



**Housing Assistance Payments Contract (HAP) Contract**  
**Project-Based Assistance Housing Choice Voucher Program**

---

**Part 1 of the HAP Contract:**

**1. Contract Information**

**a. Contents of Contract**

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

**b. Contract Exhibits**

The HAP contract includes the following exhibits:

**Exhibit A: Description of the Contract Units** – Number of units by unit size (number of bedrooms), address, and applicable initial rent to owner.

**Exhibit B: Services, Maintenance, and Utilities to be provided by the Owner**

**Exhibit C: Lease Agreement**

**Exhibit D: Tenancy Addendum**

**c. Effective date and term of HAP Contract**

**i. Effective Date**

1. For all contract units, the effective date of the HAP Contract is: **August 1, 2005**

2. The term of the HAP contract begins on the effective date.

**ii. Length of Term**

1. Subject to paragraph (2), the length of the term of the HAP contract for all contract units is: **10 years**

2. Notwithstanding paragraph (1), the length of the term of the HAP contract may not be less than one year, nor more than 10 years.

3. The length of the term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funds (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make housing assistance payments in accordance with the HAP contract.

4. If sufficient appropriated funds are not available, the PHA may terminate the HAP contract upon notice to the owner.

**d. Occupancy and Payment**

**i. 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 the contract units, the owner may keep the housing assistance payment for the month in which the family moves out.

**ii. Vacancy Payment**

There is no vacancy payment provision in this contract.

**iii. The PHA is not responsible for family damage or debt to the owner**

Except as provided in this paragraph d (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.

**iv. Income-Mixing Requirement**


1. Except as provided in paragraph iv.2, the PHA will not make housing assistance payments under the HAP contract for more than 25 percent of the total number of dwelling units (assisted or unassisted) in any building.

2. In referring eligible families to the owner for admission to the number of contract units in any building exceeding the 25 percent limitation under paragraph iv.1, the PHA shall give preference to elderly or disabled families, or to families receiving supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.

3. The following specifies the number of contract units (if any)
- a. Designated for occupancy by disabled families, or
  - b. Designated for occupancy by elderly families, or
  - c. Designated for occupancy by families receiving supportive services.
- Check this box if any contract units are designated for disabled families.  
The following number of contract units shall be rented to disabled families
- Check this box if any contract units are designated for elderly families.  
The following number of contract units shall be rented to elderly families
- Check this box if any contract units are designated for families receiving supportive services.  
The following number of contract units shall be rented to families receiving supportive services: N/A

**Execution of HAP Contract**

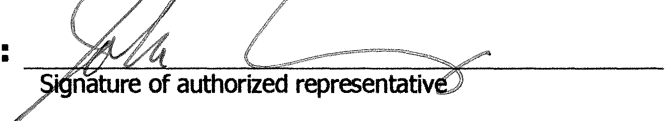
**PUBLIC HOUSING AUTHORITY (PHA):**  
**Sonoma County**  
**Housing Authority**

**By:**   
Signature of authorized representative

**Kathleen H. Kane,**  
**Executive Director**  
Name and Title

**Date:** 7/11/05

**OWNER OF FITCH MOUNTAIN TERRACE II:**  
**Burbank Housing Management**  
**Corporation**

**By:**   
Signature of authorized representative

**John Lowry,**  
**Executive Director**  
Name and Title

**Date:** July 7, 2005

## Part 2 of the HAP Contract:

### 2. DEFINITIONS

- **Contract Unit.** The housing units covered by this HAP Contract. The contract units are described in Exhibit A.
- **Family.** The persons approved by the PHA to reside in a contract unit with assistance under the program.
- **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 by the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).
- **HAP Contract.** The housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1.b of the HAP contract).
- **Housing Quality Standards (HQS).** The HUD minimum quality standards for dwelling units occupied by families receiving project-based assistance under the housing choice voucher program assisted under the PBA program.
- **HUD.** The U.S. Department of Housing and Urban Development.
- **HUD Requirements.** HUD requirements which apply to the housing choice voucher program (42 U.S.C. 1437f(o)). HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.
- **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 offices 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.** Project-based assistance under the housing choice voucher program (see authorization for project-based assistance at 42 U.S.C. 1437 (o)(13)).
- **Rent to Owner.** The total monthly rent payable to the owner under the lease for a contract unit. The rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.
- **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

1. This is a HAP contract between the PHA and the owner.
2. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with HUD housing quality standards (HQS) from the owner.
3. 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

1. 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.
2. 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 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 assistance for a family 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 a case, and that housing assistance payments for the family under the HAP contract will terminate at the end of the calendar month that follows the calendar month in which the PHA gives such notice to the owner.

**5. ADJUSTMENT OF RENT TO OWNER**

**a. PHA Determination of Adjusted Rent**

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. The amount of the rent to owner may be adjusted up or down, in the amount determined by the PHA.

**b. Maximum Rent**

Rent to owner for each contract unit, as adjusted from time to time by the PHA in accordance with this section, may at no time exceed reasonable rent, as determined by the PHA, charged for comparable units in the private unassisted market.

**c. No Special Adjustments**

The PHA will not make any special adjustments of the rent to the 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 housing quality standards, 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:

1. Performing all management and rental functions for the contract units.
2. Enforcing tenant obligations under the lease.
3. Paying for utilities and housing services (unless paid by the family under the lease).
4. Collecting from the tenant:
  - a. Any security deposit.
  - b. The tenant rent.
  - c. 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:

1. All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
2. The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
3. 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.
4. 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.
5. 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.
6. The amount of the housing assistance payment is the correct amount due under the HAP contract.
7. The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
8. 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.
9. 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**

1. The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the housing quality standards, including performance of ordinary and extraordinary maintenance.
2. The owner must provide all the services, maintenance and utilities set forth in Exhibit B, and in the lease with each assisted family

**b. PHA Inspection**

The PHA may inspect the contract units and the premises annually, and at any time the PHA deems necessary to assure that the contract units and premises are in accordance with the housing quality standards and that the owner is providing the maintenance, utilities and other services in accordance with the leases and the HAP contract. The PHA shall give the owner reasonable notice of the annual inspection.

**c. Violation of Housing Quality Standards.**

1. If the PHA determines a contract unit is not in accordance with the housing quality standards, 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. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.

2. The PHA shall not make any housing assistance payment for a dwelling unit that fails to meet the housing quality standards, 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.
2. The owner may apply its own admission standards 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.
3. The PHA must determine the family eligibility in accordance with HUD requirements.
4. The contract unit leased to each family must be appropriate for the size of the family under the PHA’s subsidy standards.
5. 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.
6. 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 vacancies occur, the PHA may give notice to the owner amending Exhibit A of 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 a period of 120 or more days since owner notice of vacancy.

**10. TENANCY**

**a. Lease**

The lease between the owner and each assisted family must be in accordance with HUD requirements. The lease must include word-for-word all provisions required by HUD. (See Tenancy Addendum, Exhibit D)

**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 and 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 the 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.

**d. Other Owner Changes**

1. The lease may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not ground for termination of tenancy.
2. 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. 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.

4. 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 tenant.

**11. OVERCROWDED AND UNDEROCCUPIED UNITS**

If the PHA determines that a contract unit is not decent, safe and sanitary because of an increase in the family size which causes the unit to be overcrowded, or that a contract unit is larger than appropriate, under the PHA's subsidy standards, for the size of the family in occupancy, the owner must offer the family a suitable unit as soon as one becomes vacant and ready for occupancy, and the owner must require the family move.

**12. PROHIBITION OF DISCRIMINATION**

1. 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, creed, religion, sex, national origin, disability or familial status (i.e. because the family includes children).
2. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3610-3619) and implementing regulations at 24 CFR parts 100, et seq.; Executive Orders 11063, 12259, and 12892 (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d – 2000d-4) (prohibition of discrimination in Federally-assisted programs) and implementing regulations of 24 CFR part I; 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) (prohibition of discrimination because of disability) and implementing regulations at 24 CFR part 8; Executive Orders 11625, 12138 and 12432 (promoting minority and womens' business enterprise); title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) (prohibition of employment discrimination because of disability) and the fair housing advertising poster guidelines at 24 CFR part 110.
3. 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.

**13. 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.

**14. 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:
  - 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-assisted mortgage.
6. If 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 the 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.

**15. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA**

**a. Required Information**

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

**b. PHA and HUD Access to Premises**

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

**16. 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.

**17. 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, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to the housing choice voucher program, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the HAP contract.
2. HUD may waive this provision for good cause.

**b. Disclosure**

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

**c. Interest of Member of or Delegate to Congress**

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

**18. EXCLUSION FROM FEDERAL PROGRAMS**

**a. Federal Requirements**

The owner must comply with and is subject to requirements of 24 CFR Part 24, concerning debarment, suspension and limited denial of participation.

**b. Disclosure**

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; and none of such parties are debarred, suspended or subject to a limited denial of participation under 24 CFR part 24.

**19. 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 of 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 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 the 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 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 or subject to a limited denial of participation under 24 CFR part 24, or is listed in the U.S. General Service Administration list of parties excluded from Federal procurement or non-procurement programs.

**20. OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE**

**a. Owner Disclosure**

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

**b. Limit of Payments**

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

**21. OWNER LOBBYING CERTIFICATIONS**

1. The owner certifies, to the best of owner's knowledge and belief, that:
  - a. 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.
  - b. 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.
2. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

**22. NOTICES AND OWNER CERTIFICATIONS**

1. Where the owner is required to give any notice to the PHA pursuant to the HAP contract, such notice must be in writing, and must be given in the form and manner required by the PHA.
2. 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 made or entered into.

**23. HUD REQUIREMENTS**

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.

**24. ENTIRE AGREEMENT**

The HAP contract, including the exhibits, is the entire agreement between the PHA and the owner. No changes in the HAP contract may be made except in writing signed by both the owner and the PHA.

**Exhibit A**  
**Description of the Contract Units**

**Fitch Mountain Terrace II**

<b>Bedroom Size</b>	<b>Address</b>	<b>Initial Rent to Owner</b>
One	715A Heron Road Healdsburg, CA 95448	\$800
One	715B Heron Road Healdsburg, CA 95448	\$800
One	717A Heron Road Healdsburg, CA 95448	\$800
One	717B Heron Road Healdsburg, CA 95448	\$800
One	721A Heron Road Healdsburg, CA 95448	\$800
One	723B Heron Road Healdsburg, CA 95448	\$800
One	727A Heron Road Healdsburg, CA 95448	\$800
One	727B Heron Road Healdsburg, CA 95448	\$800
One	729B Heron Road Healdsburg, CA 95448	\$800
One	731A Heron Road Healdsburg, CA 95448	\$800

**Exhibit B**  
**Services, Maintenance, and Utilities**  
**To be Provided by the Owner**

**Services:** See Lease Agreement (Exhibit C)

**Maintenance:** The owner must do maintenance work necessary to keep the rental units in compliance with HUD Housing Quality Standards. See Lease Agreement (Exhibit C) for Tenant/Owner responsibilities.

**Utilities Provided by the Owner:** Water, sewer, garbage

**Appliances Provided by the Owner:** Refrigerator and stove

# Exhibit C

## BURBANK HOUSING MANAGEMENT CORPORATION RESIDENTIAL LEASE

**PROJECT NAME:** \_\_\_\_\_

This residential lease is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between Burbank Housing Management Corporation (BHMC), authorized agent of the owners of the Premises (authorized agent is hereinafter referred to as "we" or "us") and \_\_\_\_\_

as Resident(s) (hereinafter referred to as "you"). We lease to you and you rent from us the premises, described as follows:

A \_\_\_\_\_ bedroom dwelling unit designated as unit number \_\_\_\_\_ or residence address: \_\_\_\_\_ (the Premises) of \_\_\_\_\_ (the Project) located at \_\_\_\_\_, California, together with its equipment, fixtures, accessories, and the following appliances and furnishings:

Stove \_\_\_\_\_, refrigerator \_\_\_\_\_, blinds \_\_\_\_\_, dishwasher \_\_\_\_\_.

This lease is subject to the following terms, conditions, covenants, and agreements:

1. **Regulations.** This lease and your occupancy of the Premises are governed by the Program Regulations (the "regulations") of the: (check all that apply)

- a. California Housing Finance Agency ("CHFA") \_\_\_\_\_
- b. Tax Credit Allocation Committee ("TCAC") \_\_\_\_\_
- c. Rental Housing Construction Program ("RHCP") \_\_\_\_\_
- d. Other \_\_\_\_\_

If any terms of this lease are inconsistent or in conflict with regulations applicable to the Project, then the regulations shall control. A copy of the regulations governing your apartment is available for inspection by you during normal business hours at our office or may be obtained by writing:

Burbank Housing Management Corporation  
790 Sonoma Avenue  
Santa Rosa, CA 95404  
Ph. 707-526-9733

2. **Term.** This lease will begin on \_\_\_\_\_, 20\_\_\_\_ (the "effective date") and will end on \_\_\_\_\_, 20\_\_\_\_. After the initial term ends the agreement will continue for successive terms of one (1) month each or until terminated by either you or us as provided in this lease. The prorated rent for the first month will be \$ \_\_\_\_\_, which was calculated on a per-day basis, using 30 days per month.

3. **Rent.**

A. The initial rent for the Premises is \$ \_\_\_\_\_ per month to be paid by or on behalf of you to us at the following address: \_\_\_\_\_

Telephone: \_\_\_\_\_

initials _____	initials _____
initials _____	initials _____

Rent shall be paid in advance on or before the **first (1st) day of each month** and is late if not paid by the 5th day of the month. If rent is not paid on the 5th, you will be charged a late rent charge of \$\_\_\_\_\_. The late charge period is not a grace period, and we are entitled to make written demand for any rent unpaid on the second day of the rental period. You also agree to pay a charge of \$\_\_\_\_\_ for each dishonored check.

- B. We will adjust the initial rent described above annually, except that the first year adjustment may occur within less than 12 months to coincide with the Project's fiscal year. We will provide you with at least 30 days' written notice prior to the effective date of any rent adjustment. We may also adjust the rent described in Section 3 sooner than annually if we determine that the rent has been calculated incorrectly.
- C. Rent shall be paid by check or certified funds (cashier's check or money order) only. **Late rent shall be paid by certified funds only.** No cash will be accepted. We will accept rent checks only from you. Checks from third parties will be returned. If two rent checks are returned for insufficient funds in any 12-month period, rent shall be paid by **certified funds only** for the following 12 month period.
- D. Any money tendered, and designated as rent, will first be applied to late fees, NSF fees, Maintenance fees, or other outstanding monetary obligations.

**4. Income Certification and Recertification.**

Your eligibility to occupy the Premises is based on information that you have provided to us regarding your household income and assets. Each year, you agree to provide updated information on a form we provide you, as required to meet the recertification needs of the Project's applicable regulations. You agree that all such information regarding household income and assets provided to us is true, complete, and correct to the best of your knowledge. You further agree that failure to provide such information, or providing false or misleading information, may result in the termination of your occupancy and eviction from the Premises. You agree that all information supplied by you shall be subject to inspection by representatives from the appropriate program(s).

If, upon recertification, your household composition changes or income exceeds BHMC's or the subsidy program(s) limits, you may be required to move to another unit, be given six (6) months notice to vacate or be required to pay the maximum rent allowable under the program(s) guidelines that govern your property or unit. Your landlord will notify you which requirement applies to your household.

- 5. **Security Deposit.** You will pay to us in advance of occupying the Premises a security deposit in the amount of
- 6. \$\_\_\_\_\_, which shall not exceed the rent for two months. This deposit will be accounted for upon the final surrender of possession of the unit by you and any and all subsequent certified subtenants. Any refund check due will be made payable to the last existing certified tenants in the unit. We may apply the deposit after you vacate the Premises for cleaning or to repair any loss or damage caused by you or your guests to the Premises or any portion of the Project other than normal wear and tear. We also may apply the deposit for the payment of rent due and owing from you. Within twenty-one (21) days after you vacate the Premises, we will repay the security deposit, less any amounts deducted, to you at your forwarding address or such other address as you may designate. At the same time, we will provide you with a written itemized statement describing the reason for and the cost of any deductions from the deposit.

initials _____	initials _____
initials _____	initials _____

Received from: \_\_\_\_\_  
 the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), evidenced by \_\_\_\_\_  
 which, upon acceptance of this residential lease, we will apply as follows:

	<b>Amount Received:</b>	<b>Balance Due:</b>
Rent for the period of _____ through _____	\$ _____	\$ _____
Security deposit	\$ _____	\$ _____
<b>TOTAL:</b>	<b>\$ _____</b>	<b>\$ _____</b>

6. **Utilities.** You will pay for your telephone service and the following utilities, including all fees, deposits, and charges therefore:

- Gas \_\_\_\_\_
- Electric \_\_\_\_\_
- Cable \_\_\_\_\_
- Other \_\_\_\_\_

We will pay all other utility bills.

You will contact the utility company prior to move-in to have the above services put in your name not later than one (1) business day following move-in.

7. **Use.**

A. The Premises shall be used as a private dwelling, as your primary residence, and for no other purpose. The Premises shall be occupied only by members of your household consisting of \_\_\_\_\_ adults (anyone 18 years of age or older) and \_\_\_\_\_ children (anyone under 18 years of age) with the following names. **You must inform us in writing and receive written approval from us prior to allowing another person to reside in the unit.** The approved tenants of the Premises are:

Name	Age	Name	Age
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. No additional person may occupy the premises without our prior written approval. You shall not have overnight guests stay at the premises for more than seven (7) consecutive days or more than (15) total days in any six (6) month period without prior written permission.

C. The applicable regulations and BHMC guidelines set forth occupancy standards as to unit and household size. If, as a result of a change in the number of persons in your household, your household size decreases to below the minimum, or increases to above the maximum allowed under the occupancy standards for your unit size, we may require that you move to a unit of appropriate size for your household or vacate the project.

initials _____	initials _____
initials _____	initials _____

- 8. **Compliance with Law.** You shall comply with all laws, statutes, ordinances, and requirements of all city, county, state and federal authorities now or later in force pertaining to the use of the Premises.
- 9. **Maintenance.** Except as may be set forth elsewhere in this lease, you agree that, as of the delivery of possession, the Premises are in good working order and repair. We may, at any time prior to your entry into possession, give you a detailed inventory of all fixtures and furnishings in the Premises. The inventory shall be completed and signed by you and us concurrently with this lease and attached hereto as "Exhibit A."

You shall keep the Premises and all equipment, fixtures, accessories, furnishings and appliances in a clean, sanitary, and safe condition. If you or your guests cause or permit any damage to occur to the Premises or the Project, you shall be liable for the cost to repair such damage: we will bill you and you must repay us within thirty (30) days. Where damage or disrepair is not the responsibility of you or your guests, we will repair and maintain the Premises, and its equipment, fixtures, accessories, furnishings and appliances in accordance with applicable state and local laws concerning the condition of premises and common areas. You shall be responsible for any windows or screens that are damaged or lost during your residency.

- 10. **Remodeling and Alterations.** You shall not undertake any remodeling, redecoration, or alteration to wall, ceiling or floor coverings, including painting and wallpapering, in the Premises without receiving our prior written permission.

You shall not change, add, re-key or alter any lock on the premises without our prior written consent. Nails, tacks, brads or screws shall not be driven into the woodwork, doors, walls, ceilings or floors of the property, without our prior written approval.

Any drape or curtain rod, bracket or track, or, any blind, carpeting, lighting fixture or any other item whatsoever installed in or upon the premises shall become a part of the realty and shall not be removed unless you obtain our prior written approval.

We reserve the right to require you to remove any or all improvements or alterations made by you, even if approved by us, upon the termination of the tenancy. If so instructed, you shall return the premises to their original condition at your expense and to our satisfaction.

- 11. **Entry and Inspection.** We reserve the right to enter and inspect the premises after giving notice in writing to you for:
  - A. Making necessary or agreed-upon repairs, alterations, or improvements;
  - B. Inspecting for compliance with the terms of this lease;
  - C. Showing the Premises to prospective lenders, purchasers, residents, contractors, or repair workers, or representatives from any governing program;
  - D. Performing contracted pest control services;
  - E. Conducting annual and any other inspections.

initials _____	initials _____
initials _____	initials _____

Twenty-four (24) hours or more shall be considered reasonable notice for the purpose of entry and inspection. In addition, we may enter the Premises without notice if necessary in an emergency, including, without limitation, the occurrence of fire or flooding.

12. **Smoke Detectors.** The Premises are equipped with smoke detector(s). You acknowledge that each smoke detector was tested and its operation explained to you by us at the time of your initial occupancy and that each smoke detector in the Premises was working properly at the time. You agree to inspect and test each smoke detector monthly; to notify us promptly in writing of any defects or malfunctions; and to not remove, dismantle, or otherwise render the smoke detector(s) inoperable.

13. **Rules.** You shall comply with written Community Policies we issue regarding use of the Premises and common areas. Any amendment to the rules shall be in writing and effective thirty (30) days after notice of the changes has been given to you. You shall not cause or permit on the Premises or in common areas, excessive noise or any other activity that disturbs the peace and quiet of other residents or neighbors. You shall not cause or permit any activity constituting a nuisance on or about the Premises or the common area or any activity that adversely affects the health or safety of any person, nor shall you interfere with the management of the Premises. By initialing as provided, you acknowledge receipt of a copy of the Community Policies Agreement, a copy of which is attached hereto as "Exhibit B," and made a part of this lease. Initials \_\_\_\_\_

14. **Your Obligations.** You agree to:

- A. Comply with all obligations imposed upon you by applicable provisions of state and local building codes materially affecting health and safety;
- B. Keep the Premises and such other areas as may be assigned for your exclusive use in a decent, clean, sanitary, and safe condition, and the inside of Premises maintained according to acceptable housekeeping standards;
- C. Dispose of all garbage, rubbish, and other waste from the Premises in a sanitary and safe manner;
- D. Refrain from and agree not to cause or permit any illegal activity on the Premises or in the Project or any activity which impairs the physical or social environment of the Premises;
- E. Use only in a reasonable manner, and in a manner designed to conserve gas and electricity, the electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances;
- F. Promptly notify us of the need for repairs to the Premises and known unsafe conditions in the common areas and grounds of the Project, which may lead to damage or injury;
- G. Refrain from, and cause your household and guests to refrain from destroying, defacing, or removing any part of the Premises or Project, including tampering with or disabling smoke detectors or placing contact paper, decals, or paint anywhere in the Premises or the Project;
- H. Pay for the repairs or damages to the Premises, Project building, facilities, or common areas that you or your household or guests intentionally or negligently cause, normal wear and tear excepted;
- I. Conduct and cause other persons who are on the Premises with your consent to conduct themselves in a manner which will not disturb neighbors' peaceful enjoyment of their accommodations and to maintain a

initials _____	initials _____
initials _____	initials _____

decent, safe, and sanitary condition at the Project (this means you must control the behavior and conduct of your guests);

- J. Park, and cause guests to park, only in assigned parking areas, and not park in common driveways or lawn areas, and not block access to other residents' vehicles or emergency vehicles;
- K. Comply with the written rules described in Section 13 above.

15. **Criminal & Drug Policy.** Any of the following types of criminal activity by you, any member of your household, or a guest or person under your control shall be cause for termination of tenancy:

- A. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
- B. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
- C. Any drug-related criminal activity on or near the premises.

16. **Our Obligations.** We agree to:

- A. Comply with the requirements of applicable state and local building and housing codes and regulations materially affecting health and safety;
- B. Within a reasonable time, make or cause to be made necessary repairs to the premises to keep them in a habitable condition;
- C. Keep project building, facilities, and common areas, not otherwise assigned to you for maintenance and upkeep, in a clean and safe condition; and
- D. Maintain in good and safe working order and condition electrical, plumbing, sanitary, heating, ventilating, and other facilities and appliances supplied or required to be supplied by us.

17. **Termination and Eviction.**

- A. You may terminate your tenancy in the Premises after the initial lease period, by giving thirty (30) days written notice to us. If you do not give the full 30 days notice, you shall be liable for rent up to the end of the 30 days for which notice was required or to the date your unit is re-rented, whichever comes first. You agree to vacate the Premises, remove all your personal property, and leave the Premises clean and in good repair, on or before the final day given in your notice or no later than 30 days after the date of such notice, whichever is first.
- B. We may terminate this lease, and if necessary, evict you if:
  - (i) You fail to move out of the Premises on or before the effective day of termination given in the notice required in subsection A. above, which requires no additional notice;

initials _____	initials _____
initials _____	initials _____

- (ii) You fail to pay rent or any other financial obligation under the lease after expiration of a Ten Day Notice to Pay Rent or Quit;
- (iii) You or your guests create a nuisance or engage in any behavior which adversely affects the health, safety, or quiet enjoyment of any resident or visitor to the Property, or you engage in any illegal activity in or about the Premises, including but not limited to the possession or use of controlled substances or crimes of physical violence, including domestic violence. This behavior may result in service of a Three Day Notice to Terminate Tenancy;
- (iv) You materially breach the terms of this lease. A material breach includes the following and will result in a Thirty-Day Notice:
  - a. Three (3) or more "late" rent payments (defined as received after the fifth (5th) day of the month) within any six- (6) month period; or
  - b. Failure to reimburse us within thirty (30) days for repairs required to maintain the Premises (Section 9 of this lease); or
  - c. A breach resulting in damages to the Premises or any other portion of the Project; or
  - d. A breach, which interferes with our responsibilities;
- (v) You fail or refuse to provide the income, asset or household size information upon "income verification" required by Section 4 of the lease or intentionally provide false or incomplete information.
- (vi) You fail to fulfill the obligations of the lease; or
- (vii) If, after recertification, you become income ineligible for the Premises, you shall vacate the premises no later than six months from such recertification.

**18. Grievance and Appeal Procedure.** We have adopted a procedure for the resolution of disputes arising out of this lease or your occupancy of the Premises. The procedure establishes your right to a hearing on grievances related to your occupancy and appeal of certain of our decisions regarding your occupancy, including notices of termination and eviction. By initialing as provided, you acknowledge receipt of such procedure upon occupancy.

\_\_\_\_\_  
(Initials)

**19. Sublease or Assignment.** You shall not sublease or assign this lease or any portion thereof. If you attempt to sublease or assign this lease, any such sublease shall be null and void and no right to occupy the Premises shall arise therefrom.

**20. Joint Responsibility.** You must be 18 years of age or older or an emancipated minor not under the care of a parent or guardian to sign this lease. You acknowledge that this lease is between us and each person executing this lease jointly and severally. In the event of default by any one, each and every remaining person who executed the lease shall be responsible for payment of the total rent stated in Paragraph 3, or as amended as provided in Paragraph 4, and all other provisions of this lease.

initials _____	initials _____
initials _____	initials _____

21. **Hold Harmless and Waiver.** We do not provide insurance for your personal property. We recommend that you purchase a Renter's Insurance Policy protecting your belongings. You agree to indemnify and hold us harmless and in no way accountable for any liability for personal injury or property damage incurred by you or any other person on the Premises with your consent except as may be caused by our negligence.
22. **Possession.** If we are unable to deliver possession of the Premises at the time this lease begins, we shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but you shall not be liable for rent until possession is delivered. You may terminate this lease by written notice to us if possession is not delivered within three days of the beginning of the term of the lease.
23. **Waiver.** No failure by us to enforce any term of this lease shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of our right to the full amount of rent.
24. **Additional Lease Provisions.** Additional provisions are incorporated and attached to this lease as Exhibit(s) Community Policies; Grievance & Appeal Procedures; Crime-Free Lease Addendum; LIHTC Lease Rider; Mold Addendum; Pest Control Addendum; Move-In Inspection.
25. **Acknowledgment.** As consideration for your continued fulfillment of the terms and conditions of this lease, we agree that you may, during the effective period of this lease, have and enjoy the use of the Premises described above.
26. **Governing Law.** The validity, meaning and effect of this lease shall be determined in accordance with California law. In the event that any clause of this lease shall be found by a court of law to be invalid, only said clause will be void and not the entire lease.
27. **Abandoned Property:** If you abandon or vacate the property, while in default of the payment of rent, we may consider any property left on the Premises to be abandoned and may dispose of the same in any manner allowed by law. In the event we reasonably believe that such abandoned property has no value, it may be discarded. All property on the Premises is hereby subject to a lien in favor of us for the payment of all sums due hereunder, to the maximum extent allowed by law.
28. **Notices.** Any notice which either party may give or is required to give, may be given by mailing the same or by personal delivery to you at the premises or to us at the address shown herein or at such other places as may be designated by the parties from time to time.

Burbank Housing Management Corporation  
 790 Sonoma Avenue  
 Santa Rosa, CA 95404  
 707-526-9733

initials _____	initials _____
initials _____	initials _____

**Notice: Megan's Law.** The California Department of justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

Agent for: \_\_\_\_\_  
 Property Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_  
 By: \_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Title \_\_\_\_\_ Date \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

initials _____	initials _____
initials _____	initials _____

# Exhibit D



## Tenancy Addendum

### Section 8 Project-Based Voucher Program

---

#### 1. Section 8 Project-Based Voucher Program

- A. The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the Section 8 Project-Based Voucher program of the United States Department of Housing and Urban Development (HUD).
- B. The owner has entered into a Housing Assistance Payment Contract (HAP contract) with the PHA under the Project-Based Voucher program. Under the HAP contract, the PHA will make housing assistance payments to the owner to assist the tenant in leasing the unit from the owner.

#### 2. Lease

- A. The owner has given the PHA a copy of the lease, including any revisions agreed by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with all provisions of the HAP contract and that the lease includes the Tenancy Addendum.
- B. The tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is any conflict between the Tenancy Addendum and any other provisions of the lease, the language of the Tenancy Addendum shall control.

#### 3. Use of Contract Unit

- A. During the lease term, the family will reside in the contract unit with assistance under the Project-Based Voucher program.
- B. The composition of the household must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.
- C. The contract unit may only be used for residence by the PHA-approved household members. The unit must be the family's only residence. Members of the household may engage in legal profitmaking activities incidental to primary use of the unit for residence by members of the family.
- D. The tenant may not sublease or let the unit.
- E. The tenant may not assign the lease or transfer the unit.

#### 4. Rent to Owner

- A. The initial rent to owner may not exceed the amount approved by the PHA in accordance with HUD requirements.
- B. Changes in the rent to owner shall be determined by the provisions of the lease. However, the owner may not raise the rent during the initial term of the lease.
- C. During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:
  - (1) The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or
  - (2) Rent charged by the owner for comparable unassisted units in the premises.

#### 5. Family Payment to Owner

- A. The family is responsible for paying the owner any portion of the rent to owner that is not covered by the PHA housing assistance payment.
- B. Each month, the PHA will make a housing assistance payment to the owner on behalf of the family in accordance with the HAP contract. The amount of the monthly housing assistance payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 Project-Based Voucher program.
- C. The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.
- D. The tenant is not responsible for paying the portion of rent to owner covered by the PHA housing assistance payment under the HAP contract between the owner and the PHA. A PHA failure to pay the housing assistance payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of the PHA housing assistance payment.
- E. The owner may not charge or accept, from the family or from any other source, any payment for rent of the unit in addition to the rent to owner. Rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease.

F. The owner must immediately return any excess rent payment to the tenant.

**6. Other Fees and Charges**

- A. Rent to owner does not include cost of any meals or supportive services or furniture which may be provided by the owner.
- B. The owner may not require the tenant or family members to pay charges for any meals or supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- C. The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

**7. Maintenance, Utilities, and Other Services**

**A. Maintenance**

- (1) The owner must maintain the unit and premises in accordance with HQS.
- (2) Maintenance and replacement (including redecoration) must be in accordance with standard practice for the building concerned as established by the owner.

**B. Utilities and appliances**

- (1) The owner must provide all utilities needed to comply with the HQS.
- (2) The owner is not responsible for a breach of the HQS caused by the tenant's failure to:
  - (a) Pay for any utilities that are to be paid by the tenant.
  - (b) Provide and maintain any appliances that are to be provided by the tenant.

C. **Family damage.** The owner is not responsible for a breach of the HQS because of damages beyond normal wear and tear caused by any member of the household or by a guest.

D. **Housing services.** The owner must provide all housing services as agreed to in the lease.

**8. Termination of Tenancy by Owner**

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

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

- (1) Serious or repeated violation of the lease;
- (2) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
- (3) Criminal activity or alcohol abuse (as provided in paragraph c); or
- (4) Other good cause (as provided in paragraph d).

**C. Criminal activity or alcohol abuse.**

- (1) The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:
  - (a) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
  - (b) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residence by, persons residing in the immediate vicinity of the premises;
  - (c) Any violent criminal activity on or near the premises; or
  - (d) Any drug-related criminal activity on or near the premises.
- (2) The owner may terminate the tenancy during the term of the lease if any member of the household is:
  - (a) Fleeing to avoid prosecution, or custody of confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
  - (b) Violating a condition of probation or parole under Federal or State law.
- (3) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.
- (4) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

**D. Other good cause for termination of tenancy**

- (1) During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.
- (2) During the initial lease term or during any extension term, other good cause includes:
  - (a) Disturbance of neighbors
  - (b) Destruction of property, or
  - (c) Living or housekeeping habits that cause damage to the unit or premises.
- (3) After the initial lease term, such good cause includes:
  - (a) The tenant's failure to accept the owner's offer of a new lease or revision;
  - (b) The owner's desire to use the unit for personal or family use or for a purpose other than use as a residential unit; or
  - (c) A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).

**E. Eviction by court action.** The owner may only evict the tenant by a court action.

**F. Owner notice of grounds**

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

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

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

**10. PHA Termination of Assistance**

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

**11. Family Move Out**

The tenant must notify the PHA and the owner before the family moves out of the unit.

**12. Security Deposit**

- A. The owner may collect a security deposit from the tenant. (However, the PHA may prohibit the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charges by the owner to unassisted tenants. Any such PHA-required restriction must be specified in the HAP contract).
- B. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease.
- C. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.
- D. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

**13. Prohibition of Discrimination**

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status or disability in connection with the lease.

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

- A. The terms of the Tenancy Addendum are prescribed by HUD in accordance with Federal law and regulation, as a condition for Federal assistance to the tenant and tenant's family under the Section 8 Project-Based Voucher program.
- B. In case of any conflict between the provisions of the Tenancy Addendum as required by HUD, and any other provisions of the lease or any other agreement between the owner and the tenant, the requirements of the HUD-required Tenancy Addendum shall control.

## 15. Changes in Lease or Rent

- A. The tenant and the owner may not make any change in the Tenancy Addendum. However, if the tenant and the owner agree to any other changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must be in accordance with the requirements of the Tenancy Addendum
  - B. In the following cases, Project-Based assistance shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements.
    - (1) If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
    - (2) If there are any changes in lease provisions governing the term of the lease;
    - (3) If the family moves to a new unit, even if the unit is in the same building or complex;
  - C. PHA approval of the tenancy, and execution of a new HAP contract, are not required for agreed changes in the lease other than as specified in paragraph B.
  - D. The owner must notify the PHA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and the amount of the rent to owner following any such agreed change may not exceed the reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements.
16. **Notice** – Any notice under the lease by the tenant to the owner or by the owner to the tenant must be in writing.

## 17. Definitions

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

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

**HAP contract.** The housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1.b of the HAP contract).

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

**Housing quality standards (HQS).** The HUD minimum quality standards for dwelling units occupied by families receiving project-based assistance under the housing choice voucher program assisted under the PBA program.

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

**HUD requirements.** HUD requirements which apply to the housing choice voucher program (42 U.S.C. 1437f(o)). HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

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

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

**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 offices 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.** Project-based assistance under the housing choice voucher program (see authorization for project-based assistance at 42 U.S.C. 1437 (o)(13)).

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

**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.