



TO: Owners and Managers of Project-Based Section 8 Properties
FROM: Robert Conroy, Director of Asset Management

**HAP CONTRACT RENEWALS
IMPORTANT POLICY REMINDERS**

- I. Owner Notification Requirements**
- II. Annual Utility Allowance Analysis**
- III. Date of Submission of Renewal Package**

I. Owner Notification Requirements

All project-based Section 8 owners that have a property in either the Initial or Subsequent renewal phase of their Housing Assistance Payment (HAP) Contract **must** provide all residents of that property with a one-year notice, pursuant to Section 11-4 of the Section 8 Renewal Policy.

Section 11-4 states:

Law: Section 8(c)(8) of the United States Housing Act requires that owners give a one-year written notice to tenants and HUD of the contract's termination or expiration. The one-year notification must state the owners' intentions (*i.e. to renew or not to renew*) at the time of the contract's expiration.

Format: The Notice must be:

1. On the Owner's or duly authorized representative's letterhead and signed.
2. The notice must be served by delivery directly to each unit in the property or mailed to each tenant. **NOTE: Taping the notice to the outside of each unit is not acceptable.**
3. If the population of the property speaks a language other than English, owners are strongly encouraged to provide the notification letters in the appropriate language(s). The cost of the translation of the letter is an eligible project expense.

Content of Notification Letter: Owners must include certain information in a notification letter. In order to meet the legal requirements for notification, the **Section 8 Renewal Policy: Guidance for the Renewal of Project-Based Section 8 Contracts** provides Owners with a sample one-year notification letter for use when an Owner intends to opt-out of the Section 8 project-based contract. Another sample letter provides language for Owners intending to renew the Section 8 project-based contract. (*See Appendix 11-1 and 11-2 of the Section 8 Renewal Policy. Copies of the notification letters are attached to this notice.*)

Owners **must** use a letter that contains the language included in the sample letters.

While Owners are not required to specify the reasons for contract termination, Owners are strongly encouraged to provide as much information as possible to tenants and HUD.

Owners **must** state that they will honor the residents' right to remain and will continually renew leases as long as the property is offered as rental housing, PHA continues to find the rent reasonable and there is no cause for eviction under Federal, State or local law.

If an Owner states that they intend to renew the contract but later changes their mind and decides to opt-out of the contract, they must provide tenants with a new one-year notification of this change of plans. In other words, tenants must receive one-year notification of an Owner's decision to opt-out.

State and Local Requirements: In addition to meeting the above Federal notification requirements, Section 8 project Owners must also comply with any State or local notification requirements. Owners should check with their appropriate local authorities to find out about such requirements.

Chapter 11 of the **Section 8 Contract Renewal Policy: Guidance for the Renewal of Project-Based Section 8 Contracts** provides additional information regarding failure to comply with the one-year tenant notification. All Initial and Subsequent renewal applications must contain a copy of the one-year notification letter. Owners may contact Jennifer Boardman, Financial Officer, at 1-800-452-4668 ext. 1727 or by email at jboardman@mainehousing.org with any questions regarding contact renewals. Copies of the Section 8 Renewal Policy can be found at www.hudclips.org.

II. Annual Utility Allowance Analysis

For project-based Section 8 properties that have utility allowances, an annual review of the utility allowances is required pursuant to Section 1.7(a)(2) of the Housing Assistance Payment (HAP) Contract. The purpose of the annual review of the utility allowances is to ensure the accuracy of the allowances. An analysis showing a cumulative change of 10% (5% if heat is included in the utilities) must be submitted for review and contract rents will be adjusted accordingly. It is not mandatory to submit a utility allowance analysis that does not require the need for an increase, but it is recommended. With the contract renewal package for any type of renewal, the Owner **must** indicate whether or not the annual analysis was conducted and when. For additional information regarding determination of utility allowances, see HUD Handbook 4350.1, Chapter 7. Owners may contact Lori Johnson, Financial Officer, at 1-800-452-4668 ext. 1730 or by email at ljohnson@mainehousing.org with any questions regarding utility allowances.

III. Date of Submission of Renewal Package

Project-based Section 8 properties that have either reached or are soon to reach their Initial expiration of their Housing Assistance Payment (HAP) Contract are required to submit a contract renewal application to MaineHousing **no later than 120 days** prior the expiration of the contract. This submission deadline is extremely important to ensure renewals are processed in a timely manner to prevent disruption of the monthly HAP. If contract renewal applications are not renewed within the specified timeframe, funding may be affected and the monthly HAP may be suspended until the renewal is complete and HUD funding appropriated. All renewals are subject the availability of HUD funding.

Attached, please find a list of project-based Section 8 properties that require contract renewal applications in the next 12 month period and the type of renewal required. Also attached, please find the following information to assist with the application process:

- ✓ Budget-Based Rent Adjustment Submission Checklist
- ✓ Section 8 Renewal Policy Checklist for Initial Renewals
- ✓ Section 8 Renewal Policy for Checklist Subsequent Renewals
- ✓ Section 8 Renewal Policy for Checklist Multiyear Rent Adjustments
- ✓ Certification of Purchasing Practices & Reasonableness of Expenses

Please refer to the **Section 8 Renewal Policy: Guidance for the Renewal of Project-Based Section 8 Contracts**. This guidebook may be found at www.hudclips.org. Questions regarding the contract renewal process or application submissions may be sent to Jennifer Boardman, Financial Officer at 1-800-452-4668 ext. 1727 or by email to jboardman@mainehousing.org.

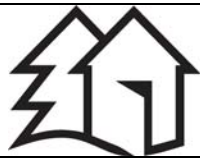
ATTACHMENTS:

- ✓ *Appendix 11-1: One-Year Notification Letter – Owner Does Not Intend to Renew*
- ✓ *Appendix 11-2: One-Year Notification Letter – Owner Intends to Renew*
- ✓ *Budget-Based Rent Adjustment Submission Checklist*
- ✓ *Section 8 Renewal Policy Checklist of Initial Renewals*
- ✓ *Section 8 Renewal Policy Checklist for Subsequent Renewals*
- ✓ *Section 8 Renewal Policy Checklist for Multiyear Rent Adjustments*
- ✓ *Certification of Purchasing Practices and Reasonableness of Expenses*
- ✓ *Electronic HUD Prescribed Budget*

MAINEHOUSING NONDISCRIMINATION NOTICE

Maine State Housing Authority (“MaineHousing”) does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Mary Darling, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4000 or 1-800-452-4668 (voice), or 1-800-452-4603 (TTY).





**Guidance for the Renewal of Project-Based Section 8 Contracts
SUBSEQUENT RENEWALS**

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

Option 1: Mark-Up-To Market

- Contract Renewal Request Form (*Attachment 3A-2*)*
- Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD 92458*)*
- Eligibility worksheets (*see Section 8 Renewal Guide for more information*)
- Documentation of one-year Notice to Tenants

Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents

- Contract Renewal Request Form (*Attachment 3A-2*)*
- OCAF Worksheet
- Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Completed Rent Schedule (*form HUD-92458*)*
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

Option 3: Referral to OMHAR

- Contract Renewal Request Form (*Attachment 3A-2*)*
- See Renewal Guide for additional OMHAR requirements
- Documentation of one-year Notice to Tenants

Option 4: Renewal of Projects Exempted from OMHAR

- Contract Renewal Request Form (*Attachment 3A-2*)*
- OCAF Worksheet (*Attachment 3B*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Rent Comparability Study (**for FHA Insured only** -*If RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD-92458*)*
- Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

Option 5: Portfolio Reengineering Demonstration or Preservation Projects

- At the end of the 5 year term the owner will be eligible to renew under Option 1 or 2. See above for requirements.
- Documentation of one-year Notice to Tenants

Option 6: Opt-Outs

- Contract Renewal Request Form (*Attachment 3A-2*)*
- Documentation of one-year Notice to Tenants
- Owner certification of honoring tenants rights to remain at the property as long as it continues to be offered for rental housing.
-

PLEASE NOTE: Items with an asterisk (*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)

ONE-YEAR NOTIFICATION LETTER - *Owner Does Not Intend 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)*.

Although 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 do not intend to renew the current Section 8 contract when it expires.

Since we do not intend to renew this project-based contract upon its expiration, it is our understanding that, if Congress makes funds available (which it has in the past and is expected to in the future), the Department of Housing and Urban Development will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance. Unlike the current project-based Section 8 contract, Section 8 vouchers are issued to the tenants and allows them to choose the place they wish to rent. The Section 8 voucher program is administered by local Public Housing Authorities. Federal law allows you to elect to continue living at this property provided that the unit, the rent, and we, the owners, meet the requirements of the Section 8 tenant-based assistance program. As an Owner, we will honor your right as a tenant to remain at the property on this basis as long as it continues to be offered as rental housing, provided that there is no cause for eviction under Federal, State or local law.

You will also have the opportunity to choose another development or single family house in which to move provided that the new landlord will accept the voucher and the owner and the unit meet Section 8 tenant-based program requirements.

Please remember that project-based Section 8 rental assistance will continue to be provided on your behalf for one year. In addition, we may agree to a renewal of the project-based contract with HUD, thus avoiding contract termination altogether.

Approximately four months (120 days) before the expiration of the Section 8 contract, HUD requires that we confirm our final decision to not renew this contract. Following this confirmation, you will be contacted by the local Public Housing Authority (PHA) to determine your household's eligibility for tenant-based assistance. If you intend to apply for Section 8 tenant-based rental assistance you should not move from your current unit until you have consulted with the local PHA about your eligibility for 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 (if applicable)

Name: _____
Telephone Number: _____

HUD Field Office

Name: _____
Telephone Number: _____

HUD Web

<http://hud.gov> - click on "rental help."

Sincerely,

(Owner)

(contact info)

cc: Local HUD Office/ (Contract Administrator)

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 (if applicable)

Name: _____

Telephone Number: _____

HUD Field Office

Name: _____

Telephone Number: _____

HUD Web

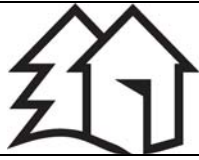
<http://hud.gov> - click on "rental help."

Sincerely,

(Owner)

(contact info)

cc: Local HUD Office/ (Contract Administrator)



The following checklist identifies documentation that may be required for submission of a complete package for a budget-based rent adjustment, either as part of or separate from a HAP Contract Renewal submission. This process applies to Traditional Contract Administration (TCA) and Performance-Based Contract Administration (PBCA) properties.

- COVER LETTER** – *The cover letter briefly does all of the following:*
 - * Summarizes the reasons why a rent increase is needed and the date the increase will be effective;
 - * Requests the percentage of the rent increase;
 - * Describes the project’s physical condition and any improvements that have been budgeted. The letter may refer to the reasons stated in the Notice to Tenants or further elaborates on those reasons. (The main reasons stated in the letter must be the same as the main reasons stated in the Notice to Tenants, if the project was subject to tenant comment procedures.); and
 - * Identifies any proposed changes in services, equipment or charges and the reasons for the changes.

- COMPLETED BUDGET WORKSHEET** (*Form HUD 92457-A*):
 - * Most recent audited financial figures in the left column. (These figures must match the most recent Audited Financial Statements submitted to HUD.);
 - * Year-to-date actual expenses in the middle column;
 - * Proposed figures for the requested budget year in the right column; and
 - * The form must be signed and dated.

- EXPLANATION AND SUPPORTING DOCUMENTATION FOR LINE ITEMS:**
 - * An increase of more than 5% and \$500 requires an explanation and documentation;
 - * An increase of less than 5% but over \$500 requires a brief statement explaining the basis for the increase;
 - * An increase of less than 5% and less than \$500 does not require an explanation or documentation; and
 - * New line items not included in the prior year budget require an explanation and supporting documentation.

Examples of supporting documentation include:

 - * Current (past 12 months of data), copies of contracts, invoices, bills or estimates obtained;
 - * Date notice of an increase from a utility company, insurance provider, etc.; or
 - * Analysis and backup documentation of how the projected expenses were estimated.

- PROVIDE AN ITEMIZED LIST FOR THE FOLLOWING CATEGORIES BUDGETED**
(*regardless of whether or not the owner is requesting an increase*):
 - * Line 6390 – Misc Admin Expenses
 - * Line 6590 – Misc Operating and Maintenance Expenses
 - * Line 6790 – Misc Taxes, Lic, Permits or Insurance
 - * Line 6890 – Misc Financial Expenses

EXAMPLE: If you are claiming a total of \$1,000 in line 6390, you must itemize each expense such as \$600 for postage, \$300 for stationary and \$100 for copying expenses.

- PROVIDE DOCUMENTATION TO SUPPORT THE FOLLOWING CATEGORIES BUDGETED** (*regardless of whether or not the owner is requesting an increase*):
 - * Line 6520 – Contracts
 - * Line 6720 – Property and Liability Insurance

- PROVIDE PAYROLL ANALYSIS TO SUPPORT THE FOLLOWING CATEGORIES BUDGETED** *(including current salaries, projected salaries and payroll taxes – regardless of the amount requested):*
 - * Line 6310 – Office Salaries
 - * Line 6330 – Manager/Superintendent Salaries
 - * Line 6510 – Janitor/Cleaning Payroll
 - * Line 6530 – Security Payroll Contract
 - * Line 6351 – Bookkeeping fee

- OTHER BUDGET CONDITIONS AND REQUIREMENTS**
 - * Line 5220 – Vacancies are not an allowable budget expense if the property is a 202/8.
 - * Line 6900 – Expenses for Resident Service Coordinators belong on this line.
 - * Bottom line of budget:
 - If the owner is allowed a distribution, the bottom line of the budget should match this amount.
 - Non-profits should budget their bottom line as close to “break even” as possible. A non-profit owner is not allowed a large surplus.

- CURRENT MANAGEMENT CERTIFICATION APPROVED BY HUD** *(Form HUD-9839-A, B, C as applicable):*
 - * The owner/agent must submit to HUD a new Management Certification and obtain HUD approval if the management fees in the proposed budget are not supported by the current Management Certification. **PLEASE NOTE:** The Management Certification must be submitted directly to HUD for approval. Once HUD approval has been received, please forward a copy of the approval to MaineHousing.

- COPY OF NOTICE TO TENANTS:**
 - * Where applicable, a copy of the Notice to Tenants must be submitted with an annotation showing where and how the Notice was distributed (e.g. posted, mailed, hand carried).
 - * The Notice must show the reason(s) for the requested increase and inform tenants of their right to contact HUD within 30 days.
 - * The Notice to Tenants must follow the exact format provided in HUD Handbook 4350.a, Chapter 7, Appendix 1.

- COPY OF COMMENTS FROM TENANTS AND OWNER EVALUATION OF COMMENTS:**
 - * All comments from tenants received by the owner must be reviewed, evaluated and responded to by the owner, with the exception of 202’s and co-ops.
 - * The comments, summary of the owner’s review and evaluation of comments, and the owner’s response to the comments must be submitted to the CA or PBCA with the rent adjustment.

- OWNER CERTIFICATION OF OWNER PROVIDING NOTICE TO TENANTS:**
 - * Per HUD Handbook 4350.1, Chapter 7, Appendix 2, this document refers to the Notice to Tenants and the owner certifies that the proper notice was provided. The owner must also certify the full comment period of 30 days was provided to the tenants.
 - * The Certification must be dated 30 days following the Notice to Tenants.

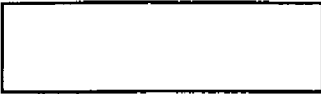
- OWNER’S CERTIFICATION REGARDING PURCHASING PRACTICES AND REASONABLENESS OF EXPENSES** *(fully executed form, HUD Handbook 4350.1, Chapter 7, Appendix 3):*

- APPROVED REQUEST FOR AN INCREASE IN THE REPLACEMENT RESERVE** *(if the requested increase in funding is part of the basis for the requested rent increase):*
 - * If the owner wishes to increase the Replacement Reserve funding, the request must be submitted and accompanied by a Capital Improvement/MIO Plan or a Reserve for Replacement Analysis, and if applicable, the Comprehensive Needs Assessment to the HUD Project Manager.
 - * Any change in the Reserve for Replacement funding by be approved by HUD.

CERTIFICATION AS TO PURCHASING PRACTICES AND
REASONABLENESS OF EXPENSESProject Name _____ FHA or Non-insured
Project No. _____

Acting on behalf of, _____, the
Project Owner, I certify that ALL of the following statements are
true.

- 1) The project is obtaining utilities at the lowest rates available.
- 2) The project has received or requested any tax relief for which it is eligible and management has analyzed the project's property tax bills and appealed any assessments which appeared unreasonable.
- 3) Amounts paid to individuals or companies having an identity-of-interest with the owner or the management agent were not excess of the costs that would have been incurred in making arms-length purchases on the open market.
- 4) Management has exerted reasonable effort to take advantage of discounts and has credited the project with all discounts, rebates or commissions received with respect to purchases, service contracts and other transactions made on behalf of the project.
- 5) Management has obtained contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project and at costs not in excess of amounts ordinarily paid for comparable contracts, materials, supplies and services in the area in which such services, supplies, or materials are furnished.
- 6) Management has solicited verbal or written cost estimates, as necessary to comply with the Paragraphs 3 through 5 above. Management has documented the reasons for accepting other than the lowest bid and will make the documentation available to HUD, upon request.



APPENDIX 3

WARNING:

- o 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.

- o 12 U.S.C. 1715z-4 provides in part: "Whoever, as an owner of a property which is security for a mortgage (covering multifamily housing, as defined in the regulations of the Secretary) or as a stockholder beneficial owner ... trust ... or as an officer, director or agent of any such owner (1) willfully uses or authorizes use of any part of the rents or other funds derived from the property covered by such mortgage in violation of a regulation ... (2) willfully and knowingly uses or authorizes the use, while such mortgage is in default, of any part of the rents or expense ... shall be fined not more than \$5,000 or imprisoned not more than 3 years or both

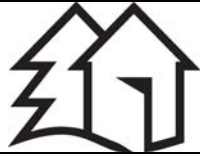
Signed by:

Name

Title

Signature

Date



Guidance for the Renewal of Project-Based Section 8 Contracts
INITIAL RENEWALS

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

Option 1: Mark-Up-To Market

- Contract Renewal Request Form (*Attachment 3A-2*)*
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be submitted*)
- Completed Rent Schedule (*form HUD 92458*)*
- Eligibility worksheets (*see Section 8 Renewal Guide for more information*)

Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents

- Contract Renewal Request Form (*Attachment 3A-2*)*
- OCAF Worksheet
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be submitted*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Completed Rent Schedule (*form HUD-92458*)*
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

Option 3: Referral to OMHAR

- Contract Renewal Request Form (*Attachment 3A-2*)*
- See Renewal Guide for additional OMHAR requirements

Option 4: Renewal of Projects Exempted from OMHAR

- Contract Renewal Request Form (*Attachment 3A-2*)*
- OCAF Worksheet (*Attachment 3B*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Rent Comparability Study (**for FHA Insured only** - *if RCS is 5 years old a new RCS must be submitted*)
- Completed Rent Schedule (*form HUD-92458*)*
- Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

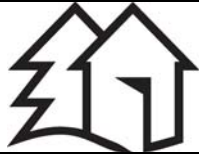
Option 5: Portfolio Reengineering Demonstration or Preservation Projects

- HUD is no longer processing initial renewals under the Portfolio Reengineering Demonstration Program (*no submission to MSHA required*)

Option 6: Opt-Outs

- Contract Renewal Request Form (*Attachment 3A-2*)*
- Documentation of one-year Notice to Tenants
- Owner certification of honoring tenants rights to remain at the property as long as it continues to be offered for rental housing.

PLEASE NOTE: Items with an asterisk (*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)



Guidance for the Renewal of Project-Based Section 8 Contracts
MULTIYEAR ADJUSTMENTS/RENEWALS

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

Option 1: Mark-Up-To Market

- Letter from Owner requesting Multiyear Adjustment/Renewal
- OCAF Worksheet (*Attachment 3B*)
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD 92458*)*

Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents

- Letter from Owner requesting Multiyear Adjustment/Renewal
 - OCAF Worksheet (*Attachment 3B*)
- OR**
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
 - Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
 - Completed Rent Schedule (*form HUD-92458*)*
 - Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

Option 3: Referral to OMHAR

- See Renewal Guide for additional OMHAR requirements

Option 4: Renewal of Projects Exempted from OMHAR

- Letter from Owner requesting Multiyear Adjustment/Renewal
 - OCAF Worksheet (*Attachment 3B*)
- OR**
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
 - Rent Comparability Study (**for FHA Insured only** - *if RCS is 5 years old a new RCS must be submitted*)
 - Completed Rent Schedule (*form HUD-92458*)*
 - Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
 - Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

Option 5: Portfolio Reengineering Demonstration or Preservation Projects

- Letter from Owner requesting Multiyear Adjustment/Renewal
- OCAF Worksheet (*Attachment 3B*)
- Completed Rent Schedule (*form HUD-92458*)*

Option 6: Opt-Outs

- Not applicable - Owner will only be eligible to Opt-Out at the final expiration of the contract.

PLEASE NOTE: Items with an asterisk (*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)