation assistance for the displaced person in accordance with the regulations which implement the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Permanent displacement is prohibited.

If the units to be assisted are occupied by tenants that are over the allowable income, and the application will require a reduction in the total number of units because there are no other vacant units in the building, or if families to be assisted are living in units that are not suitable to family size, the application will be rejected or partially assisted, at the SLHA's discretion.

The SLHA does not anticipate relocation to be necessary for the minor repairs under the \$1,000 threshold for repair of existing units. However, if short-term accommodation is necessary, tenants will receive reimbursement from the owner for reasonable out-of-pocket expenses incurred in connection with the temporary relocation.

Temporary Relocation

The owner agrees that lawful residential tenants shall not be required to move temporarily from a structure or complex unless: The owner has given the tenant advance written notice and appropriate advisory services, decent, safe, and sanitary temporary housing is available, the temporary relocation period will not exceed 12 months and units undergoing rehabilitation may not exceed 12 months. Tenants will receive reimbursement from the owner for reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving costs to and from the temporary housing and increases in monthly housing costs.

All properties will undergo a property inspection by SLHA or its contractor. The owner is required to obtain a city inspection of the property. The inspection will identify rehabilitation work that is necessary for the units to meet Housing Quality Standards (HQS) and identify building systems in danger of failure which must be repaired or replaced. Owners are required to maintain the units at acceptable HQS for the term of the HAP Contract

If the AHAP Contract is used as a pledge to secure financing, SLHA must review the commitment documents to ensure that the financing does not modify the AHAP Contract or the HAP Contract and is not inconsistent with those agreements.

HOUSING ASSISTANCE PAYMENT CONTRACT

The SLHA will enter into an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract for a term of not more than six (6) months for existing units under the Project-Based Program or eighteen months (18) months for units undergoing rehabilitation or new construction. If the units have not been occupied by the end of the AHAP Contract term, the allocation will be rescinded. If, after rescission, the Owner is still interested in the Housing Choice Voucher Project-Based Program and additional allocations are available, the owner will be required to submit a revised application.

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St. Louis City and County governments regulate occupancy compliance. It is the responsibility of the owner/agent to adhere to these guidelines as it relates to each unit, as required by either City of St. Louis or St. Louis County. Once the Housing Choice Project-Based units have received a Certificate of Occupancy and a rental license the SLHA will enter into a Housing Assistance Payment Contract with the owner based on the FMRs in place at the time the HAP Contract is executed. Upon commencement of the contract term, the SLHA will make monthly Housing Assistance Payments in accordance with the HAP Contract for each unit occupied by an eligible family. The initial term of the HAP Contract is up to ten (10) years subject to future availability of appropriations and funding under ACC.

Property owners agree to accept eligible tenants from the SLHA waiting list in accordance with their own rental screening criteria and to maintain the units at acceptable Housing Quality Standards for the term of the HAP Contract.

Payment for vacated unit; Housing Assistance Payments will be made by the Housing Authority to the property owner under the contract only for the period in which a contract unit is leased and occupied by a family during the term of the contract.

If a family moves from a contracted unit in violation of the lease the owner will be paid the housing assistance payments due under the contract for the remainder of the month in which the family moves from the unit. When a vacancy occurs through turnover and/or violation of the lease and the unit continues to remain vacant, the owner will be paid a Housing Assistance Payment for up to a maximum of 30 days. As long as the owner, immediately upon learning of the vacancy, has notified the Housing Authority of the vacancy, and the vacancy is not the fault of the owner, and the owner is taking every reasonable action to minimize the likelihood and extent of any vacancy, the SLHA will make vacancy payments up to a maximum of 30 days for vacant units designated for the Project-Based Program.

If a unit remains vacant for 180 days from the first day of the month in which the unit became vacant, the SLHA may terminate the HAP contract with the owner for that unit.

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INSTRUCTIONS

The instructions below provide guidance for the preparation and submission of proposals. An original and five (5) copies of the proposal must be submitted. The proposal format is outlined below. The offeror's proposal shall be submitted in sealed envelopes marked "RFP No. HCV 24-01, Housing Choice Voucher Project-Based Program." Copies of the Request for Proposals (RFP) may be obtained from the location above between the hours of **8:00 a.m. and 5:00 p.m. Monday-Friday or by calling (314) 286-4255.** Proposals shall be limited to no more than thirty (30) pages, excluding attachments, and organized as follows:

Cover Letter
APPLICATION

SECTION I – Development Information

- A. General Information
- B. Developer/Owner Information
- C. General Partner
- D. Development Team
- E. Ownership
- F. Housing Management Experience

SECTION II – Development Plan

- A. Development Type
- B. Unit Type
- C. Housing Type
- D. Occupancy Type
- E. Unit Information
- F. Development Schedule
- G. Site Plan
- H. Market Plan
- I. Management Plan

SECTION III – Site Control

- A. Form of Site Control
- B. Evidence of Site Control
- C. Evidence of Zoning

SECTION IV – Financing Information

- A. Existing Loan/Subsidies
- B. Rental Assistance Information
- C. Unit Rents
- D. Sources of Funds
- E. Ten Year Pro Forma

SECTION V – Relocation/Supportive Services

- A. Relocation Information
- B. Supportive Services
- C. Relocation Plan

SECTION VI – Neighborhood Description

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- A. Neighborhood Description
- B. Furthering Program Goals

COVER LETTER

A letter that identifies the property owner(s) and project principals, shareholders, investors, and others with substantial interest in the project. Identify the primary contact person, telephone and facsimile numbers and addresses. Provide a summary of the team's qualifications and relevant past experiences. Summarize the proposed project type, including any planned rehabilitation or construction, the projected date on which the units proposed for project-based assistance will be occupied, and the proposed term of the Housing Assistance Program (HAP) contract.

SECTION I DEVELOPMENT INFORMATION

The development and/or management team must have demonstrated experience in managing rental properties. The owner of the property included in this RFP should describe other residential rental properties owned or managed by the owner and management agent that will service this property, including the name, qualifications and experience of the proposed management company.

- A. General Information: Indicate the name of the proposed development, address, city, state, county and census tract.
- B. Developer/Owner Information: Provide name of developer/owner and pertinent information requested.
- C. General Partner: If applicable provide requested information related to the general partner.
- D. Development Team: Provide where appropriate requested information for team members. Use separate sheets for additional team members if required.
- E. Ownership: List each property owned and/or managed by the applicant or pertinent team members, including the proposed property. Indicate the appropriate number of units in each property that currently serves as assisted housing and identify the type of assistance and provide a footnote. Include any units currently occupied by Housing Choice Voucher Program participants.
- F. Housing Management Experience: Describe the experience of the proposed management company. Identify key personnel.

SECTION II DEVELOPMENT PLAN

- A. Development Type: For the proposed development indicate which type of activity is contemplated, new construction, substantial rehabilitation or rehabilitation.
- B. Unit Type: Indicate the type of units to be developed under this proposal and the number of units.
- C. Housing Type: Indicate the appropriate housing type for the proposed development.
- D. Occupancy Type: Indicate the type of occupancy that the project will be providing, standard, transitional, single-room occupancy (SRO) or other. Also, list the amenities that will be provided.

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- E. Unit Information: Select the appropriate box that indicates the type of energy and equipment that will be provided for each unit.
- F. Development Schedule: Provide a timeline for completing the improvements and outline the key steps to be taken from the date of contract award until the property achieves a Certificate of Occupancy, if applicable. Clearly indicate the projected date of occupancy for units requiring rental assistance.
- G. Site Plan:
- Existing units: provide a site plan, describe the property “as is” and the improvements to be performed, if any.
- Rehabilitation: provide a site plan, describe the property “as is,” the improvements to be performed and provide photos of areas where work will be performed.
- New construction: provide the proposed site plan, the design architect’s certification that the proposed new construction reflected in the working drawings and specifications complies with Housing Quality Standards, local codes and ordinances, and zoning requirements.
- H. Marketing Plan: If the proposed project is to be leased up from a predominantly vacant condition (vacancy rate of 40 percent or higher), or if the rents in the non-subsidized units are to increase by more than 15 percent, the proposal must include a market study and marketing plan
- I. Management Plan: Provide a management and maintenance plan for the property. The plan should specifically cite procedures for fulfilling the management responsibilities for the project-based units. (Discuss your proposed leasing and tenant selection policies.)
- J. Location by Census Tract: Indicate census tract if the census tract is not in an eligible area provide justification for waiver of the HUD requirement.

SECTION III SITE CONTROL

- A. Form of Site Control: Indicate the form of site control related to the proposed development, date site control was obtained, seller’s name, if this transaction was not arm’s length, and what is the relationship of the seller to the buyer. Indicate if the zoning is multi-family and if not explain.
- B. Evidence of Site Control: This may be an option to purchase that extends through the date of award and completion of the inspection and environmental reviews; evidence of ownership or a lease that gives the applicant long-term rights to operate the property (minimally for 15 years). For projects or proposals that were selected in accordance with the site selection standards at 983.55 in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation relating to funding other than PBV housing assistance payments.
- C. Evidence of Zoning: If any improvements require zoning variance, provide evidence that proposed modifications meet current zoning ordinances or regulations, or evidence to indicate that the needed

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rezoning is likely and will not delay occupancy. If no zoning action is required, provide a statement to that effect.

SECTION IV FINANCING INFORMATION

- A. Existing Loan/Subsidies: Indicate whether the proposed development currently has any existing subsidies associated with the development. If subsidies are associated, list subsidy type and source.
- B. Rental Assistance Information: Indicate the type of rental assistance being requested, the number of units expected to receive assistance and the proposed rents for the units receiving the assistance.
- C. Unit Rents: An itemization of the rents for each unit of the proposed project at the time of the proposal and the rents proposed when the project reaches full availability. Also, include an indication of which utilities and services are included in the rent and which are not included. Provide an analysis of comparable properties in the neighborhood to document the reasonableness of the proposed HCVP contract rent. See Appendix E.
- D. Sources of Funds: Indicate sources of funds for construction and the source of the take-out loan. Equity would be considered a source if that is a means of financing.
- E. Ten Year Proforma: Provide a 10-year operating pro forma which reflects projected rental income and expenses over a 10-year period. The Pro forma should also reflect operating expenses, replacement reserve and Debt service. Revenues should be projected using a 2% trend and expenses should be at 3%.

SECTION V RELOCATION/SUPPORTIVE SERVICES

- A. Relocation Information: Indicate in the appropriate box whether relocation will be required for this proposed project. If the answer to either of the questions is “yes”, then a relocation plan must be attached at the time of application.
- B. Supportive Services: If supportive services are to be provided as a part of the proposed development, complete this section.
- C. Relocation Plan: Relocation Services: Provide an estimate of the cost of relocation payments and services, and sources of funding.

Relocation Service Provider: Identify the organization that will conduct the relocation activities.

SECTION VI NEIGHBORHOOD DESCRIPTION

- A. Neighborhood Description: A description of the location of the project, including the address, census tract and name of neighborhood. List nearby shopping areas, public transportation stops, schools, recreation areas, community service centers and places of employment.
- B. Furthering Program Goals: The applicant must provide information which

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specifically demonstrates the ways in which the proposed project supports one or more of the goals outlined in the Program Goals of this proposal.

CERTIFICATIONS

All certifications, as provided in Appendix F and G of this solicitation, shall be completed and submitted with the response to this RFP.

EVALUATION FACTORS FOR AWARD

BASELINE SELECTION CRITERIA

The Housing Authority has determined that any project determined to be eligible for a HAP contract must meet the criteria listed below. Any project that does not meet these criteria will be rejected without further consideration in the competitive ranking process.

1. The project must be in an eligible area as defined by the map in Appendix B. (unless justification for exception is provided).
2. The proposal may not request project-based assistance for more than 25 percent of the units in the project unless the project is a single-family house, or the project serves only elderly or disabled families or families receiving supportive services.
3. Properties must meet or be proposed for renovation to meet the property standards established in Appendix A.
4. The project-based units must be reasonably expected to be occupied by HCVP-eligible families or persons within six (6) months from the date of award of the Agreement to Enter into a Housing Assistance Payment contract (AHAP) for existing units or eighteen (18) months for units undergoing rehabilitation and or new construction.
5. The project must be financially feasible. This must be demonstrated by a 10-year operating pro-forma as specified in Section IV of this RFP.
6. Evidence of ownership must be provided with this application.
7. Proposed rents may not exceed 110 percent of the Fair Market Rents (FMR) published by HUD from time to time and are further limited by the rent comparability in the neighborhood where the project is located, whichever is less. If any of the units proposed for project-based vouchers are financed with Section 42 Tax Credits, the contract rent to the owner may not exceed the maximum rent for tax credit units.
8. The owner or a lead member of the development team, if any, must:
 - have completed successfully at least one mixed-finance project involving the use of HUD subsidies.

The owner, or a lead member of the development team, if any must not:

- be excluded for participation in Federal programs; nor,
- create a conflict of interest by being involved in the proposed project with the SLHA.

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9. The management plan must be professional, and the proposed management company must be experienced.

COMPLIANCE WITH PROPOSAL REQUIREMENTS

All proposals will be evaluated based on the evaluation criteria outlined below. The selection committee will determine a competitive range based on the established criteria and point system. The Selection Committee may not consider any proposal for which critical information is lacking or the submission represents a major deviation from the requirements of this RFP. Minor omissions, may at the sole option and discretion of the Selection Committee, be corrected subsequent to the submission due date.

All proposals will be initially reviewed to determine compliance with the proposal format specified in the Instructions Section above. Proposals which do not comply with these requirements may be rejected without further review.

COMPETITIVE EVALUATION FACTORS

Submitted Proposals must score a minimum of 75 points in order to be considered for award under this RFP. Proposals which receive fewer than 75 points will be rejected and may be modified for submission in response to a subsequent Request for Proposals. Proposals that comply with the criteria herein will be awarded HAP contracts in order of the date and time of receipt of the proposal.

1. **Overall quality of development (Maximum 25 Points)**

This score will be determined from the applicant's response in Section II, III, V and VI. The Selection Committee will consider the extent that the developer provides unit amenities, location of the development, size of the unit, support of other neighborhood initiatives, proposed rents and supportive services.

2. **Feasibility of the Project (Maximum 25 Points)**

This score will be determined from the applicant's response in Section II and IV. The selection committee will review the project schedule, financing and overall plan to determine the feasibility of completing the project and achieving occupancy as proposed. Projects that demonstrate financial stability and strong funding commitments will receive greater consideration.

3. **Experience and capacity of the proposed team/developer (Maximum 25 Points)**

This score will determine from the applicant's response in Section I, II and Appendix F. This factor will consider the quality and experience of the developer and contractor, if applicable, the management team, and the management and maintenance plan. Owners and management teams with more experience in owning, managing and financing affordable rental housing, especially those with federal or local rental assistance, will be given greater consideration.

4. **Contribution to the goals of the Housing Choice Voucher Project-Based Program (Maximum 20 Points)**

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The Selection Committee will consider the extent to which the proposed project will address the goals as set forth in Section V and VI of this RFP. Projects that address more than one of the goals will be given greater consideration. In addition, greater consideration will be given to properties (a) located in neighborhoods with low concentrations of poverty and minorities; (b) offering more project-based units, not to exceed 25%.

5. Ability to place Project in service within the designated time frame (Maximum 5 Points)

In response to Section II, the Selection Committee will consider the time required to place the proposed units in service. Applications that demonstrate the best likelihood of occupying the units quickly will be given greater consideration.

Bonus Points

6. Accessible units (Maximum 15 Points) The Selection Committee will consider the extent that the developer will provide disabled accessible units. An accessible unit is defined as a unit in an existing facility which is being made accessible as a result of alterations is intended for use by a specific qualified person with a disability (handicaps)¹ (e.g., a current occupant of such unit or of another unit under the control of the same recipient, or an applicant on a waiting list), the unit will be deemed accessible if it meets the requirements of applicable standards that address the particular disability or impairment of such person. [24 CFR 8.3]

7. Large Bedroom (Maximum 10 Points) Greater consideration will be given for properties that offer three (3) and four (4) bedroom apartments.

COMMITMENT AND AWARD OF SUBSIDY

The Owner and/or Developer of a proposed project will be notified within 90 days of receipt of the proposal of the outcome of the SLHA screening process. Applications that are within the competitive range established by the Review Committee will be notified of SLHA acceptance of the proposal and intent to enter into a Housing Assistance Payments contract.

Applicants who fail to meet the Baseline Criteria or fail to be rated within the competitive range will be sent a letter of non-approval and may re-apply in response to the next announcement of fund availability.

In the event there are more applications within the competitive range than available funding for that fiscal year, SLHA will fund first according to the rating score and second, in the event of a tie, according to the date and time stamped at submission. SLHA reserves the right to offer successful applicants/owners who fall below the funding line the option of accepting a rental subsidy commitment beginning in the subsequent fiscal year.

Upon successful lease up of the subsidized units, the SLHA will enter into a Housing Assistance Payments Contract with the Owner. Upon commencement of the contract term, the SLHA will make monthly housing assistance payments in accordance with the contract for each unit occupied by an eligible family.

As long as an owner is making a good faith effort to keep a unit leased according to its management plan, the SLHA policy and procedure and the applicable regulatory and operating agreement, SLHA will make vacancy payments for up to 30 days for vacant units designated for Project Based Subsidy.

If an Owner does not enter into a Housing Assistance Payments Contract within six months of the allocation of

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rental assistance for existing units or eighteen (18) months for units undergoing rehabilitation or new construction, the reservation will be voided, and the unit allocation will be released for use with other projects.

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APPENDIX

Appendix A - HQS Standards

Appendix B – Map

Appendix C – Payment Standard/Fair Market Rent/Small Area Fair Market Rent

Appendix D – Rent Determination

Appendix E – Previous Participation (HUD Form 2530)

Appendix F – HUD Form 52530 B Part One

Appendix G – HUD Form 52530 B Part Two

Certification of Regulation



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Housing Choice Voucher Department PBV RFP 24-01

Attachment A HQS Policy

Chapter 20 Housing Quality Standards and Inspections

[24 CFR 982.401]

20.1 Overview

Housing Quality Standards (HQS) are the minimum quality standards for the HCV program. HQS standards apply to both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

SLHA must inspect each unit under contract at least annually. SLHA will also perform quality control inspections to maintain SLHA's required standards and to assure consistency in SLHA's program. This chapter describes SLHA's policies for performing HQS and other types of inspections, and SLHA standards for the timeliness of repairs. It also explains the responsibilities of the owner and family and the consequences of non-compliance with HQS requirements for both families and owners.

20.2 General HQS Requirements

HQS includes the following areas:

20.2.1 Sanitary Facilities

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition, and adequate for personal cleanliness and disposal of human waste.

20.2.2 Food Preparation and Refuse Disposal

The dwelling unit must have space and equipment suitable for the family to store, prepare and serve food in a sanitary manner.

20.2.3 Space and Security

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

20.2.4 Thermal Environment

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required, but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units.

20.2.5 Illumination and Electricity

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of family preference.

20.2.6 Structure and Materials

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present and protective railings are required when porches, balconies and stoops are 30 inches or more off the ground. The elevator servicing the unit must be working (if there is one). Manufactured homes must have proper tie-down devices capable of surviving wind loads.

20.2.7 Interior Air Quality

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one operable window (able to be open) or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

20.2.8 Water Supply

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

20.2.9 Lead-Based Paint

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective family before the lease is signed
- Provide all prospective families with "Protect Your Family from Lead in Your Home"
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by SLHA
- Notify family each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance, ask each family to report deteriorated paint

20.2.10 Access

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

20.2.11 Site and Neighborhood

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin or other dangers to the health, safety and general welfare of the occupants.

20.3 ADA Acceptability Criteria and Exceptions to HQS

SLHA adheres to the acceptability criteria as provided in the HQS regulations and local code with the following additions and modifications:

20.3.1 Additions

20.3.1.1 Security

If window security bars or security screens are present on the emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

20.3.1.2 Bedrooms

Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability. Windows must be at least 44 inches (3 ft. 8 in) from the floor. All bedrooms must have an emergency exit/entry leading to the exterior. All bedrooms must be provided with heat, directly or indirectly, have two working outlets or one working outlet and one permanently installed light fixture. All bedrooms must have privacy doors if the local code requires. Minimum bedroom ceiling height is 7'6" or local code, whichever is greater. Sloping ceilings may not slope to lower than five feet in the 70 square foot area.

20.3.1.3 Kitchen

The dwelling unit must have an oven and a stove or range, and a refrigerator of appropriate size for the family. A microwave oven may be substituted for a family-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the family agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized families in the building or premises.

20.3.1.4 Smoke Detectors

Smoke detectors must be present on each level and be installed according to the National Fire Protection Association (NFPA). If the dwelling unit is occupied by a hearing or visually impaired person, smoke detectors must have an alarm system designed for the hearing and visually impaired. Owners are not responsible for providing and replacing old batteries for battery powered units.

20.3.2 Modifications

Under the Fair Housing Act of 1988, an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the owner may negotiate a restoration agreement that requires the family to restore the unit and if necessary, to ensure the likelihood of restoration, may require the family to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the family. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction or alteration of facilities contained in the Uniform Federal Accessibility Standards (UFAS).

20.4 Emergency Conditions

When SLHA inspects an occupied unit, SLHA will notify the owner or the family (whichever is responsible) of any emergency conditions which will require corrections. The responsible party must correct emergency conditions within 24 hours of SLHA notification.

The following are considered emergency conditions:

- Lack of security for the unit

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Contaminated water supply
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system between October 15th and April 15th
- Utilities not in service
- No hot water
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable or no smoke detectors
- Absence of working air conditioning (when owner supplied) when outside temperature is above 90 degrees Fahrenheit

If an owner fails to correct emergency conditions as required by SLHA, the housing assistance payment will be abated and the HAP contract may be terminated. If a family fails to correct a family caused emergency condition as required by SLHA, SLHA may terminate the family's assistance. The owner will be required to repair an inoperable smoke detector within 24 hours unless SLHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

20.5 Inspection Process Overview

20.5.1 Types of Inspections

SLHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- Initial Inspections
- Annual Inspections
- Special Complaint Inspections
- Quality Control Inspections
- Special Needs/Medical Aid Inspection

20.5.2 Inspection of SLHA-Owned Units

SLHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a SLHA-owned unit. A SLHA-owned unit is defined as a unit that is owned by SLHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by SLHA). The independent agency must communicate the results of each inspection to the family and SLHA. The independent agency must be approved by HUD and may be a unit of the City of St. Louis government.

20.5.3 Inspection Costs

SLHA will not charge the family or owner for unit inspections. In the case of inspections of SLHA-owned units, SLHA may compensate the independent agency from ongoing administrative fees for inspections performed. SLHA and the independent agency will not charge the family any fee or charge for the inspection.

20.5.4 Notice and Scheduling

The family must allow SLHA to inspect the unit at reasonable times with reasonable notice. Both the family and the owner will be given reasonable notice of all inspections. Except in the case of an emergency, reasonable notice is considered to be not less than 48 hours. Inspections are generally scheduled between 8:00 a.m. and 5:00 p.m. on business days. In the case of an emergency, SLHA will give as much notice as possible, given the nature of the emergency.

20.5.5 Owner and Family Inspection Attendance

When a family occupies the unit at the time of inspection, an adult family member (18 years of age or greater) must be present for the inspection. The presence of the owner or the owner's representative is encouraged, but is not required. At initial inspection of a vacant unit, SLHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

20.6 Initial HQS Inspection

20.6.1 Timing of Initial Inspections

The unit must pass HQS before the effective date of the lease and HAP contract. To the extent practicable, such inspection and determination should be completed within 15 days of the submission of a completed Request for Tenancy Approval (RFTA). The 15-day period is suspended for any period during which the unit is not available for inspection.

20.6.2 Inspection Results and Re-inspections

If any HQS violations are identified, the owner will be notified of the deficiencies. Owner shall notify SLHA when the deficiencies are corrected, but in no case longer than 30 days after the notification of deficiencies. If requested by the owner, the time frame for correcting the deficiencies may be extended by SLHA for good cause. SLHA should re-inspect the unit as soon as practical after the owner notifies SLHA that the required corrections have been made. If the owner does not request a re-inspection in 30 days, or any SLHA-approved extension, or the unit fails HQS at the time of the re-inspection, SLHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit.

20.6.3 Utilities

At initial lease-up, the owner is responsible for demonstrating that all utilities are in working order, including those utilities that the family will be responsible for paying. If gas service is not available for testing at the time of the initial inspection, SLHA will allow the gas service to be placed in service after the unit has met all other HQS requirements. SLHA will confirm that gas service is operational before the HAP contract is executed by SLHA.

20.6.4 Appliances

If the family is responsible for supplying the stove and/or the refrigerator, SLHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS requirements. SLHA will confirm the appliances are in the unit and working.

20.7 Biennial HQS Inspections

Each unit under HAP contract must have a biennial inspection no more than 24 months after the most recent inspection. If an adult family member or adult age 18 or over cannot be present on the scheduled date, the family should request that SLHA reschedule the inspection.

SLHA and the family will agree on a new inspection date that generally should take place within 15 days after the originally scheduled date. If the family misses the first scheduled appointment without requesting a new inspection date, SLHA will automatically schedule a second inspection. If the family misses two scheduled inspections without SLHA approval, SLHA will consider the family to have violated its obligation to make the unit available for inspection. This will result in termination of the family's assistance in accordance with Chapter 29.

20.8 Special/Complaint Inspections

SLHA will conduct a special inspection if the owner, family or another source reports HQS violations in the unit. During a special inspection, SLHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs. If the annual inspection has been scheduled or is due within 120 days of the date the special inspection is scheduled, the special inspection will be categorized as an annual and all annual procedures will be followed.

20.9 Special Needs/Medical Aid Inspections

The purpose of the Special Needs/Medical Inspections is to ensure that each unit has the designated medical equipment present identified on the SLHA S83-E Certification of Medical Need (CMN) form. These inspections are conducted annually by the Inspection Supervisor or other qualified person. Under this category, inspections are limited to those items identified on the SLHA S83-E CMN form.

20.10 Quality Control Inspections

A SLHA supervisor or other qualified person will conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections, and that there is consistency in the application of the HQS. The unit sample must include only units that have been inspected within the preceding three months. The selected sample will include each type of inspection (initial, annual and special), inspections completed by each inspector and units from a cross-section of neighborhoods.

20.11 Inspection Results and Re-inspections for Units Under HAP Contract

20.11.1 Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, SLHA will determine whether or not the failure is an emergency condition and whether the family or owner is responsible. When emergency conditions are identified, SLHA will immediately notify both parties by telephone, fax or e-mail. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of SLHA's notice.

When failures that are not an emergency are identified, SLHA will send the owner and the family a written notification of the inspection results within five business days of the inspection. The written notice will specify who is responsible for correcting the violation and the time frame within which the failure must be corrected. Deficiencies shall be corrected in no more than 30 days unless SLHA grants an extension.

The notice of inspection results will inform the owner that if emergency conditions are not corrected within 24 hours, and non-emergency conditions are not corrected within the specified time frame (or any SLHA-approved extension), the owner's HAP will be abated in accordance

with SLHA policy. Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any SLHA-approved extension, if applicable) the family's assistance will be terminated in accordance with SLHA policy.

20.11.2 Extensions

For emergency conditions, SLHA may grant a short extension of not more than 48 hours if the party cannot be notified or it is impossible to complete the repair within the 24-hour period. For conditions that are not an emergency, SLHA may grant an exception to the required time frames for correcting the violation if the owner submits the request in writing and SLHA determines that an extension is appropriate.

Extensions will be granted in writing in cases where SLHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available
- A repair cannot be completed because of weather conditions
- A reasonable accommodation is needed because the family includes a person with disabilities
- A repair cannot be completed because of the family's failure to cooperate with the owner

The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days once the weather conditions have subsided.

20.11.3 Re-inspections

SLHA will conduct a re-inspection immediately following the end of the corrective period of any SLHA approved extension. The family and owner will be given reasonable notice of the re-inspection appointment. If the deficiencies have not been corrected by the time of the re-inspection, SLHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with SLHA policies. If SLHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, SLHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance.

20.12 Owner Responsibility

The owner is responsible for maintaining the unit in accordance with HQS that are not identified as family responsibility. The owner is not responsible for vermin infestation if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The inspector will make a determination of owner or family responsibility during the inspection. If the owner fails to maintain the dwelling, SLHA must take prompt and vigorous action to enforce the owner's obligations.

20.12.1 HAP Abatement

If the owner fails to request a re-inspection before the time period for making repairs expires, a Notice of Abatement will be sent to the owner. The abatement will be effective the date after the due date that repairs were to be made. The notice of abatement shall state that the family is not responsible for SLHA's portion of rent that is abated. If no re-inspection request is received by the 16th day of abatement, SLHA may issue a voucher to the family.

The abatement of assistance will remain in place until the owner requests a re-inspection or 15 days, whichever is earlier. SLHA will inspect abated units within 10 days of the owner's notification that the work has been completed. SLHA will advise owners of their responsibility to notify the family of when the re-inspection will take place. If the unit passes re-inspection, assistance will be restored as of the date of the inspection request. No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS.

20.12.2 HAP Contract Termination

If the owner is responsible for repairs and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a HAP Contract Termination Notice. Prior to the effective date of the termination, the abatement will remain in effect. If repairs are completed before the effective termination date, SLHA may rescind the termination if the family chooses to remain in the unit. Only one HQS inspection will be conducted after the termination notice is issued.

20.13 Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear
 - Normal wear and tear is defined as items which could not be charged against the family's security deposit under state law or court practice
- Rendering a smoke detector inoperable

If the family fails to correct a HQS violation within the period allowed (and any extensions), SLHA may terminate the family's assistance. The owner's rent will not be abated for items which are the family's responsibility. If the family is responsible, but the owner carries out the repairs, the owner may bill the family for the reasonable cost of the repairs.

20.14 Violation of HQS Space Standards

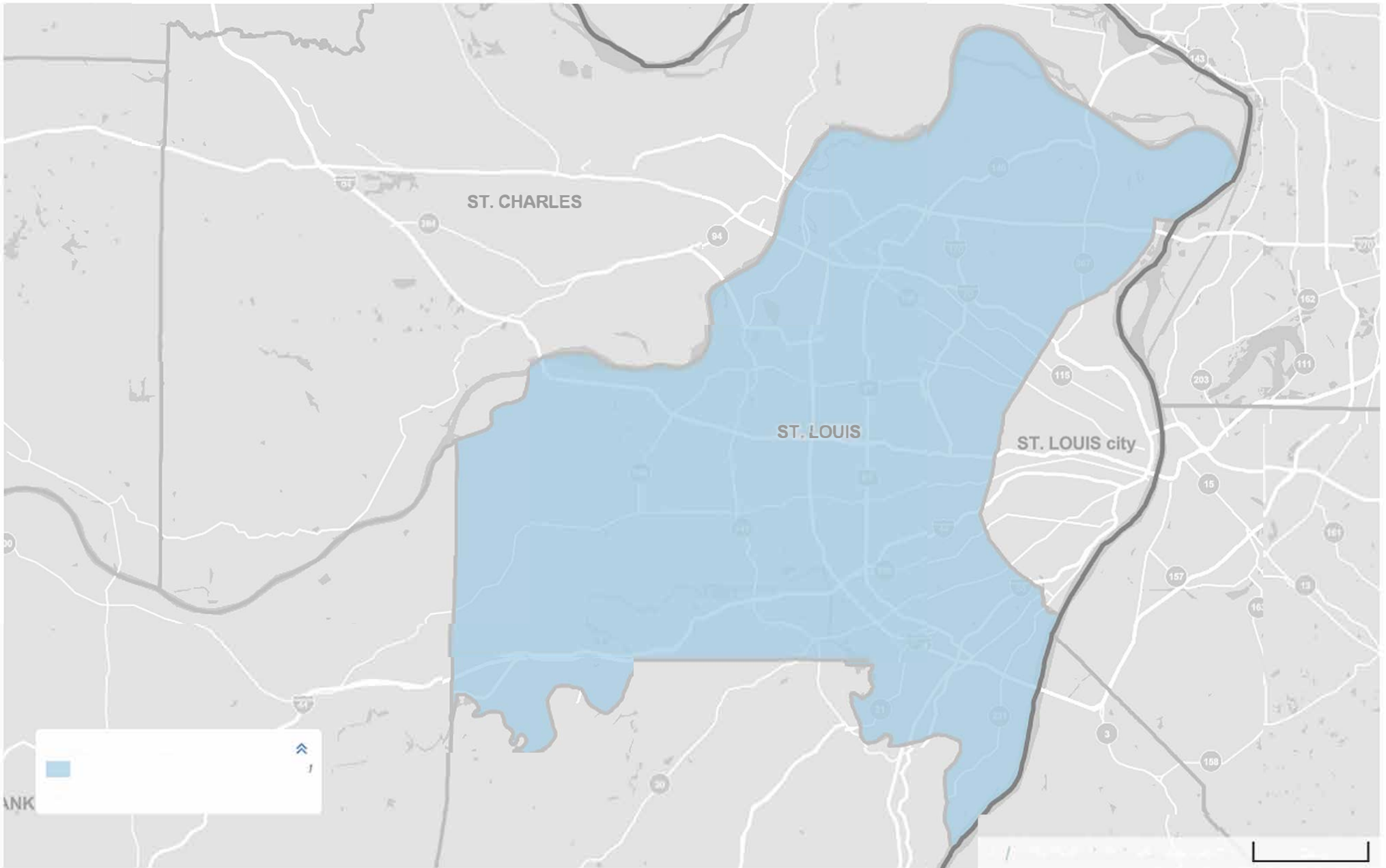
If SLHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, SLHA will issue the family a new voucher and the family must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, SLHA will terminate the HAP contract in accordance with its terms.



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Housing Choice Voucher Department PBV RFP 24-01

Attachment B MAP





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Housing Choice Voucher Department

PBV RFP 24-01

Attachment C

Payment Standards Policy



HCV/Section 8 Department

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MEMORANDUM

To: Board of Commissioners

Through: Alana C. Green, Executive Director *AG*

From: Constance Johnson, Director of Operations for Housing Choice Voucher

Date: October 11, 2023

Subject: Resolution No. 2990
Authorizing and Approving the Housing Choice Voucher Program Payment Standards

The proposed Payment Standards include three tiers; 1, 2, and 3. The respective tiers are calculated based on 100% of FMR (Tier 1), 120% of FMR (Tier 2), and 110% of SAFMR (Tier 3). The additional payment standards (Tiers 2 and 3) support the Mobility Connection program. The Mobility Connection program helps families participating in the Housing Choice Voucher program to move to units located in high opportunity areas.

There has been an increase in FY 2024 Fair Market Rents in the St. Louis Region since FY 2023.

Board approval is requested for the revised Housing Choice Voucher Program Payment Standards.

Final 2024 Payment Standards	100FMR	120FMR	110SAFMR
Bedroom Size	Tier 1	Tier 2	Tier 3
0 Bedroom	\$928	\$1,113	\$1,232
One	\$972	\$1,166	\$1,287
Two	\$1,209	\$1,450	\$1,606
Three	\$1,565	\$1,878	\$2,079
Four	\$1,818	\$2,181	\$2,409
Five	\$2,090	\$2,508	\$2,314
Six	\$2,363	\$2,836	\$3,131
Seven	\$2,636	\$3,163	\$3,493



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Housing Choice Voucher Department

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Attachment C (a)

Small Area Fair Market Rent (SAFMR) Policy



Owner Frequently Asked Questions: Small Area Fair Market Rents (SAFMRs)

On October 24, 2023, HUD announced that an additional 41 metropolitan areas would begin to use Small Area Fair Market Rents (SAFMRs) to determine the amount of assistance it provides to households participating in the Housing Choice Voucher program. This expansion brings the total metropolitan areas where SAFMRs are required to 65 and Public Housing Agencies (PHAs) in these new areas must implement SAFMRs in their voucher program no later than January 1, 2025. This handout answers some basic questions about SAFMRs. Please visit our website at www.hud.gov/program_offices/public_indian_housing/programs/hcv/safmr for additional information.

What are SAFMRs?

SAFMR stands for “Small Area Fair Market Rent.” SAFMRs are estimates of the typical rent for different unit sizes in a specific ZIP code. They are determined by the U.S. Department of Housing and Urban Development (HUD) each year, based on the distribution of all rents for standard quality housing within that ZIP code.

What are payment standards?

Payment standards are the maximum amount a PHA will pay towards rent and utilities for individuals and families who use Housing Choice Vouchers. The PHA uses the SAFMRs for each ZIP code to calculate payment standards for different size units within that ZIP code area. In some cases, the payment standard may be the same as the SAFMR, and in others it may be higher or lower than the SAFMR. The actual amount that tenants pay towards rent and utilities is based on several factors including the payment standard for the applicable area, the contract rent for the unit they select, and their income. Tenants with vouchers can never pay more than 40 percent of their adjusted monthly income towards rent and utilities when they first lease a rental unit.

What’s new about this approach?

Prior to SAFMRs, HUD only published Fair Market Rents for the entire metropolitan area, rather than at the ZIP code (or SAFMR) level. This meant that most families would have been unable to afford the rents in higher-cost neighborhoods, even with their vouchers. Under the new approach, the maximum amount the PHA will pay towards rent and utilities is based on typical rents for individual neighborhoods (ZIP codes). If a property is located in a high-cost neighborhood, it is likely that the amount the program will pay towards rent and utilities will increase under the new approach. At the same time, the payment standards in low-cost areas will likely be reduced. In areas where payment standards are reduced, tenants seeking new units may be responsible for a greater share of rent and utility payments.

The degree to which SAFMRs will affect owners depends in large part on the locations of the properties that they own. The change in methodology used to calculate payment standards means that families with vouchers may now be able to better afford units in high-cost neighborhoods. HUD encourages property owners to consider opening their doors to voucher families. If you currently rent to individuals and families with HCVs and their annual re-certifications comes up for review, the rent payment provided by the PHA will be determined using the new SAFMR payment standards. At that time, you will be given additional information about impacts on tenants who rent units in your properties.

What else do I need to know?

Please be aware that all Housing Assistance Payment contracts will remain subject to rent reasonableness determinations, including in areas where payment standards increase.





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Housing Choice Voucher Department

PBV RFP 24-01

Attachment D

Rent Determination Policy

Chapter 21 Rent Reasonableness

[24 CFR 982.507]

21.1 Overview

No HAP contract will be approved until SLHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program. Reasonable rent is defined as rent that does not exceed the rent charged for comparable, unassisted units in the same market area. Owners cannot charge more for assisted units than for comparable units on the premises. This chapter explains the policies for determining whether a unit's rent is reasonable.

21.2 When Rent Reasonableness Determinations are Required

21.2.1 Owner Initiated Rent Determinations

SLHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment. At initial occupancy, SLHA will determine whether the proposed rent is reasonable before a HAP contract is signed. The owner must not change the rent during the initial lease term.

After the initial occupancy period, the owner may request a rent adjustment in accordance with the HAP. All rent adjustment requests should be submitted 60 days prior to the HAP anniversary date. SLHA will determine whether the requested increase is reasonable upon receiving the request from the owner. The owner will be notified of the determination in writing. All rent adjustments will be effective the first of the month on the anniversary date of the HAP. For rent increase requests after initial lease-up, SLHA may request owners to provide information about the rents charged for unassisted units on the premises if the premises includes more than four units. Rent increases will not be approved unless failed items identified by the most recent HQS inspection have been corrected.

21.2.2 SLHA Initiated Rent Reasonableness Determinations

SLHA must make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent (FMR) that goes into effect at least 60 days before the contract anniversary date. SLHA will make a determination of rent reasonableness at any time after the initial occupancy period if SLHA determines that the initial rent reasonableness determination was in error or SLHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect. HUD also may direct SLHA to make a determination at any other time.

21.2.3 SLHA Owned Units

In cases where an HCV family is receiving assistance in a SLHA owned unit, SLHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements and to assist the family in negotiating the contract rent when the family requests assistance. A SLHA-owned unit includes a unit owned by an entity substantially controlled by SLHA. The independent agency must communicate the results of the rent reasonableness determination to the family and SLHA. The independent agency must be approved by HUD and may be a unit of the City of St. Louis government.

21.2.4 Units Assisted by Low-Income Housing Tax Credits or Assistance under HUD's Home Program

For a unit receiving Low-Income Housing Tax Credits (LIHTC) or receiving assistance under HUD's HOME Program a rent comparison with unassisted units is not required if the rent does not exceed the rent for LIHTC or HOME assisted units in the development not receiving HCV assistance. If the rent requested by the owner exceeds the LIHTC rents, SLHA will perform a rent comparability study and the rent shall not exceed the lesser of the reasonable rent as determined in the rent comparability study or the payment standard for the unit size.

21.3 How Comparability Is Established

21.3.1 Factors to Consider

SLHA will take into consideration the factors listed below when determining rent comparability. SLHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size, including the number of rooms and/or square footage of rooms
- The type of unit, including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units, including the quality of the original construction, maintenance and improvements made
- Amenities, services and utilities included in the rent

21.3.2 Units that Must Not Be Used as Comparables

Comparable units must be unassisted units. Therefore, units that receive some form of federal, state or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized, through federal, state or local tax credits, units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance. These requirements may not apply to units receiving project-based assistance as discussed in Chapter 31.

21.3.3 Rents Charged for Other Units on the Premises

The RFTA (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than four units. By accepting payment each month, the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give SLHA information regarding rents charged for other units on the premises.

21.4 SLHA Rent Reasonableness Methodology

21.4.1 How Market Data is Collected

SLHA will use a web-based service to obtain data on market rents in SLHA's jurisdiction. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood and identifiable natural or man-made boundaries.

The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

21.4.2 How Rents are Determined

The rent for a unit proposed for HCV assistance will be compared to the rent charged for three comparable units in the same market area. Because units may be similar, but not exactly like the unit proposed for HCV assistance, SLHA may make adjustments to the range of prices to account for these differences. The adjustment will reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas). Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

SLHA will notify the owner of the rent it can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. SLHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within five business days of SLHA's request for information or the owner's request to submit information.

Chapter 22 Total Tenant Payment and Family Share

[24 CFR 5.520, 5.628, 5.630, 982.305, 982.505, 982.514, 982.517]

22.1 Rent and Subsidy Calculations

22.1.1 Total Tenant Payment Formula

Total Tenant Payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income
- 10 percent of the family's monthly gross income
- A minimum rent

The amount that a family pays for rent and utilities (the family's share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

22.1.2 Minimum Rent

Minimum rent is \$50. The minimum rent refers to the TTP and includes the combined amount a family pays towards rent and/or utilities when it is applied. SLHA may exempt families from minimum rent when a financial hardship exists, as defined below.

22.1.3 Family Share

If a family chooses a unit with a gross rent (rent to owner, plus an allowance for tenant-paid utilities) that exceeds SLHA's applicable payment standard, the family will pay more than the TTP and at initial occupancy SLHA may not approve the tenancy if it would require the family's share to exceed 40 percent of the family's monthly adjusted income.

22.1.4 SLHA Subsidy

SLHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of:

- The applicable payment standard for the family, minus the family's TTP
- The gross rent for the family's unit, minus the TTP

22.1.5 Utility Reimbursement

When SLHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. SLHA will make utility reimbursements to the family.

22.2 Financial Hardships Affecting Minimum Rent

22.2.1 Overview

SLHA will grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship. The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If SLHA determines that a hardship exists, the family's share is the highest of the remaining components of the family's calculated TTP.

22.2.2 Definition of Financial Hardship

Financial hardship includes the following situations:

- The family has lost eligibility for, or is awaiting an eligibility determination for, a federal, state or local assistance program
 - This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits, but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following implementation of assistance, if approved, or the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
- The family would be evicted because it is unable to pay the minimum rent
 - For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities
- The family's income has decreased because of changed family circumstances, including the loss of employment
- A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income)
- The family has experienced other circumstances determined by SLHA

22.2.3 Implementation of Hardship Exemption

22.2.3.1 Determination of Hardship

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. When a family requests a financial hardship exemption, SLHA will suspend the minimum rent requirement beginning the first of the month following the family's request. When the minimum rent is suspended, the family's share reverts to the highest of the remaining components of the calculated TTP.

SLHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term. SLHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days. SLHA will make the determination of hardship within 30 calendar days.

22.2.3.2 No Financial Hardship

If SLHA determines there is no financial hardship, SLHA will reinstate the minimum rent and require the family to repay the amounts suspended. SLHA will require the family to repay the suspended amount within 30 calendar days of SLHA's notice that a hardship exemption has not been granted.



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Housing Choice Voucher Department

PBV RFP 24-01

Attachment E

Pervious Participation HUD Form 2530

US Department of Housing and Urban Development
Office of Housing/Federal Housing Commissioner

US Department of Agriculture
Farmers Home Administration

Part I to be completed by Controlling Participant(s) of Covered Projects (See instructions) Reason for submission:		For HUD HQ/FmHA use only	
1. Agency name and City where the application is filed		2. Project Name, Project Number, City and Zip Code	
3. Loan or Contract amount \$	4. Number of Units or Beds	5. Section of Act	6. Type of Project (check one) <input type="checkbox"/> Existing <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Proposed (New)

7. List all proposed Controlling Participants and attach complete organization chart for all organizations showing ownership %

Name and address (Last, First, Middle Initial) of controlling participant(s) proposing to participate	8 Role of Each Principal in Project	9. SSN or IRS Employer Number (TIN)

1. Schedule A contains a listing, for the last ten years, of every project assisted or insured by HUD, USDA FmHA and/or State and local government housing finance agencies in which the controlling participant(s) have participated or are now participating.
 2. For the period beginning 10 years prior to the date of this certification, and except as shown on the certification:
 - a. No mortgage on a project listed has ever been in default, assigned to the Government or foreclosed, nor has it received mortgage relief from the mortgagee;
 - b. The controlling participants have no defaults or noncompliance under any Conventional Contract or Turnkey Contract of Sale in connection with a public housing project;
 - c. There are no known unresolved findings as a result of HUD audits, management reviews or other Governmental investigations concerning the controlling participants or their projects;
 - d. There has not been a suspension or termination of payments under any HUD assistance contract due to the controlling participant's fault or negligence;
 - e. The controlling participants have not been convicted of a felony and are not presently the subject of a complaint or indictment charging a felony. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a State and punishable by imprisonment of two years or less);
 - f. The controlling participants have not been suspended, debarred or otherwise restricted by any Department or Agency of the Federal Government or of a State Government from doing business with such Department or Agency;
 - g. The controlling participants have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond;
 3. All the names of the controlling participants who propose to participate in this project are listed above.
 4. None of the controlling participants is a HUD/FmHA employee or a member of a HUD/FmHA employee's immediate household as defined in Standards of Ethical Conduct for Employees of the Executive Branch in 5 C.F.R. Part 2635 (57 FR 35006) and HUD's Standard of Conduct in 24 C.F.R. Part 0 and USDA's Standard of Conduct in 7 C.F.R. Part 0 Subpart B.
 5. None of the controlling participants is a participant in an assisted or insured project as of this date on which construction has stopped for a period in excess of 20 days or which has been substantially completed for more than 90 days and documents for closing, including final cost certification, have not been filed with HUD or FmHA.
 6. None of the controlling participants have been found by HUD or FmHA to be in noncompliance with any applicable fair housing and civil rights requirements in 24 CFR 5.105(a). (If any controlling participants have been found to be in noncompliance with any requirements, attach a signed statement explaining the relevant facts, circumstances, and resolution, if any).
 7. None of the controlling participants is a Member of Congress or a Resident Commissioner nor otherwise prohibited or limited by law from contracting with the Government of the United States of America.
 8. Statements above (if any) to which the controlling participant(s) cannot certify have been deleted by striking through the words with a pen, and the controlling participant(s) have initialed each deletion (if any) and have attached a true and accurate signed statement (if applicable) to explain the facts and circumstances.
- 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, 1014; 31 U.S.C. §3729, 3802).

Name of Controlling Participant	Signature of Controlling Participant	Certification Date (mm/dd/yyyy)	Area Code and Tel. No.
This form prepared by (print name)			Area Code and Tel. No.

Schedule A: List of Previous Projects and Section 8 Contracts. Below is a complete list of the controlling participants' previous participation projects and participation history in covered projects as per 24 CFR, part 200 §200.214 and multifamily Housing programs of FmHA, State and local Housing Finance Agencies, if applicable. **Note:** Read and follow the instruction sheet carefully. Make full disclosure. Add extra sheets if you need more space. Double check for accuracy. If no previous projects, write by your name, **"No previous participation, First Experience"**.

1. Controlling Participants' Name (Last, First)	2. List of previous projects (Project name, project ID and, Govt. agency involved)	3. List Participants' Role(s) (indicate dates participated, and if fee or identity of interest participant)	4. Status of loan (current, defaulted, assigned, foreclosed)	5. Was the Project ever in default during your participation Yes No If yes, explain		6. Last MOR rating and Physical Insp. Score and date	

Part II- For HUD Internal Processing Only

Received and checked by me for accuracy and completeness; recommend approval or refer to Headquarters after checking appropriate box.

Date (mm/dd/yyyy)	Tel No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended. <input type="checkbox"/> B. Name match in system <input type="checkbox"/> C. Disclosure or Certification problem <input type="checkbox"/> D. Other (attach memorandum)	
Staff	Processing and Control		
Signature of authorized reviewer	Signature of authorized reviewer	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

Instructions for Completing the Previous Participation Certificate, form HUD-2530

Carefully read these instructions and the applicable regulations. A copy of the regulations published at 24 C.F.R. part 200, subpart H, § 200.210-200.222 can be obtained on-line at www.gpo.gov and from the Account Executive at any HUD Office. Type or print neatly in ink when filling out this form. Incomplete form will be returned to the applicant.

Attach extra sheets as you need them. Be sure to indicate "Continued on Attachments" wherever appropriate. Sign each additional page that you attach if it refers to you or your record. **Carefully read the certification before you sign it.** Any questions regarding the form or how to complete it can be answered by your HUD Account Executive.

Purpose: This form provides HUD/USDA FmHA with a certified report of all previous participation in relevant HUD/USDA programs by those parties submitting the application. The information requested in this form is used by HUD/USDA to determine if you meet the standards established to ensure that all controlling participants in HUD/USDA projects will honor their legal, financial and contractual obligations and are of acceptable risks from the underwriting standpoint of an insurer, lender or governmental agency. HUD requires that you certify and submit your record of previous participation, in relevant projects, by completing and signing this form, before your participation can be approved.

HUD approval of your certification is a necessary precondition for your participation in the project and in the capacity that you propose. If you do not file this certification, do not furnish the information requested accurately, or do not meet established standards, HUD will not approve your certification.

Note that approval of your certification does not obligate HUD to approve your project application, and it does not satisfy all other HUD program requirements relative to your qualifications.

Who Must Sign and File Form HUD-2530: Form HUD-2530 must be completed and signed by all Controlling Participants of Covered Projects, as such terms are defined in 24 CFR part 200 §200.212, and as further clarified by the Processing Guide (HUD notice H 2016-15) referenced in 24 CFR §200.210(b) and available on the HUD website at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/prevparticipation.

Where and When Form HUD-2530 Must Be Filed: The original of this form must be submitted to the HUD Office where your project application will be processed at the same time you file your initial project application. This form must be filed with applications for projects listed in 24 CFR §200.214 and for the Triggering Events listed at 24 CFR §200.218.

Review of Adverse Determination: If approval of your participation in a HUD project is denied, withheld, or conditionally granted on the basis of your record of previous participation, you will be notified by the HUD Office. You may request reconsideration in accordance with 24 CFR §200.222 and further clarified by the Processing Guide. Request must be made in writing within 30 days from your receipt of the notice of determination.

The Department of Housing and Urban Development (HUD) is authorized to collect this information by law 42 U.S.C. 3535(d) and by regulation at 24 CFR 200.210. This information is needed so that principals applying to participate in multifamily programs can become HUD-approved controlling participants. The information you provide will enable HUD to evaluate your record with respect to established standards of performance, responsibility and eligibility. Without prior approval, a controlling participant may not participate in a proposed or existing multifamily or healthcare project. HUD uses this information to evaluate whether or not controlling participants pose an unsatisfactory underwriting risk. The information is used to evaluate the potential controlling participants and approve only individuals and organizations that will honor their legal, financial and contractual obligations.

Privacy Act Statement: The Housing and Community Development Act of 1987, 42 U.S.C. 3543 requires persons applying for a Federally-insured or guaranteed loan to furnish his/her Social Security Number (SSN). HUD must have your SSN for identification of your records. HUD may use your SSN for automated processing of your records and to make requests for information about you and your previous records with other public agencies and private sector sources. HUD may disclose certain information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. You must provide all of the information requested in this application, including your SSN. Failure to provide any of the information will result in your disapproval of participation in this HUD program. APPS SORN could be accessed in Federal Register / Vol. 81, No. 146 / Friday, July 29, 2016 / Notices ([Docket No. FR-5921-N-10] Implementation of the Privacy Act of 1974, as Amended; Amended System of Records Notice, Active Partners Performance System).

PRA Statement: The public reporting burden is estimated at 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, Paperwork Reduction Project, to the Office of Information Technology, US Department of Housing and Urban Development, Washington, DC 20410-3600. When providing comments, please refer to OMB Approval No. 2502-0118. 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.

The collection is authorized by 12 U.S.C 1702-1715z; 42 U.S.C. 3535(d). HUD form 2530 is created to collect information as mandated by 24 CFR Part 200. The HUD-2530 form is used to protect HUD's Multifamily Housing and Healthcare programs by comprehensively assessing industry participants' risk. It is the Department's policy that participants in its housing programs honor their legal, financial, and contractual obligations. Accordingly, uniform standards are established for approvals, disapprovals, or withholding actions on principals in projects, based upon their past performances as well as other relevant information. Respondents such as owners, management agents, master tenants, general contractors, and nursing home operators are subject to review. The information on this form needs to be collected by the Department to evaluate participants' previous performance and compliance with contracts, regulations, and directives.



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Housing Choice Voucher Department

PBV RFP 24-01

Attachment F

Contract Sample HUD Form 52530B Part 1

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

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

EXISTING HOUSING

PART 1 OF HAP CONTRACT

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.

Privacy Notice. The Department of Housing and Urban Development (HUD) is authorized to collect the information on this form by 24 CFR § 983.202. 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. 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:

- 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.)
- 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. Effective date and term of the HAP contract

1. Effective date

- a. The PHA may not enter into a HAP contract for any contract unit until the PHA (or an independent entity, as applicable) has determined that the unit meets the PBV inspection requirements.
- b. For all contract units, the effective date of the HAP contract is:
_____.
- c. The term of the HAP contract begins on the effective date.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP contract for all contract units is:
_____.
- b. The initial term of the HAP contract may not be less than one year,

nor more than twenty years.

3. Extension of term

The PHA and owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution, or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements. A PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.
- b. The availability of sufficient funding must be determined by HUD or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

e. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP contract, the PHA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the calendar month when the family moves out (“move-out month”). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner’s fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH e.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

- a. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- b. The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.
- c. The PHA may make vacancy payments to the owner only if:
 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
 4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- d. The PHA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The owner may refer families to the PHA 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 e (Occupancy and Payment), the PHA will not make any other payment to the owner under the HAP contract. The PHA will not make any payment to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

f. Income-mixing requirement

1. Except as provided in paragraphs f.2 through f.5 below, the PHA will not make housing assistance payments under the HAP contract for more than the greater of 25 units or 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term "project" means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.
2. The limitation in paragraph f.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 unit or 25 percent limitation under paragraph f.1, the PHA shall give preference to the applicable families as listed in f.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 f.6 and f.7, below.

6. The following specifies the number of contract units (if any) that received one of the following forms of HUD assistance:

- 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, you may 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, you may 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 families receiving FUP/FYI assistance:

_____.

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

EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING

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



At the corner of family and future

Housing Choice Voucher Department

PBV RFP 24-01

Attachment G

Contract Sample HUD Form 52530B Part 2

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**PBV HOUSING ASSISTANCE PAYMENTS CONTRACT
EXISTING HOUSING**

PART 2 OF HAP CONTRACT

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurance of confidentiality are not provided under this collection.

2. DEFINITIONS

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A.

Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the housing quality standards on that date. The units must fully comply with the housing quality standards before execution of the HAP contract.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

HAP contract. This housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP contract).

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.

Household. The family and any PHA-approved live-in aide.

Housing quality standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.

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

HUD requirements. HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

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

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

Principal or interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Program. The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

PHA. Public Housing Agency. The agency that has entered into the HAP contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

Proposal selection date. The date the PHA gives written notice of proposal selection to the owner whose proposal is selected in accordance with the criteria established in the PHA's administrative plan.

Rent to owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant. The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

Tenant rent. The portion of the rent to owner payable by the family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

3. PURPOSE

- a. This is a HAP contract between the PHA and the owner.

- b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the owner.
- c. The PHA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

The initial rent to owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP contract. At the beginning of the HAP contract term, and until rent to owner is adjusted in accordance with section 5 of the HAP contract, the rent to owner for each bedroom size (number of bedrooms) shall be the initial rent to owner amount listed in Exhibit A.

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 only responsible for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.

4. The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.
5. To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
6. If the PHA determines that the owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
7. The owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

d. Termination of assistance for family

The PHA may terminate housing assistance for a family under the HAP contract in accordance with HUD requirements. The PHA must notify the owner in writing of its decision to terminate housing assistance for the family in such case.

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. At each annual anniversary during the term of the HAP contract, the PHA shall adjust the amount of rent to owner, upon request to the PHA by the owner, in accordance with law and HUD requirements. In addition, the PHA shall adjust the rent to owner when there is a five percent or greater decrease in the published, applicable Fair Market Rent in accordance with 24 CFR 983.302.
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. 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.
- 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 annually 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 towards meeting this annual inspection requirement.
4. If more than 20 percent of the annual 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, the owner may apply its own admission procedures in determining whether to admit a family referred by the PHA for occupancy of a contract unit. The owner may refer families to the PHA, and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
4. The owner must promptly notify in writing any rejected applicant of the grounds for rejection.
5. The PHA must determine family eligibility in accordance with HUD

requirements.

6. The contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.
7. If a contract unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP contract.
8. The owner is responsible for screening and selecting tenants from the families referred by the PHA from its waiting list.

b. Vacancies

1. The owner must promptly notify the PHA of any vacancy in a contract unit. After receiving the owner notice, the PHA shall make every reasonable effort to refer a sufficient number of families for owner to fill the vacancy.
2. The owner must rent vacant contract units to eligible families on the PHA waiting list referred by the PHA.
3. The PHA and the owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

10. TENANCY

a. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

b. Termination of tenancy

1. The owner may only terminate a 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 only responsible 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 983.259.

13. PROHIBITION OF DISCRIMINATION

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.

- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.* ; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* ; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as

amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

- c. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

14. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with the HAP contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under the HAP contract, HUD may assume the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under the HAP contract.

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

Any of the following is a default by the owner under the HAP contract:

1. The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the housing quality standards.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the HAP contract.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.

5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - A. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - B. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. PHA remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP contract.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.

c. PHA remedy is not waived

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

16. ~~REQUIRED BY HUD CONTRACT~~ INFORMATION AND ACCESS

a. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the

PHA or HUD.

b. PHA and HUD access to premises

The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

The PHA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

b. Legal relationship

The owner is not the agent of the PHA. The HAP contract does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

c. Exclusion of third party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract.

d. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

18. PHA-OWNED UNITS

Notwithstanding Section 17 of this HAP contract, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

19. CONFLICT OF INTEREST**a. Interest of members, officers, or employees of PHA, members of local governing body, or other public officials**

1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP contract.
2. HUD may waive this provision for good cause.

b. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the HAP contract. The owner must fully and promptly update such disclosures.

c. Interest of member of or delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP Contract or to any benefits arising from the contract.

20. EXCLUSION FROM FEDERAL PROGRAMS**a. Federal requirements**

The owner must comply with and is subject to requirements of 2 CFR part 2424.

b. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and 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~~ required for existing housing projects.

23. OWNER LOBBYING CERTIFICATIONS

- a. The owner certifies, to the best of owner's knowledge and belief, that:
1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
 2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

25. NOTICES AND OWNER CERTIFICATIONS

- a. Where the owner is required to give any notice to the PHA pursuant to the HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.
- b. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

26. 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.