

Amendment to Katrina Disaster Rent Subsidy Contract

- (1) The PHA _____ and Owner _____ (the “Parties”) desire to amend the existing Katrina Disaster Rent Subsidy Contract that was signed pursuant to the requirements of the Katrina Disaster Housing Assistance Program so as to continue assistance payments to the Owner.
- (2) The parties recognize that the Katrina Disaster Rent Subsidy Contract is amended, pursuant to this amendment, to reflect the requirements of the Disaster Voucher Program (“DVP”) as authorized pursuant to the Department of Defense Appropriations Act, 2006 (Public Law No. 109-148).
- (3) The parties agree to comply with the HUD requirements of the DVP, including the Operating Requirements of the DVP, beginning _____ [insert date]. HUD requirements are issued by HUD headquarters, as regulations, contracts, Federal Register notices or other binding program directives.
- (4) The Rent Subsidy Contract (“contract”) is hereby amended as follows:
 - a. Where the contract states “KDHAP” or “Katrina Disaster Housing Assistance Program,” replace with “DVP” or “Disaster Voucher Program.”
 - b. Where the contract states “KDRS” or “KDRS contract,” replace with “DVP HAP” or “DVP HAP contract.”
 - c. Where the contract states “rent subsidy payments,” replace with “housing assistance payments.”
 - d. Where the contract states “Lease rent,” replace with “Rent to Owner.”
 - e. In the Section-by-Section Instructions on how to fill in Part A, the instructions for Section 5 are deleted. Inserted in its place is “Enter the first date and last date of the initial lease term, and any revised last date of the initial lease term.”
 - f. **Part A:**
 - i. Section 5: Initial Lease Term, add the following language “Pursuant to the requirements of the DVP, the lease term must be for at least one year, but may be for a shorter term in accordance with HUD requirements. Accordingly, the parties agree to revise the initial lease term to end on (mm/dd/yyyy): _____.”
 - g. **Part B:**
 - i. Section 1(e) is deleted.
 - ii. Section 2(d) is amended by adding “(3) The lease is in a standard form that is used in the locality by the owner and that is generally used for other unassisted tenants in the premises.”
 - iii. Section 2(e) is deleted. Inserted in its place is “The initial lease term is prescribed in accordance with HUD requirements.”
 - iv. Section 2(f) is deleted.
 - v. Section 2(g) is deleted.
 - vi. Section 3(d), add “If a defect is life-threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within the period specified by the PHA.”
 - vii. Section 4(a) is deleted. Inserted in its place is: “Relation of Amended KDRSC to Lease Term: The requirements of the amended KDRSC are effective on _____ (insert date) and apply to the lease entered into between the Owner and Tenant. The term of the amended KDRSC ends on the last day of the lease term.”
 - viii. Section 4(b), add the following:
 1. (6) The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner (because the family is responsible for the full amount of the rent to owner).
 2. (7) The PHA may terminate the HAP contract if the PHA determines that the contract unit does not provide adequate space in accordance with the HQS because of an increase in family size or a change in family composition.
 3. (8) If the family breaks up, the PHA may terminate the HAP contract, or may continue housing assistance payments on behalf of family members who remain in the contract unit.
 - ix. Section 6(a-c) is deleted.
 - x. Section 7 is deleted and inserted in its place is the following language:

- a. During the HAP contract term, the rent to owner may at no time exceed the reasonable rent for the contract unit as most recently determined or redetermined by the PHA in accordance with HUD requirements.
- b. The PHA must determine whether the rent to owner is reasonable in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:
 - i. The location, quality, size, unit type and age of the contract unit; and
 - ii. Any amenities, housing services, maintenance and utilities provided and paid by the owner.
- c. The PHA must determine reasonable rent when required in accordance with HUD requirements. The PHA may redetermine the reasonable rent at any time.
- d. During the HAP contract term, the rent to owner may not exceed rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA any information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.
- xi. Section 8, insert the following: “(a)(4) If housing assistance payments are not paid promptly when due after the first two calendar months of the HA contract term, the PHA shall pay the owner penalties in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment by a tenant. However, the PHA shall not be obligated to pay any late payment penalty if HUD determines that late payment by the PHA is due to factors beyond the PHA’s control. Moreover, the PHA shall not be obligated to pay any late payment penalty if housing assistance payments by the PHA are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following PHA remedies: recovery of overpayments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments and termination of the contract).
- xii. Section 8(f), insert “any other” in front of “Section 8 Housing Assistance Payments contracts.”
- xiii. Section 9, add the following: “(g) The rent to owner does not exceed rents charged by the owner for rental of comparable unassisted units in the premises.”
- xiv. Section 11, add the following:
 - 1. (a)(4) If the Owner has violated any obligation under any other housing assistance payments contract under section 8.
 - 2. (a)(5) For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.
- xv. Section 15, strike paragraph (b) and replace with the following language:
 - 1. Any assignment of the DVP HAP contract is subject to HUD requirements for the Housing Choice Voucher Program under Section 8 of the United States Housing Act of 1937.
- xvi. Section 17, add the following language to the end of (b) “including the HUD program regulations at 24 CFR part 982.
- h. **Part C:**
 - i. Section 3, add the following:
 - 1. (3)(b) After the first sentence reading, “The composition of the household must be approved by the PHA,” strike out the remaining language and replace with, “The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.”
 - 2. (3)(e) The contract unit may only be used for residence by the PHA-approved household members. The unit must be the family’s only residence. Members of the household may engage in legal profitmaking activities incidental to primary use of the unit for residence by members of the family.

- ii. Section 4(c) is deleted and inserted in its place is the following language:
 - 1. 4(c) During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:
 - a. The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or
 - b. Rent charged by the owner for comparable unassisted units in the premises.
- iii. Section 6, insert (a) in front of paragraph. Add the following sections:
 - 1. 6(b) Rent to owner does not include cost of any meals or supportive services or furniture which may be provided by the owner.
 - 2. 6(c) The owner may not require the tenant of family members to pay charges for any meals or supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- iv. Section 8 is deleted and replaced with the following language:
 - 1. Termination of Tenancy by Owner:
 - a. Requirements: The owner may only terminate the tenancy in accordance with the lease and HUD requirements.
 - b. Grounds: During the term of the lease (the initial term of the lease or any extension term), the owner may only terminate the tenancy because of:
 - i. Serious or repeated violation of the lease;
 - ii. Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
 - iii. Criminal activity or alcohol abuse (as provided in paragraph 2); or
 - iv. Other good cause (as provided in paragraph 3).
 - 2. Criminal activity or alcohol abuse:
 - a. The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:
 - i. Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
 - ii. Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
 - iii. Any violent criminal activity on or near the premises; or
 - iv. Any drug-related criminal activity on or near the premises.
 - b. The owner may terminate the tenancy during the term of the lease if any member of the household is:
 - i. Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
 - ii. Violating a condition of probation or parole under Federal or State law.
 - c. The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.
 - d. The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.
 - 3. Other good cause for termination of tenancy:

- a. During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.
 - b. During the initial lease term or during any extension term, other good cause includes:
 - i. Disturbance of neighbors,
 - ii. Destruction of property, or
 - iii. Living or housekeeping habits that cause damage to the unit or premises.
 - c. After the initial lease term, such good cause includes:
 - i. The tenant’s failure to accept the owner’s offer of a new lease or revision;
 - ii. The owner’s desire to use the unit for personal or family use or for a purpose other than use as a residential rental unit; or
 - iii. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner’s desire to rent the unit for a higher rent).
4. Eviction by court action. The owner may only evict the tenant by a court action.
5. Owner notice of grounds:
- a. At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.
 - b. The owner must give the PHA a copy of any owner eviction notice at the same time the owner notifies the tenant.
 - c. Eviction notice means a notice to vacate or a complaint or other initial pleading used to begin an eviction action under State or local law.
- v. Section 9, in heading, add “Amended” before “KDRS.” Delete the following language: “The maximum term of the lease may at no time exceed eighteen months.”
- vi. Section 12(b) is deleted.
- vii. Section 15(d), “thirty days” is replaced with “sixty days.”
- viii. Section 17, the definition of HUD requirements is amended to include “the Operating Requirements of the DVP.”
- ix. Section 17, add the following definition: “**Household.** The persons who may reside in the contract unit. The household consists of the family and any PHA-approved live-in aide. (A live-in aide is a person who resides in the unit to provide necessary supportive services for a member of the family who is a person with disabilities.)”

Signature: PHA

Signature: Owner

Print or Type Name of PHA

Print or Type Name of Owner

Signature

Signature

Print or Type Title of Signatory

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)