



California Affordable Housing Initiatives, Inc.

## **Complete Package Requirements**

### ***Option 4 – Exempt from OAHP***

Option 4 is for projects that are exempt from referral to OAHP although rents may exceed market. See the Section 8 Renewal Policy Guide, Chapter 6, for additional information on projects that qualify as exceptions.

- Owner signed Attachment 3A-2, Contract Renewal Request Form and Worksheet with Initial or Subsequent Renewal selected (sample attached);
- OCAF Worksheet (sample attached) – *See Complete Package Requirements for an OCAF rent adjustment;*
- Budget-Based Worksheet (sample attached) – *See Complete Package Requirements for a Budget-Based rent adjustment;*
- If FHA-Insured or HUD-held project, an RCS prepared in accordance with Chapter 9 of the Section 8 Renewal Policy Guidebook;
- Owner’s RCS Certification (sample attached);
- Tenant One-Year Notification Letter (sample attached);
- Full Utility Allowance Analysis, if applicable (guidance attached);
- 30-Day Tenant Notification/Comment Letter (sample attached), if applicable;
- Signed Owner’s Certification of Compliance with Tenant Comment Procedures executed after the 30-day comment period has expired (sample attached), if applicable; and
- A completed Rent Schedule (sample attached).



## California Affordable Housing Initiatives, Inc.

NOTE: This list of documents is not exhaustive. Please be advised that other documents may be required for the renewal option selected. Additionally, with the exception of HUD-required forms (e.g. Attachment 3A-2), the sample attachments serve as acceptable templates. You are *not* required to use these documents.

Please submit all Rent Adjustment and Contract Renewal documents via email in pdf format to [signeddocs@cgifederal.com](mailto:signeddocs@cgifederal.com) with a cc to your CAHI Central Contract Specialist. An optional coversheet is available here: [O/A Transmittal](#).

Please contact your CAHI Central Contract Specialist if you have questions about complete package requirements. A listing of our staff including contact information can be found at: <http://cahi.cgigovt.local/Staff.aspx>.

**Contract Renewal  
Request Form  
Multifamily Section 8 Contracts**

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

OMB No. 2502-0533  
(Exp, 11/30/2012 )

**Public reporting burden** for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 106-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

## Cover Sheet

PROJECT NAME

PROJECT ADDRESS

PROJECT OWNER

FHA PROJECT NO.:

TOTAL UNITS IN PROJECT:

TOTAL SECTION 8 UNITS IN PROJECT:

DATE OF SUBMISSION:

DATE RECEIVED BY HUD:

**Section 8 contracts and stages in the project:**

Section 8 Contract Number	Stage Number (if applicable)	Combine (Yes?)	# Units	Expiration Date	Renew (Yes?)
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

**I hereby elect to renew the above-indicated contracts under the following option** (*Check the appropriate box(es) below and provide the corresponding worksheet(s)*):

This is an  **Initial** or  **Subsequent** Renewal of a MAHRA contract.

**OPTION ONE - Request Renewal Under Mark-Up-To-Market Procedures**

**Option One A** Entitlement Mark-Up-To-Market

**Option One B** Discretionary Authority

I hereby request a contract renewal for a \_\_\_\_\_-year term. (A five-year minimum term)

**OPTION TWO - Request Renewal With Rents At or Below Comparable Market Rents And Without Restructuring**

I hereby request a contract renewal for a \_\_\_\_\_-year term. (A maximum 20-year term)

**OPTION THREE - Request Referral to OAHP for: Choose One**

**OPTION THREE-A** - Reduction of Section 8 Rents to Comparable Market Rents without Restructuring (Lite)

**OPTION THREE-B** - Restructure of the mortgage and reduction of Section 8 Rents to Comparable Market Rents (Full)

**OPTION FOUR - Request Renewal of the Contract for Projects Exempted from OAHP**

I hereby request a contract renewal for a \_\_\_\_\_-year term.

**OPTION FIVE - Portfolio Reengineering Demonstration and Preservation Contract Renewals**

**I request a contract renewal of my Demonstration Program Contract.**  
(Based on Use Agreement)

Mortgage Restructuring Demonstration Use Agreement

Budget Based Without Mortgage Restructuring Demonstration Use Agreement

**I request a contract renewal of my Preservation Program Contract.**

I hereby request a contract renewal for a \_\_\_\_\_-year term. (The term may not exceed the remaining term of the recorded Use Agreement.)

**OPTION SIX - Opt-Out of the Section 8 Contract**

**Owner's signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

# RENEWAL WORKSHEET FOR OPTION FOUR

## Request Renewal of Contract for Projects Exempted From OAHF

I hereby request a **RENEWAL** of my contract under Option Four and I am submitting an OCAF Worksheet and a budget calculation to determine which adjustments meets the “lesser of” test. My project is eligible to renew under this option because it falls into one of the following categories (*Please select one of the following*).

- State or Local Government financing. I am submitting:
  - Copies of the original financing documents;
  - The underlying statutory authority which I believe conflicts with a Mark-To-Market restructuring plan; And
  - My bond counsel’s opinion as to the conflict.
- Section 202/8 and/or Section 515/8 Project; and/or a Section 202 loan refinanced pursuant to Section 811 of the American Homeownership and Economic Opportunity Act of 2000
- SRO Moderate Rehabilitation Project; OR
- Section 512(2) of MAHRA  
I am submitting a Rent Comparability Study that shows rents are at or below market.
- Multifamily Housing Project not eligible under Section 512(2) of MAHRA, or
- Risk Sharing Loan provided by qualified state or local housing finance agency.

I understand that **at Renewal**, the rent is set at the **lesser of**:  
The Annual Adjusted Rent Potential of the Expiring Contracts  
(based on the attached OCAF Worksheet), OR   
  
The Section 8 Contract Rent Potential from the budget-based  
rent determination (reflected in the attached budget)

AND

- I have attached the completed OCAF Worksheet (Form HUD 9625):
- I have included a budget and rent schedule completed in accordance with the requirements in HUD Handbook 4350.1.
- I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase. The attached budget and rent schedule was available to tenants upon their request

### I hereby certify that:

- Neither I, nor any of my affiliates, are suspended or debarred OR
- I, or my affiliates, are suspended or debarred and are requesting a contract renewal subject to HUD approval: AND
- This information is true and complete.

**Project Name** \_\_\_\_\_

**Owner’s Name** \_\_\_\_\_

**Owner’s Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

*Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R parts 24, 28 and 30.*

**OCAF Rent Adjustment Worksheet**

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

OMB NO. 2502-0533 (exp. 11/30/2012)

**Multifamily Section 8 Contracts**

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number .

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Project Name:

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Project Address:

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Project Owner

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FHA Project No.

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Total Units in Project:                      Total Section 8 Units In Project

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Date of Submission:                      Date Received by HUD:

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**Step 1:**

Calculate the current Section 8 Rent Potential for EXPIRING contracts

(A)	(B)	(C)	(D)
Unit Type and Contract and/or Stage	# of Units	Current Section 8 Contract Rents	Current Section 8 Rent Potential <b>(B x C)</b>

(E) Monthly Expiring Section 8 Contract Rent Potential  
(Total of column D)

(F) Annual Section 8 Rent Potential for Expiring Contracts  
(E x 12)

**Step 2:**

Calculate Increase Factor Adjusted by OCAF for Expiring contracts

(G)	Total Annual Rent Potential For <b>Non-Expiring Section 8 Contracts</b>	
(H)	Total Annual Rent Potential For Non-Sec. 8 Units	
(I)	Total Annual Project Rent Potential <b>(F + G + H)</b>	
(J)	Expiring Section 8 Portion of Total Project Rent Potential <b>(F ÷ I)</b>	
(K)	Total Annual Project Debt Service	
(L)	Annual Expiring Section 8 Share of Debt Service <b>(J x K)</b>	
(M)	Annual Expiring Section 8 Potential Less Expiring Sec. 8 Share of Debt Service <b>(F - L)</b>	
(N)	OCAF Adjustment	
(O)	Annual Expiring Section 8 Rent Potential Attributed to Operations Multiplied by Published OCAF <b>(M x N)</b>	
(P)	Adjusted Contract Rent Potential <b>(L + O)</b>	
(Q)	Lesser of (P) or Comparable Rent Potential From Rent Comparability Study	
(R)	Increase Factor <b>(Q ÷ F)</b>	

**Step 3:**

Calculate OCAF Adjusted contract Rent Potential for Expiring Section 8 contracts ONLY

(S)	(T)	(U)	(V)	(W)	(X)
Unit Type and Contract and/or Stage	# Units	Current Contract Rents	OCAF Adjusted Rent (R x U)	Annual Adjusted Rent (V x 12)	Adjusted Annual Rent Potential (T x W)

**(Y) Annual Adjusted Rent Potential of the Expiring Contracts(s)**

(total Column X):

I (We) hereby certify that the statements and representations contained in or accompanying this instrument are true, accurate and complete to the best of my (our) knowledge and belief.

Project Name: \_\_\_\_\_

Owner's Name: \_\_\_\_\_

Owner's signature: \_\_\_\_\_ Date: \_\_\_\_\_

**WARNING:** Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to: (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R parts 24, 28 and 30.



# Budget Worksheet

## Income and Expense Projections

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0324  
(exp. 12/31/2014)

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is collected in accordance with Title II of the National Housing Act which requires that HUD regulate rents for certain cooperative and subsidized rental projects. The Department formulated the processes by which owners could request increases. The requirements for tenant participation in the rent increase process, which is included in Section 202(b) of the HCD Amendments of 1978, necessitated that the Department design procedures to give consideration to tenant comments. The information gathered is not of a confidential nature. The information is required in order to obtain benefits.

Project Number		Name of Project			
Description of Account	Acct.No.	Statement of Profit/Loss FY__	Current FY (no. of mos. )	Budget from ( ) to ( )	
<b>Rental Income 5100</b>	Rent Revenue - Gross Potential	5120			
	Tenant Assistance Payments	5121			
	Rent Revenue - Stores and Commercial	5140			
	Garage and Parking Spaces	5170			
	Flexible Subsidy Revenue	5180			
	Miscellaneous Rent Revenue	5190			
	Excess Rent	5191			
	Rent Revenue/ Insurance	5192			
	Special Claims Revenue	5193			
	Retained Excess Income	5194			
<b>Total Rent Revenue Potential at 100% Occupancy</b>	<b>5100T</b>				
<b>Vacancies 5200</b>	Apartment	5220			
	Stores and Commercial	5240			
	Rental Concessions	5250			
	Garage and Parking Spaces	5270			
	Miscellaneous	5290			
	<b>Total Vacancies</b>	<b>5200T</b>			
<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152N</b>				
<b>Income 5300</b>	<b>Nursing Homes/ Assisted Living/ Board &amp; Care/ Other Elderly Care/ Coop/ Other Revenues</b>	5300			
<b>Financial Revenue 5400</b>	Financial Revenue -Project Operations	5410			
	Revenue from Investments-Residual Receipts	5430			
	Revenue from Investments-Replacement Reserve	5440			
	Revenue from Investments-Miscellaneous	5490			
<b>Total Financial Revenue</b>	<b>5400T</b>				
<b>Other Revenue 5900</b>	Laundry and Vending Revenue	5910			
	Tenant Charges	5920			
	Interest Reduction Payments Revenue	5945			
	Gifts (nonprofits)	5970			
	Miscellaneous Revenue	5990			
	<b>Total Other Revenue</b>	<b>5900T</b>			
<b>Total Revenue</b>	<b>5000T</b>				
<b>Admin. Expenses 6200/ 6300</b>	Conventions and Meetings	6203			
	Management Consultants	6204			
	Advertising and Marketing	6210			
	Other Renting Expense	6250			
	Office Salaries	6310			
	Office Expenses	6311			
	Office or Model Apartment Rent	6312			
	Management Fee	6320			
	Manager or Superintendent Salaries	6330			
	Administrative Rent Free Unit	6331			
	Legal Expenses - Project	6340			
	Audit Expenses	6350			
	Bookkeeping Fees/Accounting Services	6351			
	Miscellaneous Administrative Expenses	6390			
<b>Total Administrative Expenses</b>	<b>6263T</b>				

Description of Account	Acct.No.	Statement of Profit/Loss FY__	Current FY (no. of mos. )	Budget from ( ) to ( )
<b>Utilities</b>	Fuel Oil/Coal	6420		
<b>6400</b>	Electricity	6450		
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400T</b>		
<b>Operating &amp; Mainten. Expenses</b>	Payroll	6510		
<b>6500</b>	Supplies	6515		
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage and Trash Removal	6525		
	Security Payroll/Contract	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs and Maintenance	6546		
	Snow Removal	6548		
	Vehicle & Maint. Equip. Oper. and Repair	6570		
	Misc. Operating & Maintenance Expenses	6590		
	<b>Total Operating &amp; Maintenance Expenses</b>	<b>6500T</b>		
<b>Taxes and Insurance</b>	Real Estate Taxes	6710		
<b>6700</b>	Payroll Taxes (Project's share)	6711		
	Property and Liability Insurance (Hazard)	6720		
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance & Other Employee Benefits	6723		
	Misc. Taxes, Licen., Permits, & Insurance	6790		
	<b>Total Taxes &amp; Insurance</b>	<b>6700T</b>		
<b>Financial Expenses</b>	Interest on Mortgage Payable	6820		
<b>6800</b>	Interest on Notes Payable (Long-Term) *	6830		
	Interest on Notes Payable (Short-Term) *	6840		
	Mortgage Insurance Premium/Service Charge	6850		
	Miscellaneous Financial Expenses	6890		
	<b>Total Financial Expenses</b>	<b>6800T</b>		
<b>Expenses</b>	<b>Nursing Homes/ Assisted Living/ Board &amp; Care/ Other Elderly Care/ Coop/ Other Revenues</b>	6900		
<b>6900</b>	<b>Total Cost of Operations</b>	<b>6000T</b>		
	Reserve for Replacements Dep. Required			
	Principal Payments Required			
	Debt Service for other approved loans			
	Debt Service Reserve (if required)			
	General Operating Reserve (Coops)			
	<b>Total Cash Requirements</b>			
	<b>Less Total Revenue</b>			
	<b>Net Cash Surplus (Deficiency)</b>			

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 100, 1012; 31 U.S.C. 3729, 3802)

(Signature)

Date (mm/dd/yyyy)

Date

Property Owner Name

Owner/Agent Name

Address

City, State, Zip code

Re: Contract #

Property Name:

Address:

City, State, Zip Code

Dear California Affordable Housing Initiatives, Inc. (CAHI)

As owner/agent of the property referenced above, I hereby certify that in accordance with Chapter 9, Section 9-16 of the U. S. Department of Housing and Urban Development (HUD) Section 8 Renewal Policy Guide the following statements regarding the Rent Comparability Study commissioned for (Name of Property) are true:

1. As Owner/Agent, I reviewed the content of the Rent Comparability Study (RCS) commissioned for (Name of Property), and conclude that it contains all of the material required in Section 9-16 of the HUD Section 8 Renewal Policy Guide.
2. As Owner/Agent, I certify that the appraiser's narratives and rent grids are accurate in describing the subject property.
3. As Owner/Agent, I certify there are no identity-of-interest conflicts.
4. As Owner/Agent, I certify that:
  - a) neither the appraiser nor his compensation was contingent on reporting a pre-determined rent and:
  - b) the appraiser meets the conditions regarding absence of financial, employment and family relationships.
5. As Owner/Agent, I certify that the fee paid for the RCS is the only compensation the appraiser will receive and that there is no side agreement in place.
6. As Owner/Agent for the property referenced above, HUD or the Contract Administrator should contact should contact (Name \_\_\_\_\_) at (Phone Number \_\_\_\_\_), or via e-mail at (e-mail address) with any questions regarding this RCS.
7. As Owner/Agent, I grant HUD/CA the right to correspond with the appraiser responsible for the RCS at any time.

Sincerely,

Owner/Agent

**THIS NOTICE MUST BE:**

- **Provided to tenants one year prior to the hap contract termination date**
- **On owner's letterhead**
- **Signed**
- **Served directly to each unit in the project or mailed to each tenant (taping the notice to the outside of each unit is not acceptable)**

**ONE-YEAR NOTIFICATION LETTER**

*Owner Intends To Renew*

(Date)

Dear Resident:

The Department of Housing and Urban Development subsidizes the rent of your apartment through the project-based Section 8 program. Federal law requires that owners provide tenants with a one-year notification before the expiration of a Section 8 contract. The Section 8 contract that pays the government's share of your apartment rent at (name of project) expires on (one year from date of this letter).

While there will be no immediate change in your rental assistance, we are required to inform you of our intended actions when the contract expires one year from now.

**This letter is to notify you that we intend to renew the current Section 8 contract when it expires.**

If Congress make funds available, which it has in the past and is expected to in the future, we will renew the Section 8 contract. However, in the unlikely circumstance that we cannot renew our contract, it is our understanding that, subject to the availability of funds, HUD will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance.

If you have any questions or would like information on the Section 8 Program, the following sources may be of assistance:

Contract Administrator: **California Affordable Housing Initiatives, Inc., 505 14th Street, Suite 650, Oakland, CA 94612.**

HUD Field Office:

HUD Website:

Sincerely,

(Owner) \_\_\_\_\_  
(contact info)



## GUIDANCE FOR DETERMINING UTILITY ALLOWANCES

There have been questions raised by all of San Francisco Hub PBCAs and Hub Asset Management staff on how to implement both the [Carol Galante](#) and [Tom Azumbrado](#) policy memos regarding the Owner/Agent (O/A) submittal of the Utility Allowance (UA) Analysis and review and approval of the UA by HUD/PBCA. Following are key requirements in both the policy memos:

- The O/A must submit to the PBCA a UA Analysis with Rent Adjustment and Contract Renewal packages regardless of the increase, decrease, or no change in the amount for each unit type.
- At any time the recently approved UA increases by 10% or more due to increase in utility rates, the O/A must submit to the PBCA a request to adjust the UA. This request for adjustment does not have to be concurrent with the annual Rent Adjustment cycle or Contract Renewal submittal.
- If the O/A determines there should be a decrease in the UA, the O/A must notify the tenants in writing at least 30 days prior to submitting the request to the PBCA for approval and must provide the tenants with the right to participate in and comment on the proposed decrease in the UA. The written tenant notification must be included in the UA Analysis submittal.
- The approved decrease in the UA *can* go lower than the UA levels originally set in the HAP contract per result of the analysis.
- The O/A's best estimate of average monthly utility cost that an energy-conscious tenant will incur for the year can be better achieved by the PBCA recognizing anomalies in the O/A's UA Analysis such as unusually high or low utility consumption (high and low spikes) for each unit type. The PBCA must instruct the O/A's not to consider those high and low spikes in its analysis. If the high and low spikes are present in the analysis submitted by the O/A, the PBCA must not include those spikes in determining the approvable UA levels.
  - If only 3 are looked at, the high/low spikes may not be apparent, but the O/A should not be submitting supporting documentation from the same residents each year.
  - The Tom Azumbrado policy memo limits the number of supporting documentation to the UA Analysis to be submitted by the O/A, which is 10% of all unit types and from the minimum of three (3) to a maximum of twenty (20). The standard practice in requiring supporting documentation should be based on the 10% of all unit types; and



## California Affordable Housing Initiatives, Inc.

- A minimum of three (3) supporting documentation should only be used in recognizing the O/A's best effort and verifiable hardship in acquiring the supporting documentation.
- On small properties where the 10% of all unit types result in just three supporting documentation, the PBCA must strive to not allow the O/A to submit the same supporting documentation from the same residents in every submittal. This is consistent with the intent of determining the average utility consumption from energy-conscious residents. This cannot be ascertained unless supporting documentation is received from other residents. However, the PBCA will be sensitive to the O/A's dilemma and hardship in getting cooperation from both the Utility Company and the residents and will exercise good judgment.
- The UA levels will be based on the PBCA's analysis of the O/A's submittal and cannot be left at the current level if the analysis results in a change of less than 10%. If there is even a \$1 change in UA based on the analysis, the change will proceed.

SAMPLE 30-DAY NOTICE TO TENANT LETTER  
24 CFR 245

Date

Take notice that on *(date)* we plan to submit a request for approval of an increase in the maximum permissible rents for *(name of apartment complex)* to the United States Department of Housing and Urban Development (HUD). The proposed increase is needed for the following reasons:

- 1.
- 2.
- 3.

The rent increases for which we have requested approval are:

# of Bedrooms	Current Rent	Proposed Rent
<i>(insert rent information by bedroom size here)</i>		

A copy of the materials that we are submitting to HUD in support of our request will be available during normal business hours at *(address)* for a period of 30 days from the date of service of this notice for the purpose of inspection and copying by tenants of *(name of apartment complex)* and if the tenants wish, by legal or other representatives acting for them individually or as a group.

During a period of 30 days from the date of service of this notice, tenants of *(name of apartment complex)* may submit written comments on the proposed rent increase to us at *(address)*. Tenant representatives may assist tenants in preparing those comments. (If, at HUD's request or otherwise, we make any material change during the comment period in the materials available for inspection and copying, we will notify the tenants of the change or changes, and the tenants will have a period of 15 days from the date of service of this additional notice (or the remainder of any applicable comment period, if longer) in which to inspect and copy the materials as changed and to submit comments on the proposed rent increase). These comments will be transmitted to HUD along with our evaluation of them and our request for the increase. You may also send a copy of your comments directly to HUD at the following address:

California Affordable Housing Initiatives, Inc.  
505 14th Street  
Suite 650  
Oakland, California 94612

RE: *(Project Number)*  
*(name of apartment complex)*

HUD will approve, adjust upward or downward, or disapprove the proposed rent increase upon reviewing the request and comments. When HUD advises us in writing of its decision on our request, you will be notified. If the request is approved, any allowable increase will be put into effect only after a period of at least 30 days from the date you are served with that notice and in accordance with the terms of existing leases.

Signed by managing owner/agent

**OWNER'S CERTIFICATION AS TO COMPLIANCE WITH TENANT COMMENT PROCEDURES IN 24 CFR 245 (FORMERLY IN 24 CFR 401)**

FHA or Non-Insured Project Name \_\_\_\_\_ Project No. \_\_\_\_\_

Acting on behalf of \_\_\_\_\_, the Project Owner, I certify that project management has taken ALL of the actions listed below.

- 1) Distributed a Notice to Tenants, in the forms and manner required by 24 CFR 245.310 and 245.410. (24 CFR 245.410 applies only if a reduction in utility allowances is proposed.)
- 2) Took reasonable steps to assure that any posted Notices remained intact and in legible form for the full comment period required by 24 CFR 245.
- 3) Made all materials submitted to justify the increase available during normal business hours in a place reasonably convenient to project residents.
- 4) Honored any resident's request to inspect those materials.
- 5) Reviewed and evaluated all comments received from project residents or their authorized representatives.
- 6) Examined all materials submitted to HUD/the State Agency in support of the rent increase request. I also certify, that all information submitted with my rent increase request is true, correct and complete.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any, false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years, or both.

Signed by: \_\_\_\_\_ Name \_\_\_\_\_  
Title \_\_\_\_\_ Signature Date \_\_\_\_\_





**Part G – Information on Mortgagor Entity**

Name of Entity

Type of Entity

- Individual       General Partnership       Joint Tenancy/Tenants in Common       Other (specify)
- Corporation       Limited Partnership       Trust

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

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**Part H – Owner Certification**

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title	Authorized Official's Signature
	Date (mm/dd/yyyy)

**Part I – HUD/Lender Approval**

Addendum Number	Branch Chief/Lender Official Signature
HAP Contract Number	Date (mm/dd/yyyy)
Exhibit Number	Director, Housing Management Division Signature
Loan Servicer Signature	Date (mm/dd/yyyy)
	Date (mm/dd/yyyy)

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is authorized under Section 207 of the National Housing Act. The information is necessary for the Department to ensure that project owners are not overcharging their tenants and to ensure that the rent levels approved by the Department are not exceeded. The Department uses this information to enforce rent regulations which otherwise would be difficult because there would be no clear record of the rents and charges that the Department had approved. In addition, the Department needs to periodically collect information regarding project principals, so unauthorized participation by previously excluded or otherwise undesirable owners can be detected. This information is required to obtain benefits. HUD may disclose certain information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

## Instructions

All project owners must submit the form HUD-92458 when requesting an adjustment to project rents. HUD establishes and approves rental charges and utility allowances on the Form. The owner is responsible for notifying tenants of the approved rents.

**General.** For projects with fully-insured or HUD-held mortgages, the owner/agent submits this Form to the HUD Field Office. For projects with coinsured mortgages, the owner/agent submits this Form to the lender.

**Part A.** If the monthly rent potential you are proposing is less than or equal to the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete all of Part A according to the instructions below. If the monthly rent potential you are requesting exceeds the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete only Columns 1 and 2 according to the instructions below. Show your proposed rents and monthly rent potential in the cover letter transmitting your rent increase request.

**Column 1.** Show each type of unit for which rents will vary. Show the number of bedrooms and bathrooms and other features that cause rents to vary (e.g., 2 BDM, 1 B, DA, KETTE, vs 2 BDM, 2B, DR, K). Use the following symbols:

BDM	- Bedroom	LR	- Living Room
B	- Bath	DR	- Dining Room
K	- Kitchen	DA	- Dining Alcove
KETTE	- Kitchenette		

**Column 2.** Show the number of units for each unit type. Include non-revenue producing units.

**Column 3.** For unsubsidized projects, show the rent you intend to charge for each unit type. For subsidized projects, show the contract rent (as defined in HUD Handbook 4350.3) for each unit type.

**Column 4.** For each line, multiply the contract rent in Column 3 by the number of units in Column 4. Add monthly contract rent potentials for each unit size to compute the total monthly contract rent potential. Multiply the monthly total by 12 to compute the annual contract rent potential.

**Columns 5 and 6.** Complete the Columns only if the project has a subsidy contract with HUD and some utilities are not included in the rent. In Column 5, show the utility allowance for each unit type. Compute the gross rent for each unit type by adding the contract rent in Column 3 and the utility allowance in Column 5. Show this amount in Column 6.

**Columns 7 and 8.** Complete these Columns only if the project is receiving Section 236 Interest Reduction Payments. In Column 7, show the market rent for each unit type. In Column 8, for each line multiply the market rent in Column 7 by the number of units in Column 2. Add the monthly market rent potentials for each unit size to compute the total monthly market rent potential. Multiply the monthly total by 12 to compute the annual market rent potential.

**Parts B, C, D and E.** Complete these Parts according to the instructions on the Rent Schedule.

**Part F.** Do not complete this Part. The HUD Field Office/lender will complete this Part.

**Parts G and H.** Complete these Parts according to the instructions on the Rent Schedule.

**Part I.** Do not complete this Part. The HUD Field Office/lender will complete this part.