

**MINNESOTA HOUSING FINANCE AGENCY**

**BRING IT HOME (BIH) RENTAL ASSISTANCE HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT**

**PROJECT BASED VOUCHER (PBV)**

**PART 1 OF HAP CONTRACT**

**1. CONTRACT INFORMATION**

**a. Parties**

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

\_\_\_\_\_ (Program Administrator (PA))

and \_\_\_\_\_ (Owner).

**b. Contents of contract**

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

**c. Contract exhibits**

1. The HAP contract includes the following exhibits:
  - i. EXHIBIT A (page 5): Total number of units in project covered by this HAP contract; initial rent to Owner; and description of the Contract Units
  - ii. EXHIBIT B (page 6): Utilities available in the Contract Units, including a listing of utility services to be paid by the Owner (without charges in addition to rent to Owner) and utilities to be paid by the Tenants
  - iii. EXHIBIT C (pages 7-9): Type of project (Existing housing vs. new construction/rehabilitation) and single-stage vs. multi-stage construction

**d. Effective date and term of the HAP contract**

**1. Effective date**

- i. The PA may not enter into a HAP contract for any Contract Unit until the PA (or an independent entity, as applicable) has determined that the unit(s) meets the Project-Based Voucher (PBV) inspection requirements.
- ii. For all Contract Units, the effective date of the HAP contract is \_\_\_\_\_, or whenever all required signatures are obtained, whichever is later

- iii. The term of the HAP contract begins on the effective date.

## **2. Length of initial term**

- i. Subject to paragraph 1.ii., the initial term of the HAP contract for all Contract Units is: \_\_\_\_\_
- ii. The initial term of the HAP contract may not be more than two years.

## **3. Extension of term**

- i. If the PA determines that an extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities the PA and Owner may agree to extend the term of the HAP contract at the end of the initial two-year period for another two years and allow extensions for up to 20 years contingent on funding availability.

## **e. Requirement for sufficient appropriated funding**

- 1. The length of the initial term and any extension term shall be subject to availability of sufficient appropriated funding (budget authority), to make full payment of housing assistance payments due to the Owner for any contract year in accordance with the HAP contract.
- 2. The availability of sufficient funding must be determined by the PA in accordance with BIH 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 PA has the right to terminate the HAP contract by written notice to the Owner for all or any of the Contract Units. Such action by the PA shall be implemented in accordance with BIH Program.

## **f. Occupancy and payment**

### **1. Payment for occupied unit**

- i. During the term of the HAP contract, the PA 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 HAP for the calendar month when the Family moves out ("move-out month"). However, the Owner may not keep the payment if the PA determines that the vacancy is the Owner's fault.

### **2. Vacancy payment:** [THE PA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH f.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.]

- i. If an assisted Family moves out of a Contract Unit, the PA may provide vacancy payments to the Owner for a PA-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.

- ii. The vacancy payment to the Owner for each month of the maximum two-month period will be determined by the PA. Any vacancy payment may cover only the period the unit remains vacant.
- iii. The PA may make vacancy payments to the Owner only if:
  - a. The Owner gives the PA 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).
  - b. 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.
  - c. The Owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
  - d. The Owner provides any additional information required and requested by the PA to verify that the Owner is entitled to the vacancy payment.
- iv. The PA must take every reasonable action to minimize the likelihood and length of vacancy.
- v. The Owner may refer families to the PA for placement on the PBV or other available waiting list.
- vi. The Owner must submit a request for vacancy payments in the form and manner required by the PA and must provide any information or substantiation required by the PA to determine the amount of any vacancy payments.

**3. PA is not responsible for Family damage or debt to Owner**

- i. Except as provided in this paragraph f (Occupancy and Payment), the PA will not make any other payment to the Owner under the HAP contract. The PA will not make any payment to the Owner for any damages to the unit, or for any other amounts owed by a Family under the Family's lease.

**g. Privacy Notice**

- 1. The Program Administrator and the Owner must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the Program Administrator under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Owner under this agreement. The civil remedies of [Minn. Stat. 13.08](#) apply to the release of the data referred to in this clause by either the Program Administrator or the Owner. If the Program Administrator or Owner

receive a request to release the data referred to in this Clause, the Owner must immediately notify the Program Administrator and/or the Program Administrator must immediately notify MHFA. MHFA will give the Program Administrator instructions concerning the release of the data to the requesting party before the data is released. The Program Administrator's and/or Owner's response to the request shall comply with applicable law.

### Signatures

I/We, the undersigned, certify that the information provided above is true, correct and complete to the best of the undersigned's knowledge as of the date of signature. The undersigned acknowledge that any misrepresentations and/or fraudulent statements made on this contract may constitute a material misrepresentation and result in payment recapture, voiding of the contract or other action authorized by law.

#### Program Administrator

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Print or Type Name of PA

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Signature

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Print or Type Name and Title of Signatory

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Date (mm/dd/yyyy)

#### Owner

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Print or Type Name of Owner

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Signature

---

Print or Type Name and Title of Signatory

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Date (mm/dd/yyyy)

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

Project Address: \_\_\_\_\_

Total number of units in project: \_\_\_\_\_

Number of units in project covered by this HAP contract: \_\_\_\_\_

Description of Contract Units (unit type: apartment, townhome, etc.):

[illegible]

Utilities available in the Contract Units, including a listing of utility services to be paid by the Owner (without charges in addition to rent to Owner), utilities to be paid by the Tenants, and utilities paid by Ratio Utility Billing System (RUBS).

Item	Specify fuel type	Paid by
Heating	<input type="checkbox"/> NATURAL GAS <input type="checkbox"/> BOTTLED GAS <input type="checkbox"/> ELECTRIC <input type="checkbox"/> HEAT PUMP <input type="checkbox"/> OIL <input type="checkbox"/> OTHER	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Cooking	<input type="checkbox"/> NATURAL GAS <input type="checkbox"/> BOTTLED GAS <input type="checkbox"/> ELECTRIC <input type="checkbox"/> OTHER	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Water Heating	<input type="checkbox"/> NATURAL GAS <input type="checkbox"/> BOTTLED GAS <input type="checkbox"/> ELECTRIC <input type="checkbox"/> OIL <input type="checkbox"/> OTHER	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Other Electric		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Water		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Sewer		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Trash Collection		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Air Conditioning		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
Other (specify)		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> RUBS
		Provided by
Refrigerator		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT
Range/Microwave		<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT

**Place a check mark in front of the applicable project description.**

☐ **Existing Housing**

This is a project for Existing housing. For all Contract Units, the effective date of the HAP contract is: \_\_\_\_\_, or whenever all required signatures are obtained, whichever is later.

By signing this form, you are certifying that, to the best of your knowledge, the provided information is true and accurate.

Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

☐ **Single-Stage Project New Construction/Rehabilitation**

This is a single-stage project\*. For all Contract Units, the effective date of the HAP contract is: \_\_\_\_\_, or whenever all required signatures are obtained, whichever is later.

By signing this form, you are certifying that, to the best of your knowledge, the provided information is true and accurate.

<b>New Construction</b> <input type="checkbox"/>	<b>Rehabilitation</b> <input type="checkbox"/>	<b># of Units to Be Contracted at Execution:</b>
Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

\* Single-stage projects will have all Contract Units completed on the same date

☐ **Multi-Stage Project New Construction/Rehabilitation\***

This is a multi-stage project. The units in each completed stage are designated in Exhibit A outlined in the HAP Contract Part 1.

The PA enters the effective date for each stage after completion and PA acceptance of all units in that stage. The PA enters the effective date for each stage in the “Execution of HAP contract for Contract Units completed and accepted in stages” (starting on page 4).

The annual anniversary date of the HAP contract for all Contract Units in this multi-stage project is the anniversary of the effective date of the HAP contract for the Contract Units included in the first stage. The expiration date of the HAP contract for all of the Contract Units completed in stages must be concurrent with the end of the HAP contract term for the units included in the first stage.

**For Multi-Stage Projects, at acceptance of each stage, the PA and the Owner sign the HAP contract execution for the completed stage**

\*Multi-stage projects will have Contract Units in stages with buildings completed on different effective dates

By signing this form, you are certifying that, to the best of your knowledge, the provided information is true and accurate.

<b>STAGE NO. 1: The Contract is hereby executed for the Contract Units in this stage.</b>		
<b>Stage 1 Effective Date</b>	<b># of Units to Be Contracted at Stage Execution</b>	
Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

<b>STAGE NO. 2:</b> The Contract is hereby executed for the Contract Units in this stage.		
<b>Stage 2 Effective Date</b>	<b># of Units to Be Contracted at Stage Execution</b>	
Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

<b>STAGE NO. 3:</b> The Contract is hereby executed for the Contract Units in this stage.		
<b>Stage 3 Effective Date</b>	<b># of Units to Be Contracted at Stage Execution</b>	
Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

<b>STAGE NO. ____:</b> The Contract is hereby executed for the Contract Units in this stage.		
<b>Stage ____ Effective Date</b>	<b># of Units to Be Contracted at Stage Execution</b>	
Name of Owner	Signature of Authorized Representative	Date Signed
Name of Program Administrator (PA)		
Name and Title of PA Official	Signature of Authorized Representative	Date Signed

**MINNESOTA HOUSING FINANCE AGENCY**  
**BRING IT HOME (BIH) RENTAL ASSISTANCE HOUSING ASSISTANCE PAYMENTS (HAP)**  
**CONTRACT**  
**PROJECT BASED VOUCHER (PBV)**  
**PART 2 OF HAP CONTRACT**

**1. DEFINITIONS**

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

**Controlling interest.** In the context of PA-owned units (see definition below), Controlling interest means:

- (a) Holding more than 50 percent of the stock of any corporation; or
- (b) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PA; or
- (d) Holding more than 50 percent of all managing member interests in an LLC; or
- (e) Holding more than 50 percent of all general partner interests in a partnership; or
- (f) Having equivalent levels of control in other Ownership structures.

**Existing housing.** Housing units that already exist on the proposal selection date and that substantially comply with the PA Inspection Standards on that date. The units must fully comply with the housing quality standards before execution of the HAP contract.

**Fair Market Rent (FMR).** The 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market. FMRs are determined annually by HUD.

**Family.** The persons approved by the PA to reside in a Contract Unit with assistance under the Program.

**HAP contract.** This housing assistance payments contract between the PA and the Owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP contract).

**Housing assistance payment (HAP).** The monthly assistance payment by the PA for a Contract Unit, which includes a payment to the Owner for rent to the Owner under the Family's lease minus the Tenant rent.

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

**Newly constructed housing.** Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PA and Owner for use under the project-based voucher Program.

**Owner.** Any person or entity who has the legal right to lease or sublease a unit to a participant.

**PA.** Program Administrator. The entity administering the Bring It Home Rental Assistance Program that has entered into the HAP contract with the Owner.

**PA Administrative Plans.** The document that outlines policies and procedures for implementing rental assistance under the Bring It Home Rental Assistance Program.

**PA Inspection Standards.** The minimum quality standards for a dwelling unit occupied by Households under the Bring It Home Rental Assistance Program as defined in Program Administrator's Administration Plans or Workplans.

**PA-owned units.** A unit is "owned by a PA" if the unit is in a project that is:

- (a) Owned by the PA (which includes a PA having a "Controlling interest" in the entity that owns the unit; see definition above).
- (b) Owned by an entity wholly controlled by the PA; or
- (c) Owned by a limited liability company (LLC) or limited partnership in which the PA (or an entity wholly controlled by the PA) holds a Controlling interest in the managing member or general partner.

**Premises.** The building or complex in which a Contract Unit is located, including common areas or grounds.

**Principal or interested party.** This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

**Program.** The project-based voucher Bring It Home Rental Assistance Program.

**Proposal selection date.** The date the PA gives written notice of proposal selection to the Owner whose proposal is selected in accordance with the criteria established in the PA's created BIH procedures.

**Rehabilitated housing.** Housing units that exist on the proposal selection date but will undergo construction pursuant to an Agreement between the PA and Owner for use under the project-based voucher Program.

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

**Tenant.** The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

**Tenant rent.** The portion of the rent to Owner payable by the Household, as determined by the PA in accordance with their created BIH procedures. The PA is not responsible for paying any part of the Tenant rent.

## 2. **PURPOSE**

- a. This is a HAP contract between the PA and the Owner.
- b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease Contract Units that comply with the PA Inspection Standards from the Owner.
- c. The PA must make housing assistance payments to the Owner in accordance with the HAP contract for Contract Units leased and occupied by eligible families during the HAP contract term.

## 3. **RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS**

### a. **Amount of initial Rent to Owner**

The initial rent to Owner for each Contract Unit is stated in Exhibit A, which is attached to and made a part of the HAP contract. At the beginning of the HAP contract term, and until rent to Owner is adjusted in accordance with section 4 of the HAP contract, the rent to Owner for each unit size (number of bedrooms) shall be the initial rent to Owner amount listed in Exhibit A.

Place a check mark here ☐ if the PA has elected not to reduce rents below the initial Rent to Owner.

### b. **BIH rent requirements**

Notwithstanding any other provision of the HAP contract, the rent to Owner may in no event exceed the amount authorized in accordance with BIH requirements. The PA has the right to reduce the rent to Owner, at any time, to correct any errors in establishing or adjusting the rent to Owner in accordance with BIH requirements. The PA may recover any overpayment from the Owner.

### c. **PA payment to Owner**

1. Each month the PA must make a housing assistance payment to the Owner for a unit under lease to and occupied by an eligible Family in accordance with the HAP contract.
2. The monthly housing assistance payment to the Owner for a Contract Unit is equal to the amount by which the rent to Owner exceeds the Tenant rent.
3. Payment of the Tenant rent is the responsibility of the Family. The PA is not responsible for paying any part of the Tenant rent, or for paying any other claim by the Owner against a Family. The PA is responsible only for making housing assistance payments to the Owner on behalf of a Family in accordance with the HAP contract.
4. The Owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the Owner and the PA agree on a later date.
5. To receive housing assistance payments in accordance with the HAP contract, the Owner must comply with all the provisions of the HAP contract. Unless the Owner complies with all the provisions of the HAP contract, the Owner does not have a right to receive housing assistance payments.
6. If the PA determines that the Owner is not entitled to the payment or any part of it, the PA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the Owner, including amounts due under any other housing assistance payments contract.
7. The Owner will notify the PA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment and will return any payment that does not conform to the changed circumstances.

**d. Termination of assistance for Family**

The PA may terminate housing assistance for a Family under the HAP contract in accordance with their PA termination standards in the PA Administration Plan, or as amended in the PA Workplan. The PA must notify the Owner in writing of its decision to terminate housing assistance for the Family in such case.

**4. ADJUSTMENT OF RENT TO OWNER**

**a. PA determination of adjusted rent**

1. The Owner may request the PA adjust the amount of rent to the Owner once within a 12-month period during the term of the HAP contract. For 12-month leases that have the same execution date as the HAP Contract, the owner may not increase the rent more than once during the first 12 months following execution of the HAP Contract. For a new lease with a term of less than 12 months, where permitted, the owner may increase the rent no more than once

during the first 12 months following execution of the HAP Contract. For a lease in place, the owner may not increase the rent more than once within a 12-month period. The PA shall adjust the rent in accordance with their rent calculation standards. In addition, the PA shall adjust the rent to Owner when there is a ten percent decrease in the published, applicable Fair Market Rent. However, if the PA has elected within the HAP contract not to reduce rents below the initial rent to Owner, the rent to Owner shall not be reduced below the initial rent to Owner.

2. The adjustment of rent to Owner shall always be determined in accordance with the PA's standards. The amount of the rent to Owner may be adjusted up or down, in the amount defined by the PA in accordance with PA requirements.

**b. Reasonable rent**

The rent to Owner for each Contract Unit may at no time exceed the reasonable rent charged for comparable unassisted units, except in cases where the PA has elected within the HAP contract not to reduce rents below the initial rent to Owner.

**c. No special adjustments**

The PA will not make any special adjustments of the rent to Owner.

**d. Owner compliance with HAP contract**

The PA shall not approve, and the Owner shall not receive, any increase of rent to Owner unless all Contract Units are in accordance with the PA Inspection Standards, and the Owner has complied with the terms of the Tenant leases and the HAP contract.

**e. Notice of rent adjustment**

Rent to Owner shall be adjusted by written notice by the PA to the Owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

**5. OWNER RESPONSIBILITY**

The Owner is responsible for:

- a. Performing all management and rental functions for the Contract Units.
- b. Maintaining the Contract units in accordance with PA Inspection Standards and Minnesota law.
- c. Complying with equal opportunity requirements.
- d. Enforcing Tenant obligations under the lease.

- e. Paying for utilities and housing services (unless paid by the Family under the lease).
- f. Collecting from the Tenant:
  - 1. Any security deposit.
  - 2. The Tenant rent; and
  - 3. Any charge for unit damage by the Family.

## **6. OWNER CERTIFICATION**

The Owner certifies that at all times during the term of the HAP contract:

- a. All Contract Units are in good and Tenantable condition. The Owner is maintaining the Premises and all Contract Units in accordance with the PA Inspection Standards.
- b. The Owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- c. Each Contract Unit for which the Owner is receiving HAP is leased to an eligible Family referred by the PA, and the lease is in accordance with the HAP contract.
- d. To the best of the Owner's knowledge, the members of the assisted Family reside in each Contract Unit for which the Owner is receiving housing assistance payments, and the unit is the Family's only residence.
- e. The Owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a Family residing in a Contract Unit unless the PA has determined that approving leasing of the unit would provide a reasonable accommodation for a Family member.
- f. The amount of the housing assistance payment is the correct amount due under the HAP contract.
- g. The rent to Owner for each Contract Unit does not exceed rents charged by the Owner for other comparable unsubsidized units.
- h. Except for the housing assistance payment and the Tenant rent as provided under the HAP contract, the Owner has not received and will not receive any payments or other consideration (from the Family, the PA, HUD, or any other public or private source) for rental of the Contract Unit.
- i. The Family does not own or have any Ownership interest in the Contract Unit unless the PA has determined it is a reasonable accommodation for a Family member. If the Owner is a cooperative, the Family may be a member of the cooperative.

## **7. CONDITION OF UNITS**

### **a. Owner maintenance and operation**

The Owner must maintain and operate the Contract Units and Premises to provide

decent, safe and sanitary housing in accordance with the PA Inspection Standards and Minnesota law, including performance of ordinary and extraordinary maintenance. The Owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted Family.

**b. PA inspections**

1. The PA must inspect each Contract Unit before execution of the HAP contract. The PA may not enter into a HAP contract covering a unit until the unit fully complies with the PA Inspection Standards.
2. During the term of the HAP contract, the PA must perform inspections to determine if the Contract Units and the Premises are maintained in accordance with the PA Inspection Standards.
3. The PA must inspect Contract Units whenever needed to determine that the Contract Units comply with the PA Inspection Standards and that the Owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PA must take into account complaints and any other information that comes to its attention in scheduling inspections.

**c. Violation of the inspection standards**

1. If the PA determines a Contract Unit is not in accordance with the PA Inspection Standards, the PA may exercise any of its remedies under the HAP contract for all or any Contract Units. Such remedies include termination, suspension or reduction of housing assistance payments, and/or termination of the HAP contract.
2. The PA may exercise any such contractual remedy respecting a Contract Unit even if the Family continues to occupy the unit.
3. The PA shall not make any housing assistance payment for a dwelling unit that fails to meet the PA Inspection Standards, unless the Owner corrects the defect within the period specified by the PA and the PA verifies the correction meets the PA Inspection Standards.

**d. Maintenance and replacement—Owner's standard practice**

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building, for both subsidized and unsubsidized units, as established by the Owner.

**8. LEASING CONTRACT UNITS**

**a. Selection of Tenants**

1. During the term of the HAP contract, the Owner must lease all Contract Units to eligible families selected and referred by the PA from the PA waiting list.

2. The Owner is responsible for adopting written Tenant selection procedures that are consistent with the purpose of improving housing opportunities for low-income families and reasonably related to Program eligibility and an applicant's ability to perform the lease obligations.
3. Consistent with Minnesota Housing requirements and Federal and Minnesota civil rights and fair housing requirements, the Owner may apply its own nondiscriminatory Tenant selection procedures in determining whether to admit a Family referred by the PA for occupancy of a Contract Unit. The Owner may refer families to the PA for placement on the PBV waiting list.
4. The Owner must promptly notify in writing any rejected applicant of the grounds for rejection.
5. The PA must determine Family eligibility in accordance with BIH requirements.
6. The Contract Unit leased to each Family must be appropriate for the size of the Family under the PA's subsidy standards.
7. If a Contract Unit was occupied by an eligible Family at the time the unit was selected by the PA or is so occupied on the effective date of the HAP contract, the Owner must offer the Family the opportunity to lease the same or another appropriately sized Contract Unit with assistance under the HAP contract.
8. The Owner is responsible for screening and selecting Tenants from the families referred by the PA from its waiting list.

**b. Vacancies**

1. The Owner must promptly notify the PA of any vacancy in a Contract Unit. After receiving the Owner notice, the PA shall make every reasonable effort to refer a sufficient number of families for Owner to fill the vacancy.
2. The Owner must rent vacant Contract Units to eligible families on the PA waiting list referred by the PA.
3. The PA and the Owner must make reasonable, good faith efforts to minimize the likelihood and length of any vacancy.
4. If any Contract Units have been vacant for an unacceptable period of time determined by the PA, since Owner notice of vacancy (and notwithstanding the reasonable, good faith efforts of the PA to fill such vacancies), the PA may give notice to the Owner amending the HAP contract to reduce the number of Contract Units by subtracting the number of Contract Units (by number of bedrooms) that have been vacant for such period.

**9. TENANCY**

**a. Lease**

In all cases, the lease must incorporate the Tenancy Addendum terms and conditions: if conflict between tenancy addendum and lease, the tenancy addendum rules. Owner agrees tenancy addendum is incorporated as part of the lease.

**b. Termination of tenancy**

1. The Owner may terminate a tenancy only in accordance with the lease and HAP contract.
2. The Owner must give the PA a copy of any Owner eviction notices to the Tenant at the same time the Owner gives notice to the Tenant. Owner eviction notice means a notice to vacate, a complaint, or other initial pleading used to commence an eviction action under State or local law.

**c. Tenant payment**

1. Tenant rent will be determined by the PA in accordance with the PA created BIH procedures. The amount of the Tenant rent is subject to change during the term of the HAP contract. Any changes in the amount of the Tenant rent will be effective on the date stated in a notice by the PA to the Family and the Owner.
2. The amount of the Tenant rent, as determined by the PA, is the maximum amount the Owner may charge the Family for rent of a Contract Unit, including all housing services, maintenance and utilities to be provided by the Owner in accordance with the HAP contract and the lease.
3. The Owner may not demand or accept any rent payment from the Tenant in excess of the Tenant rent as determined by the PA. The Owner must immediately return any excess rent payment to the Tenant.
4. The Family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The Owner may not terminate the tenancy of an assisted Family for nonpayment of the PA housing assistance payment.
5. The PA is responsible only for making the housing assistance payments to the Owner on behalf of the Family in accordance with the HAP contract. The PA is not responsible for paying the Tenant rent, or any other claim by the Owner.

**d. Other Owner charges**

1. Except as provided in paragraph 2, the Owner may not require the Tenant or Family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.

2. If applicable, in assisted living developments receiving project-based voucher assistance, Owners may charge Tenants, Family members, or both for meals or supportive services. These charges may not be included in the rent to Owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the Owner in an assisted living development.
3. The Owner may not charge the Tenant or Family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized Tenant in the Premises.

**e. Security deposit**

1. The Owner may collect a security deposit from the Family.
2. The Owner must comply with PA requirements, which may change from time to time, regarding security deposits from a Tenant.
3. The PA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the Owner to unassisted families.
4. When the Family moves out of the Contract Unit, the Owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid Tenant rent, damages to the unit or other amounts which the Family owes under the lease. The Owner must give the Family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner must promptly refund the full amount of the balance to the Family.
5. If the security deposit is not sufficient to cover amounts the Family owes under the lease, the Owner may seek to collect the balance from the Family. The PA has no liability or responsibility for payment of any amount owed by the Family to the Owner.

**10. FAMILY RIGHT TO MOVE**

- a. The Family may terminate its lease at any time after the first year of occupancy. The Family must give the Owner advance written notice of intent to vacate (with a copy to the PA) in accordance with the lease. If the Family has elected to terminate the lease in this manner, the PA may offer the Family the opportunity for Tenant-based rental assistance in accordance with PA requirements .
- b. If the PA elects to provide the Family with the option stated in paragraph (a), the following applies. Before providing notice to terminate the lease under paragraph (a), the family must first contact the PA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PA must give the

family priority to receive the next available opportunity for continued tenant-based rental assistance.

## **11. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS**

The PA subsidy standards determine the appropriate unit size for the Family size and composition. If the PA determines that a Family is occupying a wrong-size unit, or a unit with accessibility features that the Family does not require, and the unit is needed by a Family that requires the accessibility features, the PA must promptly notify the Family and the Owner of this determination, and of the PA's offer of continued assistance in another unit.

## **12. PROHIBITION OF DISCRIMINATION**

In accordance with applicable nondiscrimination and equal opportunity laws, statutes, Executive Orders, and regulations, the Owner must not discriminate against any person because of race, color, creed, religion, sex, sexual orientation, gender identity, national origin familial status, marital status, status with regard to public assistance, or disability in connection with the HAP contract.

## **13. OWNER DEFAULT AND PA REMEDIES**

### **a. Owner default**

Any of the following is a default by the Owner under the HAP contract:

1. The Owner has failed to comply with any obligation under the HAP contract, including the Owner's obligations to maintain all Contract Units in accordance with the PA Inspection Standards
2. The Owner has committed any fraud or made any false statement to the PA in connection with the HAP contract.
3. The Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal or state housing assistance Program.

### **b. PA remedies**

1. If the PA determines that a breach has occurred, the PA may exercise any of its rights or remedies under the HAP contract.
2. The PA must notify the Owner in writing of such determination. The notice by the PA to the Owner may require the Owner to take corrective action (as verified by the PA) by a time prescribed in the notice.
3. The PA's rights and remedies under the HAP contract include, but are not limited to, recovery of overpayments, termination or reduction of housing assistance payments, and/or termination of the HAP contract.

### **c. PA remedy is not waived**

The PA's exercise or non-exercise of any remedy for Owner breach of the HAP

contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

**14. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY MHFA OR PA**

**a. Required information**

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

**b. PA and MHFA access to Premises**

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

**15. PA AND OWNER RELATION TO THIRD PARTIES**

**a. Injury because of Owner action or failure to act**

The PA has no responsibility for or liability to any person injured as a result of the Owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the Owner.

**b. Legal relationship**

The Owner is not the agent of the PA. The HAP contract does not create or affect any relationship between the PA and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with the implementation of the HAP contract.

**c. Exclusion of third-party claims**

Nothing in the HAP contract shall be construed as creating any right of a Family or other third party (other than MHFA) to enforce any provision of the HAP contract, or to assert any claim against MHFA, the PA or the Owner under the HAP contract.

**d. Exclusion of Owner claims against MHFA**

Nothing in the HAP contract shall be construed as creating any right of the Owner to assert any claim against MHFA.

**16. PA-OWNED UNITS**

Notwithstanding Section 17 of this HAP contract, a PA may own units assisted under the

project-based voucher Program.

## **17. CONFLICT OF INTEREST**

### **a. Interest of members, officers, or employees of PA, members of local governing body, or other public officials**

1. No present or former member or officer of the PA (except Tenant-commissioners), no employee of the PA who formulates policy or influences decisions with respect to the Bring It Home Rental Assistance Tenant-based or project-based Program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these Programs, shall have any direct or indirect interest, during their tenure or for one year thereafter, or as defined in the HAP contract.
2. MHFA, at its sole discretion, may waive this provision for good cause.

### **b. Disclosure**

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

## **18. TRANSFER OF THE CONTRACT OR PROPERTY**

### **a. When consent is required**

1. The Owner agrees that neither the HAP contract nor the property may be transferred without the advance written consent of the PA in accordance with BIH requirements.
2. "Transfer" includes:
  - i. Any sale or assignment or other transfer of Ownership, in any form, of the HAP contract or the property.
  - ii. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract.
  - iii. The creation of a security interest in the HAP contract or the property.
  - iv. Foreclosure or other execution on a security interest; or
  - v. A creditor's lien, or transfer in bankruptcy.
3. If the Owner is a corporation, partnership, trust or joint venture, the Owner is not required to obtain advance consent of the PA pursuant to paragraph a for transfer of a passive and non-Controlling interest in the Ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The Owner must obtain advance

consent pursuant to paragraph (a) for transfer of any interest of a general partner.

**b. Transferee assumption of HAP contract**

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the PA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PA in accordance with BIH requirements, to assume the obligations of the Owner under the HAP contract, and to comply with all the terms of the HAP contract.

**c. Effect of consent to transfer**

1. The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
2. The PA's consent to transfer of the HAP contract or the property does not change the terms of the HAP contract in any way and does not change the rights or obligations of the PA or the Owner under the HAP contract.
3. The PA's consent to transfer of the HAP contract or the property to any transferee does not constitute consent to any further transfers of the HAP contract or the property, including further transfers to any successors or assigns of an approved transferee.

**d. When transfer is prohibited**

The HAP contract may not be assigned to a new Owner if MHFA, federal or state government has prohibited such assignment because:

1. The Federal government has instituted an administrative or judicial action against the Owner, or proposed new Owner, for violation of the Fair Housing Act or other Federal equal opportunity requirements, and such action is pending; or
2. A court or administrative agency has determined that the Owner or proposed new Owner violated the Fair Housing Act or other Federal equal opportunity requirements; or
3. The Owner is on the State of Minnesota suspension/debarment status list; or
4. The Owner is on suspension status from MHFA

**19. SUBSIDY LAYERING**

A subsidy layering review is not required for Existing or new construction housing projects.

**20. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS**

The HAP contract may be terminated upon at least 30-day notice to the Owner by the PA if the PA determines that the Contract Units were not eligible for selection in conformity with BIH requirements.

**21. NOTICES AND OWNER CERTIFICATIONS**

- a. Where the Owner is required to give any notice to the PA pursuant to the HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PA.
- b. Any certification or warranty by the Owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

**22. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION**

- a. An Owner must provide written notice to the PA and the affected Tenants, at least 1 year prior to the termination or expiration without extension of a HAP contract.
- b. An Owner who fails to provide such notice must permit Tenants to remain in their units for the required notice period with no increase in the Tenant portion of the rent. During this time period, an Owner may not evict a Tenant as a result of the Owner's inability to collect an increased Tenant portion of rent. With PA agreement, an Owner may extend the terminating contract for a period of time sufficient to give Tenants 1-year advance notice.

**23. FAMILY'S RIGHT TO REMAIN**

Upon termination or expiration of the contract without extension, each Family assisted under the contract may elect to use assistance to remain in the project if:

- The PA's procedures allow them to issue new rental assistance
- The Family's unit complies with the PA inspection requirements,
- The rent for the unit is reasonable as determined by the PA,
- The Family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for Tenant-paid utilities) exceeds the applicable payment standard.

**24. ENTIRE AGREEMENT; INTERPRETATION**

- a. The HAP contract, including the exhibits, is the entire agreement between the PA and the Owner.
- b. The HAP contract must be interpreted and implemented in accordance with all statutory requirements, including amendments or changes in BIH requirements during the term of the HAP contract. The Owner agrees to comply with all such laws and BIH requirements. Any regulatory citation specifically included in this HAP

contract is subject to any subsequent revision of such citation.