

**Part I**  
**PBRA Housing Assistance Payments Contract**  
 for the Conversion of **Public Housing** to  
 Project-Based Section 8 (Rental Assistance  
 Demonstration Component 1)

**U.S. Department of Housing and  
 Urban Development**  
**Office of Multifamily Housing Programs**

Type of Financing at Time of Conversion:	Section 8 Project Number:	FHA Project Number (if applicable):

This contract is a housing assistance payments contract (HAP Contract) between the United States of America, acting through the Department of Housing and Urban Development (HUD), and

(Owner). The HAP Contract is subject to Notice PIH 2012-32 (HA), as revised or amended from time to time (or any successor document) (“RAD Notice”), including 24 C.F.R. Part 880 (as in effect November 5, 1979, as amended), as modified and as published in Appendix I of Notice PIH 2012-32 (HA).

**1.1 Statutory Authority, Purpose of HAP Contract, and HAP Contract Terminology.**

- (a) **Statutory Authority.** The HAP Contract is entered pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 673 – 675 (Nov. 18, 2011); as amended by the Consolidated Appropriations Act, 2014, Pub. L. No. 113-76, 128 Stat. 635 (Jan. 17, 2014); as further amended by the Consolidated and Further Continuing Appropriations Act, 2015, Pub. L. No. 113-235, 128 Stat. 2757 – 2758 (Dec. 6, 2014), as further amended from time to time; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq.
- (b) **Purpose.** The purpose of the HAP Contract is to effectuate the conversion of Public Housing to a Multifamily Housing project with Project-Based Rental Assistance under section 8 of the Act.
- (c) **Terminology.** Terms in the HAP Contract that are not otherwise defined herein have the definition given in the RAD Notice, including those terms defined in Appendix I of the RAD Notice setting forth 24 C.F.R. Part 880 except as struck in part. Terms that are not defined in the RAD Notice (including Appendix I) shall have the meanings given in 24 C.F.R. Part 5, which applies pursuant to 24 C.F.R. § 880.104(d). In addition, “Year of Conversion” shall mean the time from the effective date of the HAP Contract through the end of that calendar year; “First Full Year” shall mean the first full calendar year of the HAP Contract beginning the year after the calendar year of the effective date.<sup>1</sup>

**1.2 Scope; Assignability of HAP Contract; and HUD Requirements.**

- (a) **Scope of HAP Contract.** The HAP Contract consists of Part I, Part II, and the exhibits identified in section 1.4(d) of the HAP Contract, which are hereby incorporated into and made a part of the HAP Contract.
- (b) **Assignability of HAP Contract.** HUD may assign the HAP Contract at any time to a public housing agency (PHA) for the purpose of PHA administration of the HAP Contract to the extent permitted under

<sup>1</sup> To clarify, in cases in which a project converts in December and the effective date of the Contract is January 1, the Year of the Conversion is the calendar year starting on the effective date and the First Full Year begins the year following.

any Annual Contributions Contract (ACC) between HUD and the PHA. Unless and until HUD assigns the HAP Contract to a PHA, HUD shall be the Contract Administrator (CA) and, in that capacity, a party to the HAP Contract. Upon any assignment of the HAP Contract by HUD to a PHA, the PHA shall assume all the contractual obligations of HUD under the HAP Contract (or of any PHA to which HUD had previously assigned the HAP Contract) and shall replace HUD (or any PHA to which HUD had previously assigned the HAP Contract) as the CA and as a party to the HAP Contract during the ACC term.

- (c) **HUD Requirements.** The HAP Contract shall be construed and administered in accordance with the RAD Notice. With the exception of the provisions of 24 C.F.R. Part 880 and section 8 of the Act that are identified in Appendix I and Appendix II of the RAD Notice, respectively, as inapplicable, the HAP Contract shall further be construed and administered in accordance with all statutory requirements and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements. However, any changes in HUD requirements, except to the extent required by statute, that are inconsistent with the provisions of sections 2.5(a)(1) or 2.8 shall not be applicable.
- (d) **Statutory Changes during Term.** If any statutory change during the term of the HAP Contract is inconsistent with section 2.5(a)(1) or 2.8 of the HAP Contract, and if HUD determines and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of such sections because of such statutory change, then the Contract Administrator or the Owner may terminate the HAP Contract upon notice to the other party. Notwithstanding such termination, the project shall remain subject to the RAD Use Agreement encumbering the property on which the project is located.

### **1.3 Effective Date, Initial Term, and Funding For Initial Term of HAP Contract.**

- (a) **Effective Date and Initial Term.** The HAP Contract begins on \_\_\_\_\_ and shall run for an initial term of twenty (20) years.
- (b) **Funding for Initial Term.**
- (1) **Funding for the Year of Conversion.** In the Year of Conversion (as defined in 1.1(c)), 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 appropriations, 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.
- (2) **Funding for the Remainder of the Initial Term.** Starting in the First Full Year (as defined in section 1.1(c)) and in each subsequent year in which the HAP Contract is effective, subject to the availability of sufficient appropriations, HUD will obligate funding in accordance with this HAP Contract and provide the Owner written notification of (i) the amount of such additional funding, (ii) the approximate period of time within the HAP Contract term to which it will be applied.

### **1.4 Fiscal Year, Project Description, Statement of Services, and Exhibits.**

- (a) **Fiscal Year.** The ending date of each Fiscal Year shall be \_\_\_\_\_.  
(Insert March 31, June 30, September 30, or December 31, as approved by HUD.) The Fiscal Year for the project shall be the 12-month period ending on this date. [However, the first Fiscal Year for the project is the period beginning with the effective date of the HAP Contract and ending on the last day of the Fiscal Year which is not less than 12 months after the effective date.] [Alternative text]
- (b) **Project Description** (Print or type the street address(es) and the number of units by bedroom size.).

(c) **Statement of Services, Maintenance and Utilities Provided by the Owner.**

(1) Services and Maintenance:

(2) Equipment:

(3) Utilities:

(4) Other:

(d) **Exhibits.** The exhibits to the HAP Contract consist of the following:

(1) **Exhibit 1A:** Initial Schedule of Contract Units and Contract Rents;

(2) **Exhibit 1B:** Revised Schedule of Contract Units and Contract Rents (if applicable as the result of Tenant-Paid Utility Savings);

(3) **Exhibit 2:** Affirmative Fair Housing Marketing Plan; and

(4) **Exhibit 3:** Addendum to the HAP Contract—Labor Standards

**1.5 Contract Rent Levels.**

(a) **Initial Contract Rent Levels.** The initial Contract Rent for each contract unit shall be as stated in Exhibit 1A, which is attached to and made a part of the HAP Contract. Initial Contract Rents do not take effect until the First Full Year (as defined in Section 1.1(c)). As of the beginning of the First Full Year, and unless the Contract Rents are revised in accordance with section 1.5(b), the Contract Rent for each bedroom size (i.e., number of bedrooms) shall be the initial Contract Rent as reflected in Exhibit 1A.

(b) **Revised Contract Rent Levels.** 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 Rental Assistance Conversions (i.e., Attachment 1C of the RAD Notice), or successor provision, the revised Contract Rent for

each contract unit shall be as stated in Exhibit 1B, which is attached to and made a part of the HAP Contract, and which shall be adjusted annually, or continue to be adjusted annually, in the manner prescribed in section 2.8 of the HAP Contract. The revised Contract Rents shall become effective on the first day of the month following the date on which HUD approves the cost certification submitted by the Owner after completion of the Work (as defined and set forth in the RAD Conversion Commitment (RCC)).

- (c) **Year of Conversion Contract Rent.** During the Year of Conversion (as defined in Section 1.1(c)), the Owner is due subsidy in the amount described in Section 1.3(b)(1). Contract Rents shall equal such subsidy amounts plus any portions payable by Families in accordance with HUD regulations.

**1.6 Contract Administrator's Obligation to Offer to Renew and Owner's Obligation to Accept Offers to Renew.** The Contract Administrator and the Owner acknowledge and agree that upon expiration of the initial term of the HAP Contract, and upon expiration of each renewal term of the HAP Contract, the Contract Administrator 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.

**1.7 Owner's Obligation to Operate Project.** The Owner agrees to operate the project for the full initial term of the HAP Contract specified in section 1.3(a) and for each renewal term in accordance with the HAP Contract, the RAD Notice, all statutory requirements, and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements.

**1.8 Flood Insurance Applicability.**

- If the preceding box is checked, the Owner agrees that the project will be covered, during the life of the property, regardless of transfer of ownership, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

**Signature Page**

**Warning:** 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

As evidenced by the signature below of their authorized representative, the Owner and HUD hereby agree to the terms of this HAP Contract, the scope of which is set forth in section 1.2(a) of the HAP Contract.

Owner

Name of Owner (Print or Type)

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By: \_\_\_\_\_  
Signature of authorized representative

Name of Signatory (Print or Type)

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Official Title (Print or Type)

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Date (mm/dd/yyyy): \_\_\_\_\_

United States of America  
Secretary of Housing and Urban Development

By: \_\_\_\_\_  
Signature of authorized representative

Name of Signatory (Print or Type)

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Official Title (Print or Type)

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Date (mm/dd/yyyy): \_\_\_\_\_

**Exhibit 1A**

**Initial Schedule of Contract Units and Contract Rents**

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent

**Exhibit 1B**

**Revised Schedule of Contract Units and Contract Rents (if applicable)**  
*[after HUD-Approved Utility Allowances, as revised]*

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent

**Exhibit 2**

**Affirmative Fair Housing Marketing Plan**

Placeholder for “Addendum to the HAP Contract—Labor Standards”