



Public Hearing
30

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Sacramento, California

CITY MANAGER'S OFFICE
RECEIVED
SEP 1

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

Honorable Members in Session:

SEP 14 1982

SUBJECT: Authorization to Lease Garage G Retail Space
316 K Street

SUMMARY

The attached resolution authorizes the Executive Director to execute a month-to-month lease with Golden Era Handicraft Boutique for retail space located at 316 K Street, Garage G.

BACKGROUND

Garage G is located on the K Street Mall adjacent to Macy's and was completed in Spring of 1980. The garage has six levels comprising 1,340 parking spaces and the lower street-level includes four retail spaces, totaling 5,037 square feet, fronting on the K Street Mall.

At this time, the Agency has two tenants in operation: Wee Petite, space 312 K Street under lease agreement on August 15, 1980, and Navin's International Tailors, space 324 K Street under lease in April, 1982. This month, a third tenant, Ahmad Rangchi, will be under lease to operate a sandwich shop in the West Unit at 312 K Street.

Golden Era Handicrafts Boutique is requesting to lease the remaining space at 316 K, containing 1,080 square feet, at \$455.00 for a temporary period of approximately six (6) months, commencing on September 7, 1982.

Golden Era Boutique is operated by Sacramento Foster Grandparent/Senior Companion Program administered by Sacramento Housing and Redevelopment Agency. The boutique is a retail store providing an outlet for senior citizens to sell their handmade items.

The boutique has been in operation at the Agency-owned Morse Building in Old Sacramento for seven (7) years. The Agency is in the process of building a new structure in Old Sacramento that will house the Golden Era Boutique; the building is scheduled for completion sometime in 1983. Meanwhile, the Morse Building is being

9-14-82

All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento

Page Two

sold and the new owners will be completing the interior improvements which will require the Golden Era Boutique to relocate.

The boutique will be an asset to the area and, hopefully, will generate better business for the other retail stores. Staff recommends that the Agency lease to the boutique for this space.

FINANCIAL DATA

The Agency's leasing criteria for Garage G is \$0.70 per square foot, or 6% of gross sales, whichever is greater. However, since the boutique is a non-profit operation with a set budget line item for rent at \$455.00 per month, staff recommends that the space be rented for \$455.00 per month.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 30, 1982, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Dickinson, Knepprath, Luevano, B. Miller, Teramoto,
Walton

NOES: None

ABSENT: Angelides, Fisher, A. Miller

RECOMMENDATION

The staff recommends adoption of the attached resolution authorizing the Executive Director to execute a month-to-month lease with Golden Era Handicraft Boutique for retail space located at 316 K Street, Garage G.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slipe

WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 82-069

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

September 14 1982

LEASE FOR SPACE AT GARAGE G RETAIL SPACE
K STREET MALL, 3RD AND 4TH STREETS

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1. The Executive Director is authorized to
execute a month-to-month Lease with Golden Era Handicraft
Boutique for the operation of its retail store for senior
citizens' handmade items, on the premises known as 316 K Street,
located in the Garage G retail area.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

SEP 14 1982



31

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

APPROVED
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

August 30, 1982

Housing Authority of the
City of Sacramento
Sacramento, CA 95814

CITY MANAGER'S OFFICE
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SEP 1 1982

Honorable Members in Session:

SUBJECT: Authorization for Executive Director to Execute Section 8
Loan Management Set-Aside Contract for Ralph Kennedy
Estates, Project No. 136-35484

SUMMARY

The attached resolution authorizes the Executive Director to execute the attached contract with the Department of Housing and Urban Development (HUD) for renewal of Existing Section 8 Set Aside funding for the Ralph Kennedy Estates housing project. The contract is for a five-year period and currently includes housing assistance payments of \$177,216 for each contract year.

BACKGROUND

On November 15, 1977, the Authority entered into a five-year contract with the Department of Housing and Urban Development in order to receive housing assistance payments of \$152,064 per year for the Ralph Kennedy Estates housing project. The funds are used to supplement the amount of HUD established fair market rents that resident rents do not meet and are essential to the overall operation of the housing project.

The current HUD/Authority contract expires on November 14, 1982. The Authority has received a contract for renewal from HUD and they are prepared to execute a new five-year contract and authorize housing assistance payment subsidies of \$177,216 per year for Ralph Kennedy Estates. The staff recommends executing such a contract prior to the November 14, 1982 expiration date.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
City of Sacramento
August 30, 1982

Page Two

FINANCIAL DATA

The \$177,216 represents an increase of \$25,152 in housing assistance payment supplements over those rents paid by residents of Kennedy Estates that do not meet the fair market rents that the Authority is entitled to as established by HUD.

VOTE AND RECOMMENDATION OF COMMISSION

At its special meeting of August 30, 1982, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were recorded as follows:

- AYES: Dickinson, Knepprath, Luevano, B. Miller, Teramoto, Walton
- NOES: None

ABSENT: Angelides, Fisher, A. Miller

RECOMMENDATION

The staff recommends adoption of the attached resolution authorizing the Executive Director to Execute the attached contract with the Department of Housing and Urban Development for renewal of Existing Section 8 Set Aside funding for the Ralph Kennedy Estates.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife

WALTER J. SLIFE
City Manager

82-047

RESOLUTION NO. ~~82-045~~

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ON DATE OF

September 14, 1982

APPROVING KENNEDY ESTATES CONTRACT
RENEWAL - SECTION 8 SET-ASIDE PROGRAM

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE
CITY OF SACRAMENTO:

Section 1. The Executive Director is authorized
to execute the attached contract with the U. S. Depart-
ment of Housing and Urban Development, to renew the
Annual Contribution Contract for Kennedy Estates project
under the Section 8 set-aside program, for the period from
November 15, 1982 to November 14, 1987.

CHAIRMAN

ATTEST:

Secretary

APPROVED
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

SEP 14 1982

31

EXHIBIT A TO HAP CONTRACT
EQUAL OPPORTUNITY REQUIREMENTS

1. Nondiscrimination in Housing. The Owner shall not in the selection of families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, age, national origin or handicap.
 - a. Title VIII of the Civil Rights Acts of 1968. The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale, rental, financing and advertising of housing on the basis of race, color, religion, sex, or national origin, and any related rules and regulations, including 24 CFR Parts 100, 109, and 110 and Part 200, Subparts I and M.
 - b. Title VI of the Civil Rights Act of 1964 and Executive Order 11063. The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.; the HUD regulations issued thereunder, 24 CFR, Subtitle A, Part 1, the HUD requirements pursuant to said regulations; and Executive Order 11063 as amended, and the HUD regulations issued thereunder, 24 CFR, Part 107, and any other regulations and requirements issued thereunder to the end that, in accordance with that Act, Executive Order 11063 and the regulations and requirements of HUD, no person in the United States shall, on the grounds of race, color, creed, sex, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program or be otherwise subjected to discrimination. The obligation of the Owner to comply therewith inures to the benefit of the United States of America and HUD which shall be entitled to invoke any remedies available by law to either redress any breach or to compel compliance by the Owner.
 - c. Section 504 of the Rehabilitation Act of 1973. The Owner shall comply with all the requirements imposed by Section 504 of the Rehabilitation Act of 1973, as amended, and any related rules and regulations. Section 504 provides that no otherwise qualified handicapped person shall, solely by reason of handicap, be excluded from participation in, be denied the benefit of, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance.
 - d. Employees of Owner.
 - (1) In carrying out the obligations under this Contract, the Owner will not discriminate against any employee or applicant for employment, because of race, color, creed, religion, sex, age, handicap or national origin. The Owner will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to race, color, creed, religion, sex, age, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - (2) The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Owner will in all solicitations or advertisements for employees placed by or on behalf of the Owner state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, age, handicap or national origin. The Owner will incorporate the foregoing requirements of this paragraph in all contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all contractors for such work to incorporate such requirements in all subcontracts for project work.
 - e. Age Discrimination Act of 1975. The Owner shall comply with any rules and regulations issued or adopted by HUD under the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs and activities receiving Federal financial assistance.
2. Cooperation in Equal Opportunity Compliance Reviews. The Owner agrees to cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to or permitted by all applicable civil rights statutes, Executive Orders, and rules and regulations.
3. Training, Employment, and Contracting Opportunities for Businesses and Lower-Income Persons. This section does not apply if five times the dollar amount in Section 6a of this Contract is \$500,000 or less as of the first day of this term.
 - a. The project assisted under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given low income residents of the unit of local government, metropolitan area or non-metropolitan county in which the project is located (as determined by HUD) and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the same metropolitan area (or nonmetropolitan county) as the project.
 - b. Notwithstanding any other provision of this Contract, the Owner shall carry out the provisions of said section 3 and the regulations issued by HUD as set forth in 24 CFR, Part 135 and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The requirements of the regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the same metropolitan area (or nonmetropolitan county) as the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph (d) of this section in all contracts for work in connection with the project. The Owner certifies and agrees that he/she is under no contractual or other disability which would prevent him/her from complying with these requirements.

- c. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders issued by HUD thereunder prior to execution of this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner and his/her successors and assigns and the Owner's contractors and subcontractors. Failure to fulfill these requirements shall subject the Owner, his/her contractors and subcontractors, his/her successors, and assigns to the sanctions as are specified by 24 CFR, Section 135.135.
- d. The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Contract in excess of \$50,000 cost, the following clause:

"Employment of Project Area Residents and Contractors"

"A. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the unit of local government, metropolitan area or nonmetropolitan county in which the project is located (as determined by the Secretary) and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the same metropolitan area (or nonmetropolitan county) as the project.

"B. The parties to this Contract will comply with the provisions of said section 3 and the regulations issued pursuant thereto by HUD as set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

"C. The contractor will send to each labor organization or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his/her commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

"D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontract is in violation of regulations issued by HUD, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the latter has been found in violation of regulations under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided the contractor with a preliminary statement of ability to comply with the requirements of these regulations.

"E. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner and his/her successors and assigns and the Owner's contractor and subcontractor. Failure to fulfill these requirements shall subject the Owner and his/her successors and assigns and the Owner's contractors and subcontractors to those sanctions specified by the Contract, and to such sanctions as are specified by 24 CFR, Section 135.135."

- e. The Owner agrees that he/she will be bound by the above section 3 clause with respect to his/her own employment practices when he/she participates in federally assisted work.
4. Members of Certain Classes. The Owner shall not automatically exclude anyone from participation in, or deny anyone the benefits of, the Housing Assistance Payments Program because of membership in a class, such as unmarried mothers, recipients of public assistance.
5. Equal Employment Opportunity in Construction Contracts. The project assisted under this Contract is subject to the requirements of Executive Order 11246, as amended, and the regulations issued by the Department of Labor thereunder at 41 CFR Part 60, regarding equal employment opportunity in work carried out under federally assisted construction contracts. Federally assisted construction contracts not exceeding \$10,000 are exempted from the requirements of the Executive Order and regulations issued thereunder.

13 APR 1982

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
 ADDITIONAL ASSISTANCE PROGRAM FOR PROJECTS WITH HUD-INSURED
 AND HUD-HELD MORTGAGES,
 24 C.F.R. PART 886, SUBPART A

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

Term No. 2

This Contract is between the United States of America, acting through the Department of Housing and Urban Development (called "HUD"), and The Housing Authority of the City of Sacramento (called "Owner"). This Contract is executed pursuant to the United States Housing Act of 1937 (called the "Act"), 42 U.S.C. 1437, et seq., and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq. The housing project covered by this Contract is identified as follows:

Project Name: Ralph Kennedy City: Sacramento
 Street Address: 6531 Elder Creek Road
 Section 8 No.: CA30 M000 719 County: Sacramento
 FHA Project No.: 136-35484 State: California

Section 1. Definitions

- a. Family — one or more persons eligible for and receiving Section 8 housing assistance payments in accordance with HUD regulations and administrative procedures.
- b. Contract Rent — the rent HUD authorizes the Owner to collect for the contract unit.
- c. Utility Allowance — an amount determined or approved by HUD as an allowance for the cost of utilities (except telephone).
- d. Gross Rent — the sum of the contract rent and any utility allowance. If there is no utility allowance, gross rent equals contract rent.
- e. Gross Family Contribution — the amount HUD regulations require the family to pay monthly towards the gross rent.
- f. Net Family Contribution — the Gross Family Contribution less any utility allowance. If this amount is positive, it represents the amount HUD regulations require the family to pay monthly to the Owner. If this amount is negative, the family makes no payment to the Owner. Instead, the Owner pays this amount monthly to the family.

Section 2. Content of Contract. This Contract includes the exhibits listed below and the Affirmative Fair Housing Marketing Plan approved by HUD on August 19, 1977 which is incorporated by reference.

- o Exhibit A: Equal Opportunity Requirements
- o Exhibit B: Schedule of Units, Rents, Equipment, Utilities and Services
- o Additional Exhibits:

Section 3. Scope of Contract. This Contract and its exhibits comprise the entire agreement between the parties to this Contract with respect to the matters contained in it. Neither party is bound by any representations or agreements of any kind except as contained in this Contract, in any applicable regulations, in HUD's administrative procedures, or in agreements entered into in writing (e.g., the project Regulatory Agreement).

Section 4. Housing Owner's Certification of Authority. The Owner certifies that the Owner has the legal authority to enter into this Contract and to lease the dwelling units covered by this Contract.

Section 5. Term of Contract. This Contract shall run for a period of five years, beginning November 15, 1982, and continuing through November 14, 1987. This Contract may be renewed for one additional five-year periods at the option of the Owner and HUD.

Section 6. Maximum Amount of Housing Assistance Payments.

- a. Maximum Annual Contract Commitment. Notwithstanding any other provision of this Contract (other than paragraph b) or any other contract between HUD and the Owner, HUD shall not be obligated to make assistance payments and pay PHA fees, if any, in excess of \$ 177,216 under this Contract during any contract year. In addition, HUD shall not be obligated to pay assistance for more than the total number of contract units shown in Exhibit B.
- b. HAP Reserve (Formerly Project Account). In order to ensure that housing assistance payments will be increased on a timely basis to cover increases in contract rents or decreases in family incomes, HUD shall establish and maintain a HAP Reserve out of amounts by which the maximum annual contract commitment exceeds amounts paid under the Contract for any contract year. This Reserve shall be maintained in the name of the project. The amount of housing assistance paid for any contract year may exceed the maximum annual contract commitment specified in paragraph 6a to the extent unused contract authority is available in the HAP Reserve.

- (1) The HAP Reserve may be used only for payment of housing assistance payments or other costs specifically authorized by HUD.
- (2) If HUD at any time determines that the HAP Reserve has accumulated unused contract authority in excess of the amount the project will need through the current contract year, HUD may reduce the HAP Reserve by the amount that HUD determines to be excessive.
- (3) Any amount remaining in the HAP Reserve at the end of the term of this Contract shall be applied as directed by HUD in accordance with applicable law.

Section 7. Housing Assistance Payments and PHA Fees. HUD shall make payments for the purposes identified in this section. Eligibility for, and the amount of, any housing assistance payments will be determined in accordance with HUD's regulations and administrative procedures.

- a. **Monthly Rental Assistance.** For each contract unit occupied by an eligible family in accordance with this Contract, HUD will pay the Owner the difference between the HUD-approved gross rent and the Gross Family Contribution required by HUD regulations and administrative procedures. From this amount, the Owner will pay families any amounts due them pursuant to HUD regulations and administrative procedures and Section 15c of this Contract.
- b. **Compensation for Vacancy Loss.** If an occupied contract unit becomes vacant, HUD will pay the Owner 80 percent of the contract rent for up to the lesser of 60 calendar days following the date the unit became vacant or the actual number of days the unit remained vacant. Such payments will be made only in accordance with the following conditions and limitations.
 - (1) The Owner shall be entitled to vacancy payments under this paragraph b only if the Owner:
 - (a) immediately upon learning of the vacancy or prospective vacancy: (1) notified HUD of the vacancy and the reasons for the vacancy; and (2) took and continued to take all feasible actions to fill the vacancy including, but not limited to, contacting applicants on the waiting list and advising them of the availability of the unit;
 - (b) has not rejected any eligible applicant except for good cause acceptable to HUD;
 - (c) when the vacancy was created by the Owner's action, administered the termination of tenancy, eviction and all related notices in accordance with State and local law, the lease and HUD regulations and administrative procedures.
 - (2) HUD will pay vacancy payments only for those days on which the unit was in decent, safe and sanitary condition and available for occupancy.
 - (3) If the Owner collects other payments toward the rent due for the period HUD pays vacancy payments, the Owner shall pay to HUD, or pay as HUD directs, any amount by which the sum of the HUD vacancy payments and these other payments exceeds the contract rent. "Other payments" will include rent collected from or on behalf of the former tenant, security deposits applied toward the rent, and payments from any other source.
- c. **Compensation for Damages, Unpaid Rent and Other Amounts Due Under the Lease.** If a family vacates a contract unit and owes rent, other amounts due under the lease, or has left damages in excess of normal wear and tear, the Owner may request reimbursement from HUD for such items so long as the Owner: (1) has collected a security deposit in an amount permitted by HUD; and (2) has completed the move-in and move-out unit inspections required by HUD. The amount of the reimbursement will be calculated in accordance with HUD regulations and administrative procedures.
- d. **PHA Fee.** Where appropriate, HUD will make payments to the Owner to be used solely to compensate PHAs for services provided in accordance with Exhibit C. The PHA fee, if any, will be the amount specified in Exhibit C.

Section 8. HUD Not Obligated for Family's Rent. HUD does not assume any obligation for the amount of rent payable by any family or for the satisfaction of any claim by the Owner against any family other than in accordance with Section 7.

Section 9. Owner's Request for Housing Assistance Payments. The Owner must prepare and submit requests for housing assistance payments in accordance with the administrative procedures established by HUD. All requests for assistance payments must be submitted on the forms prescribed by HUD and be properly executed by the Owner or the Owner's authorized agent. The Owner agrees not to request assistance payments under this Contract for families who are assisted under the Section 8 Existing Housing Program ("Finders Keepers," 24 CFR 882, Subparts A and B), the Rent Supplement Program, the Rental Assistance Program or any other similar program. The Owner understands that submission of such duplicate bills is a default under the Contract and HUD may pursue any remedies available including those outlined in Section 26 of this Contract.

Section 10. Adjustment for Incorrect Payments. If HUD at any time determines that the Owner has received improper or excessive housing assistance payments, HUD shall have the right to deduct the amount of such overpayments from any payments otherwise due the Owner under this Contract. The Owner agrees to promptly correct monthly requisitions for assistance payments and to promptly submit revised requisitions as directed by HUD. If HUD determines that the Owner has not received the full amount of assistance to which the project is entitled, HUD shall promptly make a corresponding adjustment in the amount of housing assistance payments.

Section 11. Marketing of Contract Units. In conducting marketing activities, the Owner shall comply with the project's Affirmative Fair Housing Marketing Plan and the regulations relating to fair housing advertising. The Owner shall make a good faith effort to ensure that all contract units are promptly leased to eligible lower income families to be used only as private dwellings and as the family's sole place of residence.

Section 12. Determining Applicants' Eligibility for Assistance. The Owner agrees to promptly carry out the following actions in accordance with HUD regulations and administrative procedures:

- a. require each applicant to complete an application in a form developed by the Owner and containing the information needed to effectively screen applicants and to carry out HUD's requirements;
- b. verify all information on which the determination of the applicant's eligibility, gross family contribution, and housing assistance payment will be based;
- c. determine eligibility for assistance;
- d. notify applicants of decisions taken on their applications;
- e. execute a certification of tenant eligibility before billing HUD for assistance payments on behalf of the family; and
- f. process complaints received from applicants at any stage of the application procedure.

Section 13. Selection and Admission of Applicants. The Owner agrees to:

- a. establish only preferences and priorities approved by HUD;
- b. select families so that the Owner achieves the economic mix required by HUD's regulations and administrative procedures;
- c. offer any available contract units to eligible applicants who meet the Owner's tenant selection standards provided that sufficient contract authority is available pursuant to Section 6a of this Contract;
- d. offer any available contract unit to over-income applicants only when no eligible and otherwise qualified applicant is on the project's waiting list and only after complying with HUD's administrative procedures related to admission of over-income applicants;
- e. execute leases in the form prescribed or approved by HUD and do so before billing HUD for assistance payments;
- f. assign bedroom size in accordance with HUD's administrative requirements;
- g. inspect the unit with the family before the family moves in, document the condition of the unit on a written inspection report signed by both the Owner and the family, and certify that the unit is decent, safe and sanitary;
- h. collect and maintain security deposits only in accordance with HUD regulations and administrative procedures; and
- i. not collect any other amounts as a condition for admission to the project, unless HUD gives the Owner specific written authorization to do so.

Section 14. Maintenance. The Owner agrees to:

- a. maintain and operate the contract units and related facilities so as to provide decent, safe and sanitary housing as defined by HUD;
- b. regularly clean and maintain all common areas, equipment and grounds, and make repairs with reasonable promptness; and
- c. respond promptly to HUD's Physical Inspection Reports and to implement corrective actions within a reasonable time.

Section 15. General Management. The Owner agrees to:

- a. provide the utilities, services, and equipment specified in Exhibit B;
- b. not charge any family an amount in excess of the Net Family Contribution unless HUD gives the Owner specific written authorization to do so;
- c. pay monthly to the family the amount of the Net Family Contribution when the Net Family Contribution is negative;
- d. evaluate the accuracy of any utility allowance at least annually and submit to HUD documentation of the analysis and, if needed, recommendation for changes in the amount of any utility allowance;
- e. complete recertifications of each family's income and allowances in accordance with HUD regulations and administrative procedures;
- f. promptly follow-up with any family which does not provide the required recertification data within the established time schedules and initiate HUD-prescribed enforcement actions;
- g. adjust families' gross contributions in accordance with HUD regulations and administrative procedures;
- h. request a family to move to an appropriately-sized unit when the size or composition of the family has changed and HUD procedures require the Owner to request such unit transfers;
- i. change, suspend or terminate a family's housing assistance payments only in accordance with HUD regulations and administrative procedures. The Owner agrees that suspension or termination of a family's housing assistance payments shall not affect the family's rights otherwise available under the lease, including the right to remain in the contract unit;

- j. terminate tenancies of families only in accordance with applicable State and local law, the lease and HUD regulations and administrative procedures; and
- k. inspect a unit with the family when the family moves out and document the condition of the unit on a written inspection report signed by both the Owner and the family.

Section 16. Discriminatory Practices Prohibited. The Owner agrees not to discriminate based upon race, color, creed, religion, sex, age, national origin or handicap. The Owner also agrees not to discriminate against families with children unless the project is specifically designed for elderly families. The Owner agrees to comply with the Equal Opportunity Requirements attached as Exhibit A to this Contract.

Section 17. Reduction in Number of Contract Units.

- a. If the Owner fails, for a continuous period of six months, to have at least 80 percent of the contract units leased or available for leasing to income-eligible families, HUD may, on 30 days notice to the Owner, reduce the number of contract units to not less than the number of units under lease or available for leasing by eligible families, plus 10 percent of such number.
- b. At the end of the term of this Contract, HUD may, upon notice to the Owner, reduce the number of contract units to the greater of: (1) the number of units under lease or available for leasing by eligible families at that time; or (2) the average number of units so leased or available for leasing during the prior 12-month period; plus 10 percent of such number.
- c. HUD will agree to an amendment of the Contract to provide for subsequent restoration of any reduction made pursuant to paragraph a or b if contract and budget authority and units are available and HUD determines that the restoration is justified as a result of changes in demand and in light of the Owner's record of compliance with his/her obligations under the Contract.

Section 18. Rent Adjustments. Contract rents and utility allowances shall be adjusted by HUD in accordance with HUD regulations and administrative procedures. The new contract rents, utility allowances and gross rents will be incorporated into this Contract as a revision to Exhibit B. HUD will make housing assistance payments commensurately with the HUD-approved changes in rents and utility allowances, up to the maximum amount of assistance authorized by Section 6 of this Contract. The Owner agrees that rents charged for other comparable units in the project will not be less than the contract rents, except when authorized in writing by HUD.

Section 19. Changes in Contract Amount.

- a. HUD will increase the maximum annual contract commitment as necessary to provide assistance payments for: (1) any additional contract units authorized by HUD; (2) HUD-approved rent increases; (3) decreases in family contribution for units currently authorized to receive assistance under this Contract; and (4) PHA ~~loss~~ ^{of}.
- b. HUD may reduce the maximum annual contract commitment commensurately with any reduction in the number of contract units made pursuant to this Contract.

Section 20. Recordkeeping Requirements. The Owner agrees to retain, for at least three years, all correspondence, materials, and documentation related to processing of: applications for admissions and notices of decisions made on those applications; certifications and recertifications of tenant eligibility; HUD-required move-in and move-out unit inspections; special claims and regular monthly vouchers; evictions; suspension and termination of assistance; and other actions which the Owner is required to perform in carrying out this Contract. The Owner shall maintain as confidential all information which, if disclosed, would constitute an unwarranted invasion of a family's privacy.

Section 21. Reports and Access to Premises and Records. The Owner shall supply HUD with any information and reports pertinent to the Contract as reasonably may be required from time to time by HUD. The Owner shall permit HUD or any of its duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner and his/her Management Agent that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

Section 22. Flood Insurance. If the project is in a special flood hazard area, the Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

Section 23. Clean Air Act and Federal Water Pollution Control Act. This Section does not apply if five times the dollar amount in Section 6a of this Contract, as of the first day of this term, is \$100,000 or less. In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees to:

- a. not utilize any facility in the performance of this Contract or any nonexempt subcontract which is listed on the EPA List of Violating Facilities pursuant to section 15.20 of the regulations;
- b. promptly notify HUD of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;
- c. comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 of the Air Act and section 308 of the Water Act, and all regulations and guidelines issued thereunder; and

- d. include or cause to be included the provisions of this Section in every nonexempt subcontract and take such action as HUD may direct as a means of enforcing such provisions.

Section 24. Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body or Other Public Officials. No member, officer, or employee of the PHA, if any, which is a party to the Contract, no member of the governing body of the locality (city and county) in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this Contract or in any proceeds or benefits arising from it. However, a member or officer of the PHA may be a tenant in the project.

Section 25. Interest of Member of or Delegate to Congress. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise from it.

Section 26. Owner Default Under Contract.

- a. Events of Default. HUD may consider the Owner to be in default under this Contract when the Owner has:

- (1) violated or failed to comply with any provision or obligation of this Contract, including correction of any deficiency identified by HUD in its reviews of the Owner's administration of this Contract;
- (2) asserted or demonstrated an intention not to perform some or all of his/her obligations under this Contract or any lease;
- (3) violated or failed to comply with any applicable HUD regulation or with any term of the HUD-held or insured mortgage or regulatory agreement or any lease; or
- (4) furnished any false statements or misrepresentations to HUD in connection with HUD mortgage insurance, loan processing, or administration of this Contract.

- b. Corrective Actions. Upon determining that a default has occurred, HUD will notify the Owner, by certified mail, of the nature of the default, the actions the Owner must take to cure the default, and the time within which the Owner must complete the corrective actions. If the Owner does not implement the requested actions, or other corrective action acceptable to HUD, within the prescribed time or does not do so to the satisfaction of HUD, HUD may terminate this Contract in whole or in part or may initiate any of the following actions.

(1) Actions by Court Order.

- (a) Take possession of the project, bring any action necessary to enforce any rights of the Owner related to operation of the project, and operate the project in accordance with the terms of this Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with the terms of this Contract and in compliance with the requirements of any note, mortgage, or regulatory agreement.
- (b) Collect all rents and other receipts of the project and use such receipts to pay the Owner's obligations under this Contract and under the note and mortgage and the necessary expenses of maintaining and operating the project.
- (c) Apply to any court, State or Federal, for specific performance of this Contract, for an injunction against any violations of this Contract, for the appointment of a receiver to take over and operate the project in accordance with the terms of the Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to HUD arising from a default under any of the terms of this Contract could be irreparable and the amount of damage would be difficult to ascertain.
- (d) Initiate action to recover any overpayments.

(2) HUD Administrative Actions.

- (a) Pay housing assistance payments directly to the mortgagee in the event of default under the mortgage.
- (b) Reduce or suspend housing assistance payments until the default under this Contract has been cured to the satisfaction of HUD.
- (c) Withhold housing assistance payments until the default under this Contract has been cured to the satisfaction of HUD.
- (d) Reduce the number of contract units when the Owner has failed to make a good faith effort to lease all contract units to eligible families.
- (e) Suspend, debar or otherwise restrict participation in any HUD program.
- (f) Initiate action to recover any overpayments.

- c. Remedies Not Exclusive and Non-Waiver of Remedies. The availability of any remedy under this Contract shall not preclude the exercise of any other remedy under this Contract or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

Section 27. Impact of Other Servicing Actions on this Contract.

- a. Assignment of Contract or Change of Ownership. HUD will approve a change of ownership during the term of this Contract only if the purchaser demonstrates, to HUD's satisfaction, an ability to administer this Contract and agrees to carry out all terms of this Contract.
- b. Assignment of Mortgage. In the event the mortgage is assigned to HUD, HUD may terminate this Contract, temporarily reduce or suspend payment of amounts due under this Contract, or take any other action available under Section 26 of this Contract.
- c. Prepayment of Mortgage. Prepayment of the mortgage shall not, by itself, affect any rights of the Owner or HUD under this Contract.

Section 28. Effect on Other Agreements. To the extent that this Contract conflicts with any agreement(s) between the Owner and HUD, the provisions of this Contract shall be controlling. The provision(s) of the other agreement(s) shall be considered to be amended by the terms of this Contract. Such amendments shall be valid as if such amendment had been made directly to such agreement(s). These amendments shall be effective only during the term of this Contract.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Section 29. Signatures.

Housing Authority of
Owner the City of Sacramento

By _____

(Name)

(Official Title)

Date _____, 19____

HUD _____

By _____

Michael P. Kulick

(Name)

Supervisor, Sacramento Service Office

(Official Title)

Date _____, 19____

EXHIBIT B

SCHEDULE OF UNITS, RENTS, EQUIPMENT, UTILITIES AND SERVICES

Project Name: Ralph Kennedy Estates No. of Units: 100 HAP Contract
 Section 8 No.: CA30 M000 719 Section 8: 100 Year Ends 12/31
 Total: 100

Unit Size (1)	No. of Section 8 Contract Units (2)	Contract Rent (\$) (3)	Utility Allowance (PBE) \$ (4)	Gross Rent (3 + 4)
<u>1 Bdm</u>	<u>24</u>	<u>\$ 153</u>	<u>\$ 21</u>	<u>\$ 174</u>
<u>2 Bdm</u>	<u>32</u>	<u>\$ 180</u>	<u>\$ 27</u>	<u>\$ 207</u>
<u>3 Bdm</u>	<u>24</u>	<u>\$ 212</u>	<u>\$ 32</u>	<u>\$ 244</u>
<u>4 Bdm</u>	<u>20</u>	<u>\$ 234</u>	<u>\$ 37</u>	<u>\$ 271</u>
<u>Bdm</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Bdm</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Bdm</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Bdm</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>

EQUIPMENT, UTILITIES AND SERVICES INCLUDED IN RENT:

EQUIPMENT	UTILITIES	SERVICES
<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Air Conditioner <input type="checkbox"/> Kitchen Exhaust Fan <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> Drapes <input type="checkbox"/> Other (Specify) _____ _____	<input type="checkbox"/> Heat <input type="checkbox"/> Cooking <input checked="" type="checkbox"/> Hot Water <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights, etc. <input checked="" type="checkbox"/> Other (Specify) Trash Removal _____ _____	<input type="checkbox"/> Parking <input checked="" type="checkbox"/> Laundry Facilities <input type="checkbox"/> Other (Specify) _____ _____

The Owner hereby acknowledges receipt of this Exhibit B and agrees that the above rents will supersede all previous Exhibits B and become effective on November 1, 1982

(Owner's Signature)

(Title)

(Date)