

## Option 5 Renewal of Portfolio Reengineering Demonstration or Preservation Projects

### Option 5A – Portfolio of Reengineering Demonstration Projects

- HUD-9624 Contract Renewal Form.
- HUD-9624 Renewal Worksheet for Option 5A – Renewal of Portfolio Reengineering Demonstration Projects.
- HUD-9625 OCAF Rent Adjustment Worksheet, as applicable.
- When requesting a Budget-Based rent increase: Budget prepared as outlined in HUD Handbook 4350.1 Chapter 7 – see CMS website’s Budget Checklist for requirements.
- In cases where the renewal contract term is in excess of five years, a Rent Comparability Study (RCS) may be needed at the end of each five year period – see HAP Contract language or your PBCA.
- Annual debt (principal, interest, MIP, and land lease as applicable) Please provide one of the following:
  - Current Mortgage Statement or Amortization Schedule from Finance Company when a property pays (MIP) mortgage insurance premium.
  - Promissory Note or similar document which includes the term and interest rate.
  - Non-fixed interest rate mortgage payments – provide statements for the most recent 12 month period.
  - No Debt - If the property currently has no debt please provide written confirmation for our records.
  - Mortgages that are maturing within the contract year should only use the remaining debt.
  - Land Lease – If there is a land lease associated with this property please provide a copy of the lease for our records.

*[Debt Service is calculated with 12 months principal and interest, and any or all of the following: mortgage insurance payments (MIP), interest reduction payments (IRP), and Land Lease expense]*
- Statement confirming the current/basic rents for non-HUD regulated (unassisted) units when rent potential differs from the currently approved Rent Schedule.
- Utility Allowance *(if applicable)*
  - An analysis must be submitted at the end of every three year period. As an example, Baseline FY 2016, next analysis is due FY 2019;
  - Notice to Tenants of Utility Decrease, *as applicable*;
  - Refer to Housing Notice 2015-04 for criteria regarding UAF year requirements.
- Notice to Tenants of Proposed Rent Increase – *Required for budget based rent adjustments and 5<sup>th</sup> year adjustments for extended contracts.*

- Owner's Certification as to Compliance with Tenant Comment Procedures in 24 CFR Part 245, as applicable (HUD Handbook 4350.1, Chapter 7, Appendix 2).
- Subsequent Contract Renewals Only: Copy of the owner's 'One Year Letter of Intent to Renew or Opt-Out' of the Section 8 Contract.

### **Option 5B – Preservation Projects**

- HUD-9624 Contract Renewal Form.
- HUD-9624 Renewal Worksheet for Option 5B – Renewal of a Preservation Project (*LIPHRA* or *ELIPHRA*).
- OCAF, Budget Based, or AAF worksheets - see the property's recorded Use Agreement or Plan of Action to determine method of rent adjustment.
- Annual debt (principal, interest, MIP, and land lease as applicable) Please provide one of the following:
  - Current Mortgage Statement or Amortization Schedule from Finance Company when a property pays (MIP) mortgage insurance premium.
  - Promissory Note or similar document which includes the term and interest rate.
  - Non-fixed interest rate mortgage payments – provide statements for the most recent 12 month period.
  - No Debt - If the property currently has no debt please provide written confirmation for our records.
  - Mortgages that are maturing within the contract year should only use the remaining debt.
  - Land Lease – If there is a land lease associated with this property please provide a copy of the lease for our records.

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- Statement confirming the current/basic rents for non-HUD regulated (unassisted) units when rent potential differs from the currently approved Rent Schedule.

- Utility Allowance (*if applicable*)
  - An analysis must be submitted at the end of every three year period. As an example, Baseline FY 2016, next analysis is due FY 2019;
  - Notice to Tenants of Utility Decrease, *as applicable*;
  - Refer to Housing Notice 2015-04 for criteria regarding UAF year requirements.
  
- Notice to Tenants of Proposed Rent Increase – *Required for budget based rent adjustments and 5<sup>th</sup> year adjustments for extended contracts.*
  
- Owner’s Certification as to Compliance with Tenant Comment Procedures in 24 CFR Part 245, as applicable (HUD Handbook 4350.1, Chapter 7, Appendix 2).
  
- Subsequent Contract Renewals Only: Copy of the owner’s ‘One Year Letter of Intent to Renew or Opt-Out’ of the Section 8 Contract.