

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

**Rental Assistance Demonstration (RAD)
for the Conversion of Public Housing to the
Section 8 Project-Based Voucher (PBV) Program¹**

PART 1 OF HAP CONTRACT

1. CONTRACT INFORMATION

a. Parties

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

Housing Authority of the County of San Bernardino _____ (Contract
Administrator) (CA)² and

Waterman Gardens Partners 2, L.P. _____ (owner).

b. Contents of contract

The HAP Contract consists of Part 1, Part 2, and the Contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP Contract includes the following exhibits:

**EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS
HAP CONTRACT; INITIAL RENT TO OWNER; AND THE
NUMBER AND DESCRIPTION OF THE CONTRACT UNITS.
(See 24 CFR 983.203 for required items.) If applicable as the result
of Tenant-Paid Utility Savings in accordance with the provision of
the RAD Notice governing such savings for Project Based
Voucher Conversions (i.e., Attachment 1C of the RAD Notice), or**

¹ This form merges HUD 52530A and HUD 52621

² In Public Housing to PBV conversions, the Contract Administrator will be the Public Housing Agency that executes the HAP Contract with the Owner and administers the voucher funding under the Consolidated Annual Contributions Contract with HUD.

successor provision, Exhibit A to this HAP Contract shall contain both the initial and revised rent to owner for each contract unit.

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 UTILITIY 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

EXHIBIT E: ADDENDUM TO THE HAP CONTRACT – LABOR STANDARDS

ADDITIONAL EXHIBITS

d. Term of the HAP Contract

1. Beginning of Term

The Contract begins on _____.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP Contract for any contract unit is 20 years.
- b. The initial term of the HAP Contract for any unit may not be less than 15 years, and may be for a term of up to 20 years upon the request of the Owner and with the approval of the CA.

3. Contract Administrator's Obligation to Offer to Renew and Owner Obligation to Accept Offers to Renew

The CA and the Owner acknowledge and agree upon expiration of the initial term of the HAP Contract, and upon each renewal term of the HAP Contract, the CA shall offer to renew the HAP Contract and the Owner shall accept each offer to renew the HAP Contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal.

4. Funding of PBV HAP Contract

- a. **Funding for the Year of Conversion.** In the Year of Conversion, the HAP Contract shall be funded only from public housing amounts obligated prior to the effective date of the HAP Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriated funding, for the remainder of the calendar year in which the HAP Contract becomes effective. Owner acknowledges that this amount for the first year may be less than the contract rent for subsequent years.³
- b. **Funding for remainder of the initial term and any renewal term.** Starting in the First Full Year and in each subsequent year in which the HAP Contract is effective, for the remainder of the initial term and any renewal term, subject to the availability of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the CA's Consolidated Annual Contributions Contract with HUD, the CA will make full payments of housing assistance payments due to an Owner for any contract year in accordance with the HAP Contract. The availability of sufficient funding must be determined by HUD or the CA 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 CA 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 CA 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 CA 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 CA determines that the vacancy is the Owner's fault.

2. Vacancy payment

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

³ Note that new definitions of First Full Year, HUD requirements and Year of Conversion are added to Section 2 of Part 2 of the HAP Contract.

- a. If an assisted family moves out of a Contract unit, the CA may provide vacancy payments to the Owner for a CA-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 CA, 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 only cover the period the unit remains vacant.
- c. The CA may only make vacancy payments to the Owner if:
 1. The Owner gives the CA 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 CA to verify that the Owner is entitled to the vacancy payment.
- d. The CA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The Owner may refer families to the CA, and recommend selection of such families from the CA waiting list for occupancy of vacant units.
- f. The Owner must submit a request for vacancy payments in the form and manner required by the CA and must provide any information or substantiation required by the CA 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 CA will not make any other payment to the Owner under the HAP Contract. The CA will not make any payment to Owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

f. Non-Applicability of Income Mixing Requirement.

OMB Approval No. 2577-0169

(Exp. 04/30/2018)

OMB Approval No. No. 2502-0612

(Exp. 04/30/2020)

There is no cap on the number of units that may receive PBV assistance in a project.

EXECUTION OF HAP CONTRACT

CONTRACT ADMINISTRATOR (CA) <i>Name of CA (Print)</i>
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
By:
<i>Signature of Authorized Representative</i>
<i>Name and official title (Print)</i> Maria Razo, Executive Director
<i>Date</i>
OWNER <i>Name of Owner (Print)</i>
By: WATERMAN GARDENS PARTNERS 2, L.P.
<i>Signature of Authorized Representative</i>
<i>Name and official title (Print)</i> Michael Finn, Chief Financial Officer of National Community Renaissance of California, sole member and manager of WG Partners 2 MGP, LLC, general partner of Waterman Gardens Partners 2 L.P.
<i>Date</i>