



California Affordable Housing Initiatives, Inc.

## Complete Package Requirements

### *Option 6 – Opt-Out*

Official notification of Opt-Out by an Owner is when CAHI receives:

- Owner signed Attachment 3A-2, Contract Renewal Request Form and Worksheet (sample attached); and
- Tenant One-Year Notification Letter (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 3A-2), the sample attachments serve as acceptable templates. You are *not* required to use these documents.

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

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

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

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

OMB No. 2502-0587  
(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:** \_\_\_\_\_

# WORKSHEET FOR OPTION SIX

## Notification of Non-Renewal of Contract

I hereby elect to **OPT-OUT** of the Section 8 program. I understand that notification of this opt-out is required to be given to the Department of Housing and Urban Development 120 days prior to the expiration of the contract.

### I hereby certify:

- I provided the assisted tenants and HUD with a one-year written notification of the contract expiration and our intention not to renew the contract as required by Section 8(c)(8) of the United States Housing Act of 1937. This notification was provided on \_\_\_\_\_ . If I elected to opt out while my project was being reviewed by OAHP, I have or will provide a second, 120 day, notification to tenants. This notification was provided on \_\_\_\_\_. A copy of the notification letter(s) is (are) attached.
- I am willing to execute a short-term renewal of my contract if HUD needs additional time to provide the tenant-based assistance.
- I am not willing to execute a short-term renewal of my contract if HUD needs additional time to provide the tenant-based assistance.
- I have submitted a copy of the written notification to the tenants, contract administrator if applicable, and HUD of the contract expiration and our intention not to renew the contract however; a full year has not elapsed. I agree to execute a contract renewal for a term that will fulfill the entire one-year notification requirement.

### I hereby certify that:

- The property does not have any Use Agreement in effect; AND
- I agree to honor the tenants' right to remain at the property, provided that the PHA approves a rent equal to the new rent charged for the unit. I agree not to terminate the tenancy of a tenant who exercises their right to remain except for cause under State or local law.
- 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.*

**ONE-YEAR NOTIFICATION LETTER – OWNER DOES NOT INTEND TO RENEW**\_\_\_\_\_  
(Date)

Dear Tenant:

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 allow them to choose the place they wish to rent. The Section 8 voucher program is administered by the local Public Housing Authority. 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: California Affordable Housing Initiatives, Inc., 505 14th Street, Suite 650, Oakland, CA 94612

Telephone Number: 510-238-5300

HUD Regional Center

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

Telephone Number: \_\_\_\_\_

HUD Web

<http://www.hud.gov> - click on "I want to" and the on "Find Rental Assistance."

Sincerely,

\_\_\_\_\_  
(Owner)

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

cc: Local HUD Office/ \_\_\_\_\_ (*Contract Administrator*)