

**SAMPLE
BRIDGING RENTAL ASSISTANCE PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT**

This Housing Assistance Payments Contract (“*Contract*”) is entered into between _____ (“*Local Administering Agency-LAA*”) and _____ (“*Owner*”). The purpose of this contract is to assist the Individual identified in Section 1(A) to lease a decent, safe, and sanitary dwelling Unit from the Owner. The LAA will make housing as assistance payments to the Owner on behalf of the Individual in accordance with this contract. The LAA has executed an Agreement with the Department of Mental Health Mental Retardation and Substance Abuse Services (DHHS) and/or it’s designee. Under this agreement, DHHS has agreed to provide financial assistance to the LAA to make housing assistance payments on behalf of eligible individuals.

1. CONTRACT UNIT, INDIVIDUAL, AND LEASE

A. This Contract applies only to the Individual(s) and the dwelling Unit (“*Contract Unit*”) designated in this section.

Contract Unit: _____

(Address of Contract Unit, including apartment number, if any, City, State & Zip)

Individual(s): _____

B. The Owner shall lease the Contract Unit to the Individual. The Lease to be executed by the Individual and the Owner for the Contract Unit has been approved by the LAA and shall be executed in the form approved. The Lease shall contain all provisions required by Maine State law, and shall not contain any prohibited by Maine State laws.

2. TERM OF CONTRACT.

The term of this contract shall begin on _____(Insert the first day of the initial rental period).

3. RENT; HOUSING ASSISTANCE PAYMENT.

(A) The total monthly rent payable to the Owner during the term of this contract is called the “*Contract Rent*”. Initially and until adjustment of the Contract Rent in accordance with Section 8 of this Contract, the Contract Rent will be \$_____per month.

(B) The portion of the Contract Rent payable by the Individual (“*Tenant Rent*”) will be an amount determined by the LAA in accordance with DHHS regulations and requirements. This amount is the maximum amount the Owner can require the Individual to pay for rent of the Contract Unit, including all services, maintenance and utilities to be provided by the Owner in accordance with the Lease. The amount of the Tenant Rent is subject to change during the term of the Contract. Any changes in the amount of the Tenant Rent will be effective on the date stated in a notification by the LAA to the Individual and the Owner. Initially and until such change, the Individual shall pay \$_____ per month to the Owner as the Tenant Rent.

(C) Each month the LAA shall make a housing assistance payment to the Owner on behalf of the Individual in accordance with this contract. The monthly housing assistance payment is equal to the difference between the Contract Rent and the Tenant Rent. The amount of the housing assistance payment shall be determined by the LAA. Any change in the amount of the housing assistance payment shall be effective as of the date stated in a notification by the LAA to the Individual and the Owner. Initially and until such change, the amount of the housing assistance

payment shall be \$_____ per month. Neither the LAA, nor DHHS assumes any obligation for the Tenant Rent, or for payment of any claim by the Owner against the Individual, except in accordance with Section 6. The obligation of the LAA is limited to making housing assistance payments on behalf of the Individual in accordance with this Contract.

- (D) The housing assistance payments to the Owner will continue during the term of this Contract until the Tenant Rent equals the total Contract Rent. However, the termination of an Individual's housing assistance payments shall not affect the Individual's other rights under the Lease, nor shall such termination preclude the resumption of payments as a result of changes in income or rent or other relevant circumstances during the term of the Contract. However, if one year has passed since the date of the last housing assistance payment on behalf of the Individual, this Contract shall terminate.
- (E) The LAA may terminate housing assistance payments under this Contract, because of action or inaction by the Individual in the following cases: (1) if the Individual has committed any fraud in connection with any federal housing assistance programs, (2) if the Individual has violated any of his or her obligations under the Bridging Rental Assistance Program, or (3) if the Individual has breached an agreement with the LAA. The LAA shall notify the Owner in writing of its decision to terminate housing assistance payments in such case, and housing assistance payments pursuant to the Contract shall terminate at the end of the calendar month in which the LAA gives such notice to the Owner. (For provisions on termination of housing assistance payments, and other remedies, because of Owner's breach of the Contract, see Section 13.)

4. MAINTENANCE, OPERATION AND INSPECTION.

- (A) The Owner agrees to maintain and operate the Contract Unit and related facilities to provide decent, safe and sanitary housing in accordance with local and state requirements, including the provision of all the services, maintenance and utilities as agreed to in the Lease. If the LAA determines that the Owner is not meeting his obligation, the LAA shall have the right, even if the Individual continues in occupancy, to terminate or reduce housing assistance payments to the Owner, and to terminate the Contract.
- (B) The LAA and/or his/her designee shall have the right to inspect the Contract Unit and related facilities at lease annually and at such other times as may be necessary, in the determination of the LAA, to assure that the Unit is in decent, safe and sanitary condition, and that the Owner is providing all the services, maintenance and utilities agreed to under the Lease.
- (C) Maintenance and replacement (*including redecoration*) shall be in accordance with the standard practice for the building concerned as established by the Owner.

5. MONTHLY PAYMENT TO OWNER.

- (A) The owner shall be paid under this Contract on or about the first day of the month for which payment is due. The Owner agrees that the endorsement on the check:
 - (1) Shall be conclusive evidence that the Owner has received the full amount of the housing payment is due. The Owner agrees that the endorsement on the check:
 - (2) shall be a certification by the Owner that:
 - (i) the Contract Unit is in decent, safe, and sanitary condition and the Owner is providing all the services, maintenance and utilities as agreed to in the Lease.
 - (ii) the Contract Unit is leased to the Individual named in Section 1(a), and the Lease is in accordance with Section 1(B),
 - (iii) the Contract Rent does not materially exceed rents charged by the Owner for other comparable unassisted units,

- (iv) except for the housing assistance payment and the Tenant Rent as provided under the Contract, the Owner has not received and will not receive any payments or other consideration as rent for the Contract Unit,
- (v) the Individual and the LAA do not own, or have any interest in the Contract Unit, and,
- (vi) except with respect to payment for a vacant Unit in accordance with, and subject to conditions of, Section 7, to the best of the Owner's knowledge, the Individual occupies the Contract Unit, and the Unit is used solely for residence by him or her, and as the Individual's principal place of residence.

(B) If the LAA determines that the Owner is not entitled to the payment or any part of it, the LAA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the Owner, including amounts due under any other housing assistance payment contract.

6. SECURITY DEPOSITS & LAA REIMBURSEMENT FOR UNPAID RENT & DAMAGES

(A) The Owner will comply with the State of Maine regulations regarding security deposits from a tenant, and shall not collect a security deposit that is more than the maximum amount permitted.

(B) After the Individual moves from the Contract Unit, the Owner may (*subject to State and local law*) use the security deposit, including any interest on the deposit, as reimbursement for any unpaid Tenant Rent or other amounts which the Individual owes under the Lease. The Owner will give LAA a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner shall promptly refund the full amount of the balance to LAA.

(C) If the security deposit is insufficient for the reimbursement, or if the Owner did not collect a security deposit, the Owner may request reimbursement from the LAA for an amount not to exceed the lesser of :

(1) the amount owed the owner, or (2) two month's Contract Rent; minus in either case, the greater of the security deposit actually collected or the maximum amount permitted under the State regulations. Any reimbursement under this section shall be applied first toward any unpaid Tenant Rent and then to other amounts owed by the Individual. No reimbursement shall be claimed from LAA for unpaid rent for the period after the Individual moves from the Contract Unit.

(D) The amount refunded shall include the amount of interest payable. The Owner shall comply with all State and local laws regarding interest payments on security deposits.

(E) To make a claim under this section, the Owner shall immediately notify the LAA when the Individual has moved from the Contract Unit. The Owner shall submit to the LAA, as soon as possible, written documentation supporting the claim for reimbursement, including evidence of actual costs of required repairs and evidence of billing to a non-payment by the Individual. The LAA has the right to inspect the Unit with the Owner to determine the extent of any damage.

7. PAYMENT FOR VACATED UNIT

Housing Assistance Payments shall be made by the LAA to the Owner under this Contract only for the period during which the Contract Unit is leased and occupied by the Individual during the term of the Contract except as follows:

(A) (1) If the Individual moves from the Contract Unit in violation of the Lease, the Owner shall receive the housing assistance payment due under the Contract for so much of the month in which the Individual moves from the Unit as the Unit remains vacant. If the Unit continues to remain vacant, the Owner shall receive from the LAA a housing assistance payment in the

amount of 80% of the Contract Rent for a vacancy period not exceeding one additional month.

- (2) If the Owner collects any of the Individual's portion of the rent for the additional month, the LAA payment shall be reduced to an amount which, when added to the Individual's payment, does not exceed 80% of the Contract Rent. The Owner shall reimburse the LAA for any excess.
- (3) If the Owner evicts the Individual, the Owner shall not be entitled to any payment under this section unless the LAA determines that the Owner complied with all the requirements of the Contract (*including section 9 on termination of tenancy*) and all applicable State and local laws.

(B) The Owner shall not be entitled to any payment for the vacated Unit unless the Owner (1) immediately upon learning of the vacancy has notified the LAA of the vacancy, (2) has taken and continues to take all feasible actions to fill the vacancy including, but not limited to, contacting applicants on the Owner's waiting list, if any; requesting the LAA and other appropriate sources to refer eligible applicants; and advertising the availability of the Unit, and (3) has not rejected any eligible applicant except for grounds acceptable to the LAA. To be eligible for payments under this section, the Owner is not required to rent this Unit to a Certificate or voucher holder in the Bridging Rental Assistance Program. However, see section 10 regarding discrimination.

(C) The Owner shall not be entitled to any payment for the vacated Unit to the extent that the Owner is entitled to payment from other sources.

8. RENT ADJUSTMENTS.

(A) If the Contract Unit is in a decent, safe, and sanitary condition and the Owner is otherwise in compliance with the terms of the Lease and this Contract, the Contract Rent shall be adjusted as follows:

- (1) The Contract Rent shall be adjusted as of any annual anniversary date of the Contract using applicable Section 8 Annual Adjustment Factor as published by HUD. The Contract Rent may be adjusted upward or downward. However, in no case shall the adjusted rent be less than the Contract Rent on the effective date of this Contract.
- (2) The LAA upon approval from DHHS may approve a special adjustment to reflect increases in actual and necessary expenses of owning and maintaining the Unit which have resulted from substantial general increases in real property taxes, utility rates or similar costs (i.e. assessments, and utilities not covered by regulated rates), but only if and to the extent that the Owner clearly demonstrates that the general increases have caused increases in the Owner's operating costs which are not adequately compensated for by the annual adjustments provided for in paragraph (A) (1) of this section. The Owner shall submit financial statements to the LAA that clearly support the increase.

(B) Adjustments as provided in paragraph (A) of this section shall not result in material differences between the rents charged for assisted and comparable unassisted units.

9. TERMINATION OF TENANCY.

(A) The Owner shall not terminate the tenancy of the Individual except for:

- (1) Serious or repeated violation of the terms and conditions of the Lease;
- (2) Violation of Federal, State or local law which imposes obligations on the Individual in connection with the occupancy and use of the dwelling Unit and surrounding premises; or
- (3) Other good cause.

- (B) The Owner may evict the Individual from the Contract Unit only by instituting a court action. The Owner must notify the LAA in writing of the commencement of procedures for termination of tenancy, at the same time that the Owner gives notice to the Individual under State or local law. The notice to the LAA may be given by furnishing to the LAA a copy of the notice to the Individual.

10. NONDISCRIMINATION IN HOUSING

- (A) The Owner shall not, in the provision of services, or in any other manner, discriminate against any person on the ground of age, race, color, creed, religion, sex sexual orientation, handicap or national origin. Unwed parents, families with children born out of wedlock, and recipients of public assistance shall not be excluded from participation in, or be denied the benefits of, the Bridging Rental Assistance Program because of such status.
- (B) The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.
- (C) The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 200d *et seq.*
- (D) In accordance with any rules and regulations issued under Section 504 of the Rehabilitation Act of 1973, the Owner shall not discriminate against any person on the basis of handicap.
- (E) The Owner shall comply with any rules and regulations under the Age Discrimination Act of 1975.

11. COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS.

The owner shall cooperate with the LAA and the DHHS in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

12. LAA AND DMH ACCESS TO PREMISES AND OWNER'S RECORDS.

- (A) The Owner shall provide any information pertinent to this Contract to the LAA which may reasonable be required.
- (B) The Owner shall permit the LAA or any of their authorized representatives to have access to any book, documents, papers and records of the Owner to the extent necessary to determine compliance with this Contract only, including the verification of information pertinent to the housing assistance payments.

13. RIGHTS OF THE LAA IF OWNER BREACHES THE CONTRACT.

- (A) Any of the following shall constitute a breach of the Contract:
 - (1) If the Owner has violated any obligation under this Contract; or
 - (2) If the Owner has demonstrated any intention to violate any obligation under this Contract:
or,
 - (3) If the Owner has committed any fraud or made any false statement to the LAA in connection with the Contract.
- (B) If the LAA determines that a breach has occurred, the LAA may exercise any of its rights or remedies under the Contract. The LAA shall notify the Owner in writing of such determination, including a brief statement of the reasons for the determination. The notice by the LAA to the Owner may require the Owner to take corrective action (*as verified by the LAA*) by a time prescribed in the notice. The LAA's rights and remedies under the Contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the Contract.

- (C) Any termination or reduction of housing assistance payments, or termination of the Contract by the LAA in accordance with this Contract, shall be effective as provided in a written notice by the LAA to the Owner.
- (D) The LAA's exercise or non-exercise of any remedy for Owner breach of this Contract shall not constitute a waiver of the right to exercise that or any other action or failure to act by the owner.

14. LAA RELATION TO THIRD PARTIES.

- (A) The LAA does not assume any responsibility for, or liability to, any person injured as a result of the Owners action or failure to act in connection with the implementation of this contract, or as a result of any other action or failure to act by the Owner.
- (B) The Owner is not the agent of the LAA, and this Contract does not create or affect any relationship between the LAA and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of this Contract.
- (C) Nothing in this Contract shall be construed as creating any right of the Individual or other third party to enforce any provision of this Contract, or to assert any claim against the LAA, the DHHS or the Owner under this contract.

15. CONFLICT OF INTEREST PROVISIONS.

No present or former member of officer of the LAA, no employee of the LAA who formulates policy or influences decisions with respect to the Bridging Rental Assistance Program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to the Bridging Rental Assistance Program shall have any direct or indirect interest, during this person's tenure or provision may be waived by DHHS for good cause.

16. TRANSFER OF THE CONTRACT

The Owner has not made and will not make any transfer in any form of this Contract without the prior written consent of the LAA. A change in ownership of the PROPERTY, such as a stock transfer or transfer of the interest of a general partner, or sale, is subject to the provisions of this contract. The LAA may give its consent to a transfer of the Contract if all parties agree in writing (*in a form acceptable to the LAA*) to comply with all the terms and conditions of this Contract.

17. CONDITIONS FOR HOUSING ASSISTANCE PAYMENTS.

The right of the Owner to receive housing assistance payments under this Contract shall be subject to compliance with all the provisions of this Contract.

18. ENTIRE AGREEMENT; INTERPRETATION.

- A. This Contract contains the entire agreement between the Owner and the LAA. No changes in this Contract shall be made except in writing signed by both the Owner and the LAA.
- B. The Contract shall be interpreted and implemented in accordance with Bridging Rental Assistance requirements.
- C. The invalidity or unenforceability of any particular provision or part thereof of this HAP Agreement shall not affect the remainder of said provision or any other provisions, and this HAP Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

19. WARRANTY OF LEGAL CAPACITY AND CONDITION OF UNIT.

- (A) The Owner warrants that the Unit is in decent, safe and sanitary condition and that the Owner has the legal right to lease the dwelling Unit covered by this Contract during the Contract term.
- (B) The party, if any, executing this Contract on behalf of the Owner hereby warrants that authorization has been given by the Owner to execute it on behalf of the Owner.

Signatures:

LAA

By: _____
Signature

Date Signed

Print or type names & title of signatory

OWNER OR OWNER'S REPRESENTATIVE

By: _____
Signature

Date Signed

Print or type names & title of signatory