

FHA Multifamily Housing Policy Handbook
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- 1 that temporary unit. This arrangement calls for close contact and cooperation
2 between the owner and tenant.
- 3 a) The owner may pay no more than the Section 8 contract rent at the
4 temporary dwelling until the tenant's damaged rental unit is restored to a
5 habitable condition and
- 6 b) the owner must notify the tenant that they may resume occupancy of their
7 former unit, once the unit is deemed ready for occupancy. The notice
8 must explain to the tenant that the tenant must return to the property in
9 order to retain housing subsidy.
- 10 3) The tenant continues to be responsible for the tenant's share of the rent. The
11 regional or satellite office is responsible for inspecting the pass-through
12 apartment before occupancy begins to ensure it meets the UPCS. The owner
13 shall provide a third party HUD-approved inspector to conduct the inspection.
- 14 4) Should the displaced tenant choose not to return, the owner may rent the
15 repaired unit to an eligible Section 8 applicant.
- 16 a) The owner must first inform the tenant in writing that their assistance is
17 being terminated.
- 18 b) The owner must first terminate the pass-through lease that the owner
19 executed on behalf of the displaced tenant before leasing the unit to
20 another Section 8 eligible applicant.
- 21 5) Should the temporarily displaced tenant move from the temporary unit before
22 their damaged rental unit is made available for their return, the owner can no
23 longer voucher for the temporary unit. The tenant is considered permanently
24 housed elsewhere at their own expense, unless the temporary housing
25 becomes uninhabitable.
- 26 6) When the original unit is fully repaired and ready for occupancy, all Section 8
27 and HAP provisions apply.
- 28 7) The pass-through arrangement is only available to tenants and owners who
29 voluntarily agree to the conditions in Exhibit 7.2.5. HUD will not assume any
30 additional costs such as relocation or utility expenses related to a pass-
31 through arrangement.
- 32 B. Upon approval from HUD to utilize the pass-through lease in the event of an
33 emergency or during rehabilitation the owner must adhere to the following:
34 1) Ensure that the damaged property is secured and the tenant's possessions
35 and valuables are protected to the greatest extent possible.

- 1 2) Locate similar housing within the immediate area at rents that do not exceed
2 the current contract rent levels.
- 3 3) Inspect, or cause to be inspected each temporary replacement dwelling unit
4 to ensure that each unit meets HUD's Uniform Physical Condition Standards
5 (UPCS), and that the units are determined by a competent inspector to be
6 decent, safe, and sanitary.
- 7 4) Fully assess and must meet the needs of tenants with disabilities to ensure
8 that the temporary replacement dwelling unit is not only comparable to the
9 tenant's current unit but fully meets applicable accessibility requirements
10 under the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and
11 the Americans with Disabilities Act, and their implementing regulations,
12 including the provision of reasonable accommodations, reasonable
13 modifications, and program accessibility.
- 14 5) Enter a rental lease agreement with the owner of similar housing on behalf of
15 the affected tenant covering the period of time it takes to bring the damaged
16 unit(s) to decent, safe, and sanitary condition, and ready for the tenant to
17 return to the unit. The tenant is technically still under lease with their original
18 landlord, and must adhere to normal grievance procedures in case of possible
19 lease violations with the temporary landlord.
- 20 6) Sign a temporary lease addendum along with the tenant and the temporary
21 property owner.
- 22 7) Must pay all moving and relocation expenses including utility connections for
23 both moves.
- 24 8) Voucher for tenant assistance and in turn pay rent to the temporary landlord
25 with those funds, not to exceed the current gross rents for the affected
26 property. Collect the total tenant payment due from each household in the
27 same manner used prior to the emergency or rehabilitation.
- 28 9) Provide the regional or satellite office with the household names, addresses,
29 and unit numbers of the families that are temporarily displaced from the
30 affected project.
- 31 10) Provide the regional or satellite office with the addresses and unit type(s) for
32 all temporary, alternative units.

33 C. Tenant Requirements

- 34 1) The tenant must agree to move to temporary housing unit, which has been
35 found to be decent, safe, and sanitary by signing the pass-through lease.

- 1 2) The tenant must continue to pay their portion of the rent while temporarily
2 housed
- 3 3) The tenant must abide by all house rules and lease provisions required by
4 management of the temporary housing and sign a certification of compliance.
- 5 4) The pass-through lease will terminate if the tenant is evicted either for
6 violation of the lease with HUD or for violation of the rental agreement
7 between the tenant and the owner of the temporary dwelling unit.
- 8 5) Tenant eligibility may terminate if, upon recertification, the tenant is found to
9 be over income for assistance under the HAP contract.
- 10 6) The pass through lease on behalf of the tenant will terminate if the tenant
11 household voluntarily terminates its tenancy and gives up its housing
12 assistance.
- 13 7) When the owner has fully restored the tenant's unit, and the tenant chooses
14 not to return the pass-through lease and the tenant's subsidy will terminate.

15 D. Regional or Satellite Office Processing Requirements

- 16 1) The account executive approves and monitors rehabilitation, if applicable.
- 17 2) The account executive works with the owner/agent regarding any emergency
18 (i.e. fire, tornado, flood, etc.), and follow guidance in Chapter 7.01 of this
19 Handbook pertaining to a Presidentially declared disaster or emergency.
- 20 3) The account executive, upon HUD's approval, provides an approval letter to
21 the PBCA/CA and owner/agent to reroute the HAP funds to pass through to
22 the temporary property owner.
- 23 4) HUD will notify the owner that he is entitled to resumption of HAP for the
24 vacated dwelling unit if:
 - 25 1) the unit is restored to decent, safe, and sanitary condition,
 - 26 2) the family is willing to and does move back into the restored unit, and
 - 27 3) a deduction is made for the expense incurred by the family for both moves.
- 28 **Please reference 24 CFR 5.703 for more information.**
- 29 5) In the event of circumstances beyond the owner's control, which require the
30 extension of relocation beyond 12 months, the owner must coordinate with
31 the local HUD office to provide permanent relocation pursuant to the Uniform
32 Relocation Act. If permanent relocation is provided, HUD may offer the tenant

1 permanent relocation assistance. If Community Development Block Grants or
2 HOME funds are used, the Uniform Relocation Act requirements need further
3 review by the headquarters Office of Asset Management and Portfolio
4 Oversight.

- 1 1) the unit is restored to decent, safe, and sanitary condition,
2 2) the family is willing to and does move back into the restored unit, and
3 3) a deduction is made for the expense incurred by the family for both moves.

4 As indicated, contract administrator's name will allow the disaster or rehabilitation
5 property owner to pass through the Section 8 funds to rehouse the tenants in another
6 dwelling. Even though the owner is not at fault, HUD's concern is for the families. The
7 owner will prepare a Temporary Lease Addendum (copy enclosed) for both parties to
8 sign and date. The Temporary Lease Addendum must state that once the unit has been
9 restored the family will move back into the unit. The disaster or rehabilitation property
10 owner will absorb all reasonable costs incurred from the move by the family.

11 This is a temporary resolution due to the disaster or rehabilitation to assist the tenants.
12 The disaster or rehabilitation property owner will provide the temporary property
13 manager and the performance-based contract administrator with monthly reports of any
14 changes and status in the restoration of the units until the restoration is completed.

15 For further assistance, please contact name at (***) ***-extension, or by email at email
16 address.

17
18 Sincerely,

19
20 Name

21 Title

22
23 Enclosure

24

1 **Exhibit 7.2-2 Sample Letter to Owner**

2

3 Date

4

5 RE: Name:

6 Number:

7 Location:

8

9 Dear: _____:

10 Due to the disaster or rehabilitation regarding the above property, the rents for the
11 affected units shall be passed through up to twelve (12) months beginning with the date
12 of the emergency, disaster, or rehabilitation. This pass through is in accordance with
13 Section which ever applies from the HAP contract and shall continue in effect until the
14 owner has fully restored the building to a habitable condition at least equal to its
15 condition on the date of the emergency, disaster or rehabilitation.

16 In the interim, the owner is authorized and required to:

- 17 • Locate similar housing within the immediate area at rent levels that do not
18 exceed the current contract rent levels.
- 19 • Inspect, or cause to be inspected each temporary replacement dwelling unit to
20 ensure that each unit is habitable, that it meets all UPCS requirements for rental
21 units of equal age and construction, and that the units are determined by a
22 competent inspector to be decent, safe and sanitary.
- 23 • Ensure that any temporary replacement dwelling are comparable and meet
24 applicable accessibility requirements for tenants and family members with
25 disabilities under the Fair Housing Act, Section 504 of the Rehabilitation Act of
26 1973, and the Americans with Disabilities Act of 1990, and their implementing
27 regulations, including the provision of reasonable accommodations, reasonable
28 modifications, and program accessibility.
- 29 • Enter rental agreements with the owners of such other housing on behalf of the
30 affected tenants to cover the period of time it takes to restore the unit to decent,
31 safe, and sanitary condition and prove adequate for the tenant to return to the
32 unit.
- 33 • Sign the Temporary Lease Addendum along with the current property owner,
34 tenant, and temporary property owner (copy enclosed).
- 35 • Pay rent for such housing units on behalf of each affected tenant at rents that do
36 not exceed the current gross rents at name of property. The owner collects HAP

1 subsidy funds and in turn pays rent to the temporary property owner with HAP
2 funds.
3 • Collect the total tenant payment due from each household in the same manner
4 as when each tenant resided at name of property.
5 • Collect the rental assistance for all affected tenant households in the same
6 manner and at the same time as units which are not affected by the disaster or
7 rehabilitation.

8 Please note that the owner must absorb all reasonable costs incurred from the move by
9 the family. This is a temporary resolution due to the disaster or rehabilitation to assist
10 the tenants. Any changes and the status of the restoration of the units and/or the HAP
11 must be provided to the performance-based contract administrator and project manager
12 on a monthly basis until completed. The HAP is provided in the manner set forth above
13 on behalf of each affected tenant until the first occurrence of any of the following events:

- 14 • the tenant moves from the temporary housing unit without prior written
15 authorization from the owner;
- 16 • the tenant is evicted for violation of either the existing lease or for violation of the
17 rental agreement between name of property and the owner of the temporary
18 dwelling unit;
- 19 • the tenant is no longer eligible for assistance under the HAP contract;
- 20 • the tenant household voluntarily terminates its tenancy and gives up its housing
21 assistance; or
- 22 • the tenant's apartment at name of property is fully restored and made available
23 for occupancy by the tenant.

24 If the tenant refuses to move back to name of property after the affected apartments
25 have been restored, the HAP provided to the tenant shall be terminated and the
26 assistance to the name of property unit shall be resumed as it was before the disaster
27 or rehabilitation.

28 For further assistance, please contact name at (***) ***-extension, or by email at email
29 address.

30

31 Sincerely,

32

33 Name

34 Title

35

36 Enclosure

1 8. If I refuse to return to my name of disaster or rehabilitation property apartment at
2 the time it becomes ready for occupancy the name of property owner may
3 terminate the housing assistance payments made on my behalf.

4 For its part, name of property owner acknowledges, understands, and agrees to the
5 following:

- 6 1. After a competent inspector has inspected a unit and it is determined to be
7 decent, safe, and sanitary, the undersigned tenant is permitted to move to the
8 temporary housing unit.
- 9 2. Name of property shall collect all tenant-paid rent and HAP as though the name
10 of property was unaffected by the emergency, disaster or rehabilitation and
11 occupied.
- 12 3. Name of property shall enter into a rental agreement, if required, to provide
13 temporary housing units for occupancy by the undersigned tenant. Such
14 agreement shall provide that name of property will pay rent that does not exceed
15 \$dollar amount per month for the temporary housing unit on behalf of the
16 undersigned tenant.
- 17 4. Name of property owner shall allow the undersigned tenant to deduct from the
18 tenant paid portion of the rent an amount that equals the cost of moving from the
19 damaged unit to the temporary housing unit. When the emergency, disaster or
20 rehabilitation unit is restored, the undersigned tenant must move from the
21 temporary housing unit to the original apartment. Such costs shall include utility
22 hookup and, if the tenant had a phone in service at the time of the disaster or
23 rehabilitation, a phone reconnect charge which is exclusive of regular phone use
24 charges. The tenant must document all such charges and must be accepted and
25 approved by name of property.

26

27 THIS ADDENDUM SHALL BECOME EFFECTIVE ON THE DATE IT IS SIGNED AND
28 SHALL REMAIN IN EFFECT UNTIL TERMINATED BY NAME OF PROPERTY OR
29 UNTIL IT IS FURTHER AMENDED BY MUTUAL AGREEMENT BETWEEN THE
30 UNDERSIGNED TENANT AND NAME OF PROPERTY.

31

32 BY: _____, TENANT

33 DATE: _____

34 (NAME OF PROPERTY)

35 _____, LANDLORD

36 DATE: _____

1 **Exhibit 7.2-4 Section 8 Pass Through Lease**

2 Information Memorandum

3

4 Property Name: _____

5 Project Number: _____

6 Section 8 Number: _____

7

8 Owner Name: _____

9 Performance-Based Contract Administrator's (PBCA) Name: _____

10 Property owners with tenants under a project-based Section 8 (PBS8) HAP contract
11 whose unit is uninhabitable may temporarily lease a habitable unit in another building
12 that meets the Uniform Physical Condition Standards (UPCS). The property owner,
13 tenant, and temporary property owner sign a temporary lease and begin to voucher for
14 the contract rent for that temporary unit. The property owner pays no more than the
15 HAP contract rent on the temporary dwelling. When the tenant's permanent rental unit is
16 restored to habitable condition the owner notifies the tenant that they may resume
17 occupancy of their former unit. The tenant is still responsible for the tenant's share of
18 the temporary rent (30 percent of their adjusted gross income). The PBCA or U.S.
19 Department of Housing and Urban Development (HUD) is responsible for inspecting the
20 proposed pass-through apartment before occupancy to ensure it meets HUD's physical
21 standards. Or, the owner may provide a third party inspector acceptable to the PBCA or
22 HUD to perform the inspection.

23 Should the displaced tenant fail to return, the owner may rent the repaired unit to an
24 eligible Section 8 applicant. Before doing so, however, the owner must inform the tenant
25 in writing that their assistance is terminated. In the event that the owner rents the unit to
26 an eligible Section 8 applicant, the owner must first terminate the pass-through lease all
27 parties executed. In addition, should the temporarily displaced tenant move from the
28 temporarily leased unit before their permanent rental unit is repaired and made
29 available for their return, the owner can no longer voucher for the temporary unit and
30 the tenant is considered permanently housed. Once the original unit is fully repaired and
31 ready for occupancy, all Section 8 provisions apply. This arrangement calls for close
32 contact and cooperation between the owner and tenant.

33 The pass-through arrangement is only available to tenants and owners who voluntarily
34 agree to the conditions. HUD will not assume any additional costs such as relocation or
35 utility expenses or related to a pass-through arrangement.

36 **OWNER'S COMMUNICATION RESPONSIBILITY**

37 In the event of a temporary disaster or rehabilitation of the property, owners have a
38 responsibility to ensure that the property is secured and that tenants' possessions and

1 valuables are secured and protected to the greatest extent possible. Tenants have a
2 right to return to the unit from which they were displaced once their residence is
3 repaired so owners must make a concerted effort to track displaced tenants by phone,
4 mail, family, friends, or some other method. An owner may offer, and a tenant may
5 accept, an alternate unit acceptable to all parties if that will facilitate a displaced tenant's
6 returning to a permanent residence. However, once a tenant accepts any permanent
7 housing they no longer have a right to return to the unit from which they were displaced.

8 In the event a property's rental office has to be vacated, the owner should publish where
9 he or she can be contacted and should regularly inform tenants as to progress
10 regarding repairs and when they might re-occupy their residence. Owners must inform
11 all displaced tenants in writing at least 60 days prior to the expected date that the unit
12 will be ready for re-occupancy. The notice must be issued via regular and certified mail
13 to the tenant's last known address, or via social media such as email or text-messaging
14 (Owners should collect as many forms of contact information as applicable). Owners
15 should be reminded of their duties to ensure that this information is provided in
16 accessible formats for persons with disabilities and in the appropriate language for
17 persons with limited English proficiency (LEP). Owners should also be reminded of their
18 duty to make reasonable accommodations for persons with disabilities.

19 Displaced tenants must respond within 30 days of the notice and inform the owner of
20 their intention to return or not, and provide contact information. The response must be in
21 writing, although the tenant may also call the owner's contact representative to indicate
22 his or her decision and to ask any questions they may have about returning. If the
23 tenant does not respond within 30 days from the date of the notice, the owner must
24 send a second notice notifying the tenant that he or she no longer has a right of return
25 to the unit that the tenant occupied prior to the temporary disaster or rehabilitation.
26 Those tenants indicating an intention to return must be given a minimum of 60 days
27 from the date the unit is ready for re-occupancy to re-occupy the unit. An owner has the
28 option to give a displaced tenant a longer period to return to the property. Once again,
29 owners should be reminded of their duties to ensure that this information is provided in
30 accessible formats for persons with disabilities and in the appropriate language for
31 persons with LEP, and of their duty to make reasonable accommodations for persons
32 with disabilities.

33 An owner may offer an available comparable unit to a displaced tenant if the unit that
34 the tenant occupied before the temporary disaster or rehabilitation cannot be repaired or
35 if the repairs require a long period of time to complete. If a returning tenant accepts an
36 alternate unit, the tenant(s) is considered re-housed and not eligible for additional unit
37 transfer except in accordance with HUD Handbook 4350.3 REV-1, *Occupancy*
38 *Requirements of Subsidized Multifamily Housing Programs*. If the displaced tenant(s)
39 resided in a Section 8 HAP unit and was/were over-or under-housed, as defined in the
40 aforementioned handbook, prior to the temporary disaster or rehabilitation, an
41 appropriate size unit must be offered as a replacement if available.

42

1

2 If a displaced tenant fails to return after notifying the owner of his or her intention to
3 return during the right to return period and there was no agreement between the
4 displaced tenant and the owner to extend the time period, the owner may take action to
5 terminate the lease in accordance with local law, the Temporary Lease Addendum, and
6 rent the unit. In this case, the tenant no longer has a right to return to the unit, will be
7 treated as a new applicant, and will have no priority as a temporary disaster or
8 rehabilitation displaced tenant on the waiting list.

9 TENANT COMMUNICATION

10 Tenants should be informed that if they are displaced because of a temporary disaster
11 or rehabilitation, they are responsible for advising the owner and/or the owner's
12 representative of their temporary housing location and their intentions during and after
13 the temporary disaster or rehabilitation. If the displaced tenant has a new temporary
14 address or telephone number, they should provide it to the owner or agent of the
15 development from which they were displaced. Tenants should also be advised that due
16 to potentially dangerous conditions, they may not have ready access to their
17 possessions. Owners are responsible for securing the property to the best of their ability
18 immediately after the disaster and to protect the personal property of the tenants. The
19 tenant needs to contact their insurance agent (rental insurance) for any coverage on
20 their personal property.

21 Disposal of any personal property must be done in accordance with local law.
22 Additionally, owners may take action to terminate a lease and dispose of personal
23 property in accordance with local law when displaced tenants indicate their intention not
24 to return or fail to respond to the owner's notice.

25 PLAN FOR REPAIR OF DAMAGED PROPERTY OR REHABILITATION

26 A recovery plan is essential for every damaged or rehabilitated property. There should
27 be a comprehensive plan and timeline for all properties. The recovery plan should be
28 measurable and include time frames.

29 The recovery plan should include measures to:

- 30 • protect tenants from displacement and mitigate health and safety concerns;
- 31 • ensure that displaced tenants' property is secure and protected;
- 32 • ensure that displaced tenants are returned to their apartments as rapidly as
33 possible;
- 34 • protect HUD's assets;
- 35 • ensure ongoing management operations while reducing disruption; and
- 36 • Ensure that repair and rehabilitation to properties and units are made in
37 compliance with applicable accessibility, reasonable accommodations, and
38 reasonable modifications requirements under the Fair Housing Act, Section 504
39 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990

- 1 • provide key personnel contacts.

2 Timelines are critical in developing the recovery plan. The owner/agent should strive to:

- 3 • minimize the impact on tenants, especially where displacement occurs;
4 • minimize the disruption to management operations;
5 • facilitate effective coordination of recovery tasks with contractors;
6 • maintain communication and cooperation with HUD staff and displaced tenants;
7 • provide for security where necessary;
8 • make timely debt service and vendor payments or seek forbearance; and
9 • identify sources of funds such as reserve for replacement funds, insurance funds,
10 grants, loans, etc.

11 COMPONENTS OF A RECOVERY PLAN

12 The recovery plan must be submitted within 30 business days of the disaster or 30
13 business days prior to the rehabilitation of the property. The following are key
14 components that must be documented in an acceptable recovery plan. Additional
15 information may be required depending on the type and extent of the disaster or
16 rehabilitation:

- 17 • Primary contact information for owner, management agent, etc.
18 • Summary of damage and impact analysis.
19 • Recovery strategy that includes a proposal for restoring the property to normal
20 condition.
21 • Contractor award information, including supporting documentation that the award
22 meets HUD's procurement requirements. If normal procurement practices are
23 impractical and the owner cannot advertise or collect bids, then he/she must
24 justify the method used and the certified public accountant must verify costs in
25 the next yearly audit.
26 • Tentative completion dates for major systems.
27 • Overall completion date for all damaged items.
28 • Process for coordinating temporary tenant relocation and return plan of the
29 tenants.
30 • An account of all escrows, information regarding any loan applications, and
31 information regarding insurance claims.
32 • Information on any shortfalls in the funds needed to make repairs and the
33 owner's plan stating how they will make up any shortfall in the funds to fully
34 restore the property to its pre-disaster condition.
35 • Process for bringing units back on-line and moving tenants to vacant units if
36 repairs will be made while tenants are in place, including a proposal for how the
37 owner plans to meet the needs of persons with disabilities and/or LEP during the
38 temporary relocation and return of tenants to their units.
39 • A plan and procedures for tracking and contacting displaced tenants, including
40 tenants with disabilities and/or LEP.

1 Additionally, the following items must be submitted with the recovery plan:

- 2 • Summary of contractor's experience
- 3 • Copies of bids
- 4 • Licensing and bonding documentation

5 INTERIM STEPS FOR OWNERS DURING REHABILITATION

6 Letters will be sent to the owner and PBCAs regarding additional responsibilities.

7 The owner is authorized to do the following:

- 8 • Locate similar housing within the immediate area at rents that do not exceed the
9 current contract rent level.
- 10 • Inspect, or cause to be inspected, each temporary replacement dwelling unit to
11 ensure that each unit is habitable, that it meets all housing quality standards for
12 rental units of equal age and construction, and that the units are determined by a
13 competent inspector to be decent, safe and sanitary.
- 14 • Enter rental agreements with the owners of such other housing on behalf of the
15 affected tenants to cover the period of time it takes to restore the unit to decent
16 safe and sanitary condition and prove adequate for the tenant to return to the
17 unit.
- 18 • Sign the Temporary Lease Addendum along with the current property owner,
19 tenant, and temporary property owner (copy enclosed).
- 20 • Pay rent for such housing units on behalf of each affected tenant at rents that do
21 not exceed the current gross rents at the affected property.
- 22 • Collect the total tenant payment due from each household in the same manner
23 as when each tenant resided at the affected property.
- 24 • Collect the rental assistance for all affected tenant households in the same
25 manner and at the same time as units which are not affected by the disaster or
26 rehabilitation.

27 Please note that the owner must absorb all reasonable costs incurred from the move by
28 the family.

29 This is a temporary resolution due to the disaster or rehabilitation to assist the tenants.
30 Any changes and the status of the restoration of the units and/or the HAP must be
31 provided to the PBCA and HUD project manager on a monthly basis until completed.

32 The HAP is provided in the manner set forth above on behalf of each affected tenant
33 until the first occurrence of any of the following events:

- 34 • the tenant moves from the temporary housing unit without prior written
35 authorization from the owner;
- 36 • the tenant is evicted for violation of either the existing lease or for violation of the
37 rental agreement between the affected property and the owner of the temporary
38 dwelling unit;

- 1 • the tenant is no longer eligible for assistance under the HAP contract;
2 • the tenant household voluntarily terminates its tenancy and gives up its housing
3 assistance; or
4 • the tenant's apartment at the affected property is fully restored and made
5 available for occupancy by the tenant.

6 If the tenant refuses to move back to the affected property after the affected apartments
7 have been restored, the HAP provided to the tenant shall be terminated and the
8 assistance to the affected property unit shall be resumed as it was before the disaster or
9 rehabilitation.

10 PBCA Information:

11 The PBCA reviews, approves, and submits monthly vouchers as normal. Pass through
12 will be continued until disaster or rehabilitation is completed.

13

1 **Exhibit 7.2-5 Terms and Conditions**

- 2 1. The HUD-assisted project owner is responsible for negotiating the terms of the
3 Temporary Lease Addendum with the owners of the alternative temporary
4 housing and obtaining approval from the local MFH Hub.
- 5 2. The HUD-assisted owner continues to request vouchers for assistance upon
6 execution of a lease with the owners of the alternative housing unit.
- 7 3. The alternative housing units must be decent, safe, sanitary, and meet local
8 housing codes. HUD must inspect the units to ensure they meet these
9 qualifications.
- 10 4. The owner of the HUD-assisted unit must execute a lease with the owners of the
11 alternative housing unit. The local Multifamily regional office must review the
12 pass-through leases.
- 13 5. If the temporary housing is the same bedroom size as the tenant's prior unit, the
14 owners may submit vouchers for assistance up to the Section 8 HAP contract
15 rent levels for the prior unit, not exceeding the rental charge of the temporary
16 unit.
- 17 6. If the temporary housing is a greater bedroom size than the tenant's prior unit,
18 the owner may submit vouchers for assistance up to the Section 8 HAP contract
19 rent levels for the prior unit, not exceeding the rental charge of the temporary
20 unit.
- 21 7. A tenant may temporarily relocate to a unit of lesser bedroom size than the prior
22 unit so long as the number of persons housed remains the same. In these cases,
23 the owner may submit vouchers for assistance up to the prior unit's contract rent
24 level, not exceeding the rental charge of the temporary unit. For example:
 - 25 • The uninhabitable unit was two bedrooms, occupied by a parent and
26 child, and had a contract rent of \$500.
 - 27 • The one-bedroom contract rent level at the impacted project is \$400.
 - 28 • The temporary unit is a one bedroom, can accommodate the mother
29 and child on a temporary basis, and has a rental charge of \$450.
 - 30 • The owner may voucher for assistance at the temporary contract rent
31 of \$450.
- 32 8. Tenants must continue to pay their share of the rental payment to the owners of
33 the HUD-assisted project. The HUD-assisted owner is responsible for paying the
34 rental payment to the owners of the temporary unit. The tenant is responsible for
35 any additional charges in excess of their Section 8 HAP contract rent or for other
36 services that might be provided in excess of the subsidy received at the
37 permanent unit.
- 38 9. The HUD-assisted owner pays the contract rent on the temporary unit until the
39 tenant's permanent rental unit has been restored to a habitable condition, and
40 the owner notifies the tenant that they may resume occupancy at their unit. The
41 tenant continues to be responsible for their rental contribution during the period
42 of time the temporary unit is occupied.
- 43 10. The tenant must sign a certification of compliance with the house rules of the
44 owner of the temporary housing.

- 1 11. Owners and tenants are encouraged to locate temporary alternative housing that
2 has the same utility payment arrangements as their permanent housing. This
3 consistency will permit vouchering for rental assistance to continue without
4 adjustment for utility allowances. Temporary adjustments to contract rents may
5 be made if required to accommodate changes in utility payment responsibility, so
6 long as the contract rent levels of the prior unit are not exceeded.
- 7 12. If the displaced tenant fails to return to the repaired unit, the owner may lease the
8 unit to an eligible Section 8 applicant. The owner must inform the tenant in writing
9 that their assistance is terminated. In the event that the owner rents the unit to an
10 eligible Section 8 applicant, the owner must first terminate the lease that the
11 owner executed on behalf of the displaced tenant. The Office of General Counsel
12 advised that this condition may be imposed as long as the Section 8 HAP
13 contract is amended.
- 14 13. The owner must pay all moving and relocation expenses including utility
15 connections for both moves.
- 16 14. The owner must provide the local MFH regional office with the household names,
17 addresses, and unit numbers for the families that will be temporarily displaced
18 from their permanent housing.
- 19 15. The owner must provide the local MFH regional office with the addresses and
20 unit type for all temporary, alternative units.
- 21 16. The pass-through lease arrangement is only available to tenants and owners
22 who voluntarily agree to the conditions. HUD does not assume any additional
23 costs such as relocation or utility expenses related to a pass-through
24 arrangement.
- 25 17. In the event of circumstances beyond the owner's control, requiring the extension
26 of relocation beyond 12 months, the owner must provide permanent relocation
27 pursuant to the Uniform Relocation Act, which may result in tenants being offered
28 permanent relocation assistance. If Community Development Block Grant or
29 HOME funds are used, Uniform Relocation Act requirements need further review
30 by headquarters Office of Asset Management and Portfolio Oversight.