

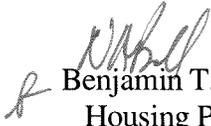


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

FEB 19 2014

OFFICE OF HOUSING

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All Multifamily Supervisory Project Managers

FROM:  Benjamin T. Metcalf, Deputy Assistant Secretary for Multifamily
Housing Programs, HT

SUBJECT: Renewal of Expiring Project Assistance Contracts (PACs) Under the
Section 202 Program of Supportive Housing for the Elderly and for
Persons with Disabilities for Fiscal Year (FY) 2014

The Continuing Appropriations Act, 2014 under Public Law 113-46 (October 2013), authorized the Department to continue to renew expiring PACs for a term of one year at Fiscal Year (FY) 2013 levels through January 15, 2014, only. The more recent Consolidated Appropriations Act, 2014 under Public Law 113-76 (January 2014), authorized PAC renewals expiring from January 16, 2014, with one year terms through the remainder of this FY (September 30, 2014). This memorandum provides instructions for renewing expiring Project Assistance Contracts for Section 202 for all of FY 2014.

Owners must submit an operating budget for all projects with an expiring PAC. If the owner is requesting an increase in project assistance, the request must detail project needs and summarize the reasons why an increase in project assistance is needed, including necessary increases to the Reserve for Replacement Account. An increase in the project assistance should be effective the day after the contract expiration, i.e., the first day of renewal. For all of FY 2014, Field Offices should insert *Public Law 113-46 (October 2013)* for contracts expiring between October 1, 2013 through January 15, 2014, where noted in section 4.b of the PAC. For contracts expiring between January 16, 2014 through September 30, 2014, Field Offices should insert *Public Law 113-76 (January 2014)* where noted in section 4.b. of the PAC. For general guidance on requesting and processing a rent increase, consult HUD Handbook 4350.1, *Multifamily Asset Management and Project Servicing*, Chapter 7 as modified below.

1. Disregard paragraph 7-30.P. of HUD Handbook 4350.1. The budget will no longer include a two percent contingency reserve for PAC projects owned by non-profits and those projects once owned by non-profits but which have been sold to limited dividend partnerships. In its place, the Owner may include a typical vacancy factor not to exceed five percent.
2. PAC projects with low income housing tax credits may include in their budgets only those usual and customary fees and expenses for operating a tax credit project, including payment of the equity syndicator's asset management fees; state allocating agency's compliance and asset monitoring fees; mandatory interest payments of up

to one percent due on subordinate debt provided by a governmental lender; and deferred developer's fees, plus interest accrued at the applicable federal rate, which may be deferred for no more than 12 years. The deferred developer's fee may be included as an operating budget line item but may only be paid from surplus cash.

In order for Field Offices to adequately and timely review and process requests for renewal of PACs, owners should submit requests for renewals of PACs to Field Offices no later than 120 days prior to the expiration of the contract. The renewal term shall not exceed one year.

Owners of PAC projects cannot use funds remaining under the existing contract. The Department will be recapturing these funds.

Attached is a list of projects with a PAC that will expire this fiscal year (Attachment A). Field Offices are asked to submit the renewal needs for each of the projects on the attached list that are within their jurisdiction to their Desk Officer in the Office of Asset Management in Headquarters. Field Offices should add any missing projects to the list or remove projects that are not expiring in FY 2014 from the attached list.

No action is necessary by the Program Centers and/or Hubs to request renewal funding. Funding for initial and subsequent PAC renewals will be provided automatically by the Office of Housing Assistance Contract Administration Oversight (HACAO), Financial Operations Division (FOD). In the event that renewal funding was inadvertently not provided, the Hubs should submit the renewal needs of the missed project on the HACAO/FOD's Funding SharePoint site at http://hudsharepoint.hud.gov/sites/DASMFH/OHACAO/FOD/FOD_Funding/default.aspx. This site provides a centralized forum for funding issues. The attached contract renewal form (Attachment B) must be executed upon reservation of the project rental assistance funds.

For further information regarding renewal policy, please contact Regina Aleksiewicz at (202) 402-2600 and on funding issues, please contact Arnita Scott at (312) 913-8541, Aruna Shah at (312) 913-8588 or Donna Sheehan at (312) 957-4781.

Attachments

LIST OF EXPIRING PROJECT ASSISTANCE CONTRACTS

Field Office	Property ID	Property Name	Contract Number	Expiration Date
Albuquerque	800014558	Concha Ortiz y Pino de Klevin Apts.	NM16D891001	1/31/2014
Albuquerque	800014572	Frank Gray House Apts.	NM16D891003	11/30/2014
Albuquerque	800014642	Vern Jolly House Apts.	NM16D891002	11/30/2013
Birmingham	800000306	MAGNOLIA GARDENS, III	AL09D891001	1/26/2014
Birmingham	800000357	CHRISTOPHERSON ESTATES	AL09D891002	4/26/2014
Birmingham	800000356	ONDERDONK COTTAGES	AL09D891003	4/26/2014
Boston	800008861	First Assoc. Property Homes	MA06D901002	2/26/2014
Boston	800008861	Second Assoc. Properties	MA06D901001	12/22/2013
Boston	800008677	MHPI VI	MA06D901002	4/30/2014
Buffalo	800015088	Ellicott Place Apts.	NY06D891003	5/10/2014
Charleston	800023594	FMRS Housing Inc.	WV15D891001	5/12/2014
Chicago	800006347	Spoon Riva Apts.	IL106D891004	2/20/2014
Chicago	800011227	Robert Will Community Housing	MN46D891001	1/3/2014
Chicago	800011301	Superior View Apts.	MN46D891002	1/23/2014
Columbia	800019592	GA Properties	SC16D891003	2/24/2014
Columbia	800019768	Sandwood Apts.	SC16D891004	3/24/2014
Columbia	800019496	Bridgewood Apts.	SC16D891005	3/29/2014
Columbus	800017297	St. Mark Community	OH10D891004	1/20/2014
Columbus	800017286	Southside Manor	OH16D891004	5/30/2014
Denver	800012354	Eagle Watch Apts.	MT99D892001	6/2/2014
DesMoines	800005349	LeMars Independent	IA05D890001	12/31/2014
Detroit	800010235	Independence Square Apts.	MI33D891001	10/31/2014
Ft. Worth	800020663	Arlington VOA Living Center	TX16D891001	5/31/2014
Greensboro	800012497	ARC/HDS Carteret CO GH #2	NC19D891001	2/4/2014
Greensboro	800012555	ARC/HDS Guilford CO GH #6	NC19E891002	12/6/2013
Greensboro	800012482	ARC/HDS Alamance CO GH #7	NC19D891003	3/11/2014
Greensboro	800012552	ARC/HDS Forsyth CO GH #6	NC19D891004	2/19/2014
Greensboro	800012564	ARC/HDS Gaston CO GH #4	NC19D891005	8/28/2014
Greensboro	800012524	ARC/HDS Cumberland CO GH #7	NC19D891006	2/26/2014
Greensboro	800012590	ARC/HDS Mecklenburg Co. Group	NC19D891007	1/2/2014
Greensboro	800012479	ARC/HDS Alamance CO GH #8	NC19D891008	3/11/2014
Greensboro	800012626	ARC/HDS Rowan CO GH #4	NC19D891009	2/10/2014

Greensboro	800012638	ARC/HDS Rutherford CO GH #2	NC19D891010	2/19/2014
Greensboro	800012600	ARC/HDS Moore CO GH #3	NC19D891011	2/14/2014
Greensboro	800013028	MHA of Piedmont	NC19D891013	7/31/2014
Greensboro	800013034	MHA of Western NC	NC19D891014	7/31/2014
Greensboro	800013031	MHA of Western NC	NC19D891015	7/31/2014
Greensboro	800012996	MHA of Central NC	NC19D891016	11/12/2013
Greensboro	800013312	WNC Community Homes #3	NC19D891018	11/20/2013
Greensboro	800012990	Jade Tree/Glen Eden GH	NC19d891020	7/30/2014
Greensboro	800013193	Shepherd House	NC19d891021	11/24/2013
Greensboro	800012556	ARC/HDS Guilford CO GH #8	NC19D901001	2/25/2014
Greensboro	800012589	ARC/HDS Lincoln CO GH	NC19D901002	8/28/2014
Greensboro	800012501	ARC/HDS Craven CO GH #3	NC19D901003	2/26/2014
Greensboro	800012510	ARC/HDS Catawba CO GH #3	NC19D901004	8/28/2014
Greensboro	800012627	ARC/HDS Randolph CO GH	NC19D901005	8/29/2014
Greensboro	800012584	ARC/HDS Lee CO GH	NC19D901007	6/3/2014
Greensboro	800012566	ARC/HDS Guilford CO #7	NC19D901008	2/25/2014
Greensboro	800012665	ARC/HDS Washington CO GH #3	NC19D901009	2/26/2014
Greensboro	800012658	ARC/HDS Union CO GH #3	NC19D901011	5/18/2014
Greensboro	800013028	MHA of Piedmont	NC19D901014	7/31/2014
Greensboro	800013028	MHA of Piedmont	NC19D901015	7/31/2014
Greensboro	800013295	Whittecort Home	NC19D901016	5/20/2014
Greensboro	800012477	ARC/HDS Alamance CO GH #9	NC19D901919	2/25/2014
Greensboro	800012453	As New Hanover CO GH #1	NC19D901023	12/29/2013
Greensboro	800012454	As New Hanover CO GH #2	NC19D901024	12/29/2013
Greensboro	800012704	As Wake CO GH #1	NC19D901025	3/23/2014
Greensboro	800012456	As Wake Co GH #1	NC19D901026	2/23/2014
Greensboro	800012455	As Mecklenburg CO GH #1	NC19D901027	3/23/2014
Greensboro	800013060	MHA Housing of Eastern NC	NC19D901029	7/31/2014
Greensboro	800012452	As Mecklenburg CO GH #2	NC19D901031	2/23/2014
Houston	800013555	Community Alliance Housing I	NE26D891002	6/30/2014
Houston	800013555	Community Alliance Housing I	NE26D901001	12/31/2013
Indianapolis	800006827	Manor House II	IN36D891004	6/24/2014
Indianapolis	800006755	Group Living	IN36D891009	5/8/2014
Indianapolis	800006904	Opportunity Apts.	IN36D901006	2/26/2014
Jackson	800012213	North Willows	MS26D891001	4/5/2014
Jacksonville	800004133	Life Concepts Living II	FL29D901008	1/28/2014
Jacksonville	800004245	Life Concepts Group Home II	FL29D9091011	6/29/2014
Kansas City	800007165	COF Independent Living	KS16D901004	2/28/2014
Kansas City	800011834	Rainbow Residential Care	MO16D891003	4/8/2014
Kansas City	800011592	Good Shepherd Manor	MO16D891006	5/29/2014
Little Rock	800000762	Safe Harbor	AR37D891001	2/28/2014

Little Rock	800000753	Ridge Homes	AR37D901005	12/16/2013
Los Angeles	800002043	NEW VISIONS	CA16D891010	4/9/2014
Louisville	800007862	Russelville Residence	KY36D891003	12/12/2013
Louisville	800007673	Henderson Group Home	KY36D891005	1/5/2014
Louisville	800007664	Hallmark Group Home	KY36D891006	9/3/2014
Minneapolis	800011377	Hayden Lake aka The Wiggins	MN46D891003	5/16/2014
Minneapolis	800011325	Redruth Valley Apts.	MN46D891005	7/24/2017
New Orleans	800007432	Tech Residential II	KS16D891002	11/18/2014
New Orleans	800007301	Meadowlark Housing	KS16D891003	2/28/2014
New York	800015691	Project Share	NY36D891003	3/15/2014
New York	800015555	Nashoga House	NY36D891994	5/11/2014
Oklahoma City	800000696	Michael T. O'Brien Apts.	AR37D901009	2/27/2014
Omaha	800013683	Platte Valley Apts.	NE26D891001	9/30/2014
Omaha	800013533	Mosaic Housing Corp I	NE26D901002	3/31/2014
Philadelphia	800003867	DIMA I	DE26D901001	10/20/2014
Pittsburgh	800018184	Allied Community Lliving	PA28D891001	12/4/2014
Pittsburgh	800018933	Terrace Overview Apts.	PA28D891004	11/12/2014
Pittsburgh	800018959	Twin Mountain Apts.	PA28D891008	10/30/2014
Pittsburgh	800018686	Moshannon Valley Apts.	PA28d891006	2/14/2014
Pittsburgh	800018547	Irma Seligman Apts.	PA28D901001	3/22/2014
Portland	800017910	Halsey Street Project	OR16D901003	12/26/2014
Portland	800017960	Laurel Grove Apts.	OR16D891001	3/6/2014
Portland	800018131	Tryon Mews	OR16D901004	6/14/2014
Providence	800019404	Boucher Apts.	RI43D891002	11/4/2013
San Antonio	800000733	Peaceful Shores	AR37D891006	10/29/2014
San Antonio	800000772	Smooth Sailing Group Home	AR37D891003	1/29/2014
San Antonio	800000673	Lifeline Apts.	AR37D891004	12/22/2013
San Antonio	800000546	Calm Seas	AR37d891005	3/3/2014
San Antonio	800020861	Elliot Grant Homes	TX58D891003	4/27/2014
San Antonio	800020999	KC Casada Paz	TX59D891004	8/3/2014
San Antonio	800021108	Monarch Place Apts.	TX59D901001	4/29/2014
San Francisco	800000993	AARON HOUSE	CA39D891001	2/17/2014
San Francisco	800002513	STONEHAVEN HOUSE	CA39D891007	1/31/2014
San Francisco	800002073	NOVA HOUSE	CA39D891008	3/31/2014
Seattle	800022439	Country Heights Apts.	WA19D891002	6/28/2014
Shreveport	800008232	GREENWOOD LODGE	LA48D891002	7/31/2014
Shreveport	800008233	CORBITT LODGE	LA48D891003	10/27/2014
St. Louis	800011606	HARAMBEE HOUSE	MO36D891002	6/10/2014
St. Louis	800011843	REGENCY TERRACE OF CAPE GIRARDEAU	MO36D891005	9/30/2014
St. Louis	800225094	Center II Apartments	MO36D891008	7/5/2014

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF HOUSING

PROJECT ASSISTANCE CONTRACT

CONTRACT RENEWAL FOR FISCAL YEAR 20__

ONE-YEAR TERM

1. CONTRACT INFORMATION:

Project Assistance Contract Number _____

FHA Project Number (if applicable): _____

Project Name: _____

Project Number: _____

Project Address: _____

Name of Owner: _____

Address of the Owner: _____

2. EXPIRING CONTRACT:

Except as specifically modified by this Contract Renewal, all provisions of the Expiring or Expired Project Assistance Contract are renewed.

3. TERM OF THE RENEWAL:

The term of the Contract Renewal begins on _____ and shall run for a period of one year and will end on _____.

Execution of this Contract by HUD is an obligation of \$_____, an amount sufficient to provide project assistance payments for approximately _____ months of the Renewal Contract term.

[In the event HUD is unable to fund the Renewal Contract for the full 12 month term, HUD will provide funding for the remainder of the Renewal Contract term subject to the availability of appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (1) the amount of such additional funding, and (ii) the approximate period of time the Renewal Contract term to which it will be applied.]

4. RENEWAL CONTRACT

a. Parties

The Renewal Contract is a project assistance contract (“PAC Contract”) between HUD and the Owner of the Project

b. Statutory and Regulatory Authority

Renewal of PACs is authorized under Public Law _____.

The Owner executing the Renewal Contract shall be subject to all applicable HUD requirements, including but not limited to 24 CFR § 891, subpart E.

c. Expiring Contract

Previously, HUD and the Owner had entered into a PAC Contract (“existing contract”) to make assistance payments to the Owner for eligible residents living in the Project.

d. Purpose of Renewal Contract

(1) The purpose of the Renewal Contract is to renew the expiring or expired contract for a one-year term. During the term of the Renewal Contract, HUD shall make project assistance payments to the Owner in accordance with the provisions of the Renewal Contract.

(2) In accordance with 24 CFR §891, subpart E, Project assistance payments shall only be paid to the Owner of the contract units occupied by eligible residents leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If HUD determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, HUD may reduce the number of units covered by the PAC.

e. Contract Units

The Renewal Contract applies to the contract units.

5. EXPIRING CONTRACT – PROVISIONS RENEWED:

a. Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with the regulatory requirements in effect at the beginning of the Renewal Contract term).

b. The following provisions of the Expiring or Expired Contract concerning any of the following subjects shall be amended as necessary:

(1) Identification of contract units by size and applicable contract rents;

(2) The amount of the monthly contract rents;

(3) Contract rent adjustments; and

(4) Project account as previously established and maintained by HUD pursuant to 24 CFR §891.715(b).

c. The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with the section 5.

6. CONTRACT RENT:

The contract rents for each bedroom size (number of bedrooms) shall be the contract rent amount listed on Exhibit A of this Contract Renewal Amendment.

7. OWNER WARRANTIES:

a. The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

b. The Owner warrants that the rental units leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8. OWNER TERMINATION NOTICE:

- a. Before termination of the Renewal Contract, the Owner shall provide written notice to HUD and each assisted resident in accordance with HUD requirements.
- b. If the Owner fails to provide such notice in accordance with the law and HUD requirements the Owner termination will have no effect.

9. HUD REQUIREMENTS:

The Renewal Contract shall be construed and administered in accordance with all HUD requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including provisions of section 6 (contract rent), shall not be applicable.

10. STATUTORY CHANGES DURING TERM:

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Owner, that HUD is unable to carry out the provisions of section 6 because of such statutory change, the Owner may terminate the Renewal Contract upon 120 days written notification to HUD.

11. EXCLUSION OF THIRD-PARTY RIGHTS:

- a. HUD does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with HUD's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b. The Owner is not the agent of HUD and the Renewal Contract does not create or affect any relationship between HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.

12. WRITTEN NOTICES:

- a. Any notice by HUD or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b. A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives notice to other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the designated address.

SIGNATURES:

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

BY: _____
Signature by authorized representative

Name and official title (Print)

Date: _____

OWNER

Name of Owner (Print): _____

By: _____
Signature of authorized representative

Name and title (Print)

Date: _____

EXHIBIT A

IDENTIFICATION OF UNITS (“CONTRACT UNITS”)
BY SIZE AND APPLICABLE CONTRACT RENTS

PROJECT NAME: _____

PROJECT ASSISTANCE CONTRACT NUMBER: _____

PROJECT NUMBER: _____

Effective Date of the Rent Increase (if applicable): _____

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
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