



California Affordable Housing Initiatives, Inc.

Complete Package Requirements

Option 2 – Rents at or Below Market

Option 2 is for Owners requesting renewal of Section 8 contracts with current rents *at or below* comparable market rents.

- Owner signed Attachment 3A-2, Contract Renewal Request Form and (Initial or Subsequent) Renewal Worksheet (sample attached);
- 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;
- If a rent increase is requested, a budget-based rent increase packet (worksheet attached – see *Complete Package Requirements for Budget Based adjustments*) or an OCAF rent increase adjustment request (worksheet attached – see *Complete Package Requirements for OCAF adjustments*); and

NOTE: Renewed rents may not exceed comparable market rents

- A completed Rent Schedule when requesting a budget-based increase (sample attached).

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



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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 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. 2502-0587
(Exp. 04/30/2017)

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	DUNS NUMBER
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 Exempt from or not Eligible for Debt Restructuring

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: _____

Please choose from the following choices for Rent Adjustments if the project's current rent potential is less than or equal to the market rent potential of the comparable market rents or the current rent potential is above market but the project is exempt from restructuring and the owner is willing to reduce rents to comparable market rents.

I understand that the initial renewal rents will be set at current rent adjusted by OCAF but not to exceed comparable market rents. I am submitting the required OCAF calculation worksheet.

or

I am submitting an attached budget that reflects the projected costs for the first 12 months covered by the renewal contract. I understand that the increase cannot take the rents above the comparable market rents. I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase; and the attached budget and rent schedule was available to tenants upon their request.

or

I am submitting a budget to request a budget-based rent increase under Chapter 15 not to exceed market. I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase; and the attached budget and rent schedule was available to tenants upon their request.

- Capital repairs
- To facilitate a change in ownership
- A blended transaction

or

I hereby certify that: *(Check the following)*

- 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.

RENEWAL WORKSHEET FOR OPTION TWO

Requesting Subsequent Renewal of Contract At or Below Comparable Market Rent

I hereby request a **SUBSEQUENT RENEWAL** of my Section 524 contract without restructuring and
(Please select one of the following):

My Rent Comparability Study is less than five years old. I request that the contract rents be adjusted by the currently published OCAF.

- The date of my Rent Comparability study is _____.
- I am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

My Rent Comparability Study is less than five years old. I request a budget-based rent adjustment.

- The date of my Rent Comparability Study is _____.
- I am submitting an attached budget, which reflects the projected costs for the first 12 months covered by the renewal contract.
- 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.

New Comparable Market Rent Potential _____
Comparable Rent Potential from original RCS _____

Year	OCAF (I)	Prior Year Adjusted Rent Potential (I x III)	Adjusted Rent potential (III)
OCAF year __ *			
OCAF year __			
OCAF year __			
OCAF year __			

New Comparable Market Rent Potential _____
Rent Potential Based on Attached Budget _____

** Use the Comparable Rent Potential from original RCS (for Column 2) to find the Adjusted Rent Potential.*

- I am submitting the comparison chart from the Option Two Initial Renewal Request that reflects the results of the study and compares them to the expiring Section 8 units in my project.
- I am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

My Rent Comparability Study is five years old. I request that the contract rents be adjusted by the currently published OCAF.

- I am submitting a new Rent Comparability Study.

I am submitting a budget-based rent increase under Chapter 15, not to exceed market. I have abided by the requirements in 24 CFR 245 regarding tenant notification of a proposed rent increase.

- Capital repairs
- To facilitate a change in ownership
- A blended transaction

- The ownership entity is an eligible nonprofit and meets all of the requirements outlined in Chapter 15 of the Section 8 Renewal Guide.
- The ownership entity agrees to accept a 20-year recorded Use Agreement. For example, if the owner has a 20-year agreement; the term must be extended for an additional 20 years.

My Rent Comparability Study is five years old. I request a budget-based rent adjustment.

- I am submitting a new Rent Comparability Study.
- I am submitting an attached budget, which reflects the projected costs for the first 12 months.
- 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 am submitting the OCAF Adjustment Worksheet (Form HUD 9625).

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.

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 (RCS) for (Name of Property) are true:

1. As Owner/Agent, I reviewed the content of the RCS and concluded that the RCS includes all material required by Appendix 9-10.
2. The appraiser's narratives and Rent Grid accurately describe the subject project and properly treat non-shelter services and their funding sources as required by Section 9-12.
3. There are no identity-of-interest conflicts existing between principals of the subject's Ownership or management agent entity and the principals that manage / own the projects used as comparables, except those identified here: _____.
(See Handbook 4381.5, Paragraph 2-3 for a definition of the term "identity-of-interest".)
4. As Owner/Agent, I certify that:
 - a. neither the selection of the appraiser nor the appraiser's compensation was/is contingent upon the appraiser reporting a predetermined rent or direction in rent;
 - b. to the best of my knowledge, the appraiser meets Section 9-8A's conditions regarding absence of financial, employment, and family relationships;
 - c. the fee paid for the RCS is the only compensation the appraiser will receive for the RCS work and there is no side agreement or other consideration.
5. As Owner/Agent, HUD or the Contract Administrator should contact should contact (Name _____) at (Phone Number _____), and via e-mail at (e-mail address) with any questions regarding this RCS. Note: HUD/CA will send its decision letter to this contact unless the Owner directs otherwise.
6. As Owner/Agent, I grant HUD/CA the right to correspond directly with the appraiser and copy the appraiser on written materials.

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



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- 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 _____

APPENDIX 2

OCAF Rent Adjustment Worksheet

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

OMB NO. 2502-0587 (exp. 11/30/2017)

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:

Project Address:

Project Owner

FHA Project No. DUNS Number

Total Units in Project: Total Section 8 Units In Project

Date of Submission: Date Received by HUD:

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 x C)
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00

(E) Monthly Expiring Section 8 Contract Rent Potential
(Total of column D) 0.00

(F) Annual Section 8 Rent Potential for Expiring Contracts
(E x 12) 0.00

Step 2:

Calculate Increase Factor Adjusted by OCAF for Expiring contracts

(G)	Total Annual Rent Potential For Non-Expiring Section 8 Contracts	
(H)	Total Annual Rent Potential For Non-Sec. 8 Units	
(I)	Total Annual Project Rent Potential (F + G + H)	0.00
(J)	Expiring Section 8 Portion of Total Project Rent Potential (F ÷ I)	#DIV/0!
(K)	Total Annual Project Debt Service	
(L)	Annual Expiring Section 8 Share of Debt Service (J x K)	#DIV/0!
(M)	Annual Expiring Section 8 Potential Less Expiring Sec. 8 Share of Debt Service (F - L)	#DIV/0!
(N)	OCAF Adjustment	
(O)	Annual Expiring Section 8 Rent Potential Attributed to Operations Multiplied by Published OCAF (M x N)	#DIV/0!
(P)	Adjusted Contract Rent Potential (L + O)	#DIV/0!
(Q)	Lesser of (P) or Comparable Rent Potential From Rent Comparability Study	
(R)	Increase Factor (Q ÷ F)	#DIV/0!

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)
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	#DIV/0!	#DIV/0!	#DIV/0!

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

(total Column X):

#DIV/0!

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 ()	
Rental Income 5100	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			
Total Rent Revenue Potential at 100% Occupancy	5100T				
Vacancies 5200	Apartments	5220			
	Stores and Commercial	5240			
	Rental Concessions	5250			
	Garage and Parking Spaces	5270			
	Miscellaneous	5290			
	Total Vacancies	5200T			
Net Rental Revenue (Rent Revenue less Vacancies)	5152N				
Income 5300	Nursing Homes/ Assisted Living/ Board & Care/ Other Elderly Care/ Coop/ Other Revenues	5300			
Financial Revenue 5400	Financial Revenue -Project Operations	5410			
	Revenue from Investments-Residual Receipts	5430			
	Revenue from Investments-Replacement Reserve	5440			
	Revenue from Investments-Miscellaneous	5490			
Total Financial Revenue	5400T				
Other Revenue 5900	Laundry and Vending Revenue	5910			
	Tenant Charges	5920			
	Interest Reduction Payments Revenue	5945			
	Gifts (nonprofits)	5970			
	Miscellaneous Revenue	5990			
	Total Other Revenue	5900T			
Total Revenue	5000T				
Admin. Expenses 6200/ 6300	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			
Total Administrative Expenses	6263T				

Description of Account		Acct.No.	Statement of Profit/Loss FY__	Current FY (no. of mos.)	Budget from () to ()
Utilities 6400	Fuel Oil/Coal	6420			
	Electricity	6450			
	Water	6451			
	Gas	6452			
	Sewer	6453			
	Total Utilities Expense	6400T			
Operating & Mainten. Expenses 6500	Payroll	6510			
	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			
	Total Operating & Maintenance Expenses	6500T			
Taxes and Insurance 6700	Real Estate Taxes	6710			
	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			
Total Taxes & Insurance	6700T				
Financial Expenses 6800	Interest on Mortgage Payable	6820			
	Interest on Notes Payable (Long-Term) *	6830			
	Interest on Notes Payable (Short-Term) *	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expenses	6890			
Total Financial Expenses	6800T				
Expenses 6900	Nursing Homes/ Assisted Living/ Board & Care/ Other Elderly Care/ Coop/ Other Revenues	6900			
	Total Cost of Operations	6000T			
	Reserve for Replacements Dep. Required				
	Principal Payments Required				
	Debt Service for other approved loans				
	Debt Service Reserve (if required)				
	General Operating Reserve (Coops)				
	Total Cash Requirements				
	Less Total Revenue				
	Net Cash Surplus (Deficiency)				

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)

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

Name and Title

Name and Title

Name and Title

Name and Title

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.