

JoEL Homes

A Redevelopment Opportunity in the NYC Public Housing Market

9 January 2024

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Important Disclosure Statement

The projections referenced within this document are based on preliminary data provided by various groups related to the founders and others related to the New York City Public Housing community. This information is subject to change upon further due diligence by the Company and its partners but is nonetheless viewed by the Company founders as a generally accurate statement of the potential of the Seth Low project and the redevelopment opportunity in NYCHA housing. Final investment decisions by any group, individual or institution (the **investors**) should be based on a final set of assumption provided by the Company and through the independent verifications of these assumptions by 3rd parties related to the investors and not aligned with the Company.

The various names included in this document outside of the management team and leadership of the Social Support providers are included by way of reference ONLY. They do not represent a commitment by the Company to any of these groups nor does their inclusion represent a commitment by these groups to the projects and plans of the Company. Their names are included only as a representative sample of the types of relationships the Company has in the market and MAY IN THE FUTURE be included as part of the operational team in some form either as contractors, partners or advisors.

Nothing in this document is intended to replace or otherwise represent an investment prospectus.

This document is ONLY intended for use by the founders and key members of its development team as a project introduction.

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Transaction Overview

TERM	DESCRIPTION
COMPANY	JoEL Homes L.L.C. (the Company), a newly formed enterprise founded by Mr. Joseph Jeffries-EL, Mr. Carey Kriz, and various partners.
BUSINESS	Finance/Manage the redevelopment of public housing in New York City, commencing with the 536 apartment units of the Seth Low Housing Project in Brooklyn (or Phase I of the Project): The Company is seeking a 99-year lease on the Seth Low units through the New York City Public Housing Authority (NYCHA/PACT), with the Company responsible for their continued development and operations. The Company will collect and retain the rent from the Seth Low development, with 70% coming from HUD and 30% from the tenants. ALL OF THE SETH LOW HOUSING UNITS WILL CONVERT TO HUD SECTION 8 HOUSING ASSISTANCE AS PART OF THE TRANSFER OF CONTROL FROM NYCHA TO THE COMPANY THROUGH THE PACT PROGRAM. THERE IS A CURRENT SHORTAGE OF 250K+ PUBLIC HOUSING UNITS IN NYC.
OPPORTUNITY	From its launch, the Project has expansion potential to more than 7,000 units that it can develop in parallel starting in mid to late 2024 through similar <i>Phases</i> as defined herein. A separate projection of the larger business opportunity is available separately.
FINANCIALS/TIMING	Capital Needs: 1. Proof of Funds/ LOC: ~\$250M 2. Construction Costs: ~\$175M for redevelopments \$64m for new construction that transfer to building mortgages, 3. Operational LOC: ~\$18m to cover operating loses until profitability by year 12 (loan payout period) 4. Annual rental income of ~\$19m (2023) subject to yearly HUD increases. The Project's design and construction liabilities will be covered by the architectural and construction companies contracted by the Company and subject to performance bonds. Phase I can be launched as early as 1Q2024 and has received initial tenant approval from the Seth Low resident association and Mr. Reginald Bowman. See Appendix D for a summary commitment by the tenants to the PACT conversion.
FINANCIAL CONTACT	Dr. Andrew Parkes, who can be reached at aparkes@iep-alliance.com (https://iep-alliance.com)

Company Narrative

- The included plan contains an introduction to **JoEL Homes L.L.C.** (the Company or JoEL), a NYC-based company focused on the need and opportunity to redevelop the living spaces and improve the lives of the residents of the NYC public housing community.
- The Company is the culmination of the more than 50-year history of a company founder, Mr. Joseph Jeffries-EL, and his work in social and community development in NYC, and the combined efforts of the founders, and their experiences in the technology and investment industries, and various partners.
- The launch of the Company's plan covers the redevelopment of 536 housing units in Brooklyn, New York (referred to as *Phase I*). Along with this redevelopment the Company will add 100+ new public housing units to the Seth Low campus, the project's launch location.
- The Company will hold a master operating agreement on these acquired and new housing units through a 99-year lease with the **New York City Public Housing Authority (NYCHA) using the PACT Program.**
- Phase I will require ~\$174m of construction investments that can be backstopped by the lease payments for each housing unit through **HUD's Section 8 Housing Assistance Program.** A limited preferred debt/equity opportunity is available of ~\$2m.
- More than a traditional developer, the Company will provide long-term support to its residents using an innovative management approach that blends health, education, the arts and security services to maintain a safe and nurturing community.



Use of the PACT Program to Enable the Transfer of NYCHA Housing to JoEL Homes

The conversion process from NYCHA control to the Company follows a well-defined process known as PACT, which stands for *Permanent Affordability Commitment Together*.

Under the PACT guidelines the tenants of a housing project can shift the control of their buildings to a private partner that works with NYCHA through a Section 8 Housing program to cover the development and maintenance costs of the tenant rentals – and removes the tenants from the day-to-day oversight of NYCHA.

The Company has been engaged with various leadership in the resident associations of the city, with the launch at Seth Low representing one of many opportunities available to the team.

All PACT conversions require a majority of tenants agreeing to the selection of the private partner, with the partner required to demonstrate and then provide supportive social services to the tenant residents – in addition to typical building maintenance and development solutions.

The JoEL team is uniquely qualified and well positioned within the NYC public housing communities to provide this support. It has received preliminary participation commitments from additional resident association leaders equivalent to a total of 7,000 housing units.



As federal and state funding for public housing has dramatically decreased, NYCHA's developments have fallen into disrepair. There are few tools available to generate the money NYCHA needs to repair and renovate housing in the Authority's portfolio.

The *Rental Assistance Demonstration (RAD)* is a U.S. Department of Housing and Urban Development (HUD) tool, created by the Obama Administration for housing authorities to make necessary improvements and ensure long-term affordability. Under this program, major repairs are made to a specific development, when NYCHA shifts the federal subsidy supporting the development from the public housing program to the Housing Choice Voucher (Section 8) Program.

In New York City, the RAD program is called <u>PACT</u> (Permanent Affordability Commitment Together.) Apartments participating in PACT will be permanently affordable and maintain tenancy rights in line with those of public housing tenants.

PACT developments become permanently affordable through contracts that remain in effect in perpetuity, renewed every 20 years, eliminating any risks of rents becoming market-rate.

Overview:

Public-private partnerships, not privatization: NYCHA continues to own the land and oversee all major decisions. The Authority also has veto power.

Permanent affordability: Contracts that require the units to be permanently affordable are automatically renewed every 20 years, so all apartments remain permanently affordable.

Stable federal funding: Funding for renovation, repairs and maintenance shifts from the shrinking, unstable Public Housing (Section 9) program to the more stable Housing Choice Voucher (Section 8) program, providing residents with long-term security.

Guaranteed public housing rights: PACT residents have rights in line with residents in public housing including:

- Paying no more than 30% of income on rent
- Automatic lease renewal if a resident is in good standing
- The right to establish and operate resident organizations recognized by NYCHA
- · Succession rights that are grandfathered in for current public housing residents
- The right to a hearing to resolve any grievances.

Building improvements: 5,000 units of permanently affordable housing are in line for improvements under PACT. After the needs of the buildings have been assessed, improvements could include:

- Comprehensive mold remediation and projects that could include roof replacements or façade repair
- New kitchens, bathrooms and flooring, renovated hallways and stairwells
- · Lighting, new fencing, doors, windows, and new asphalt and concrete site work

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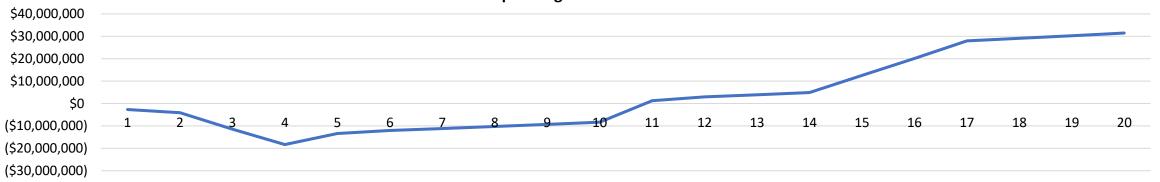
Financial Summary and Local Job Impacts

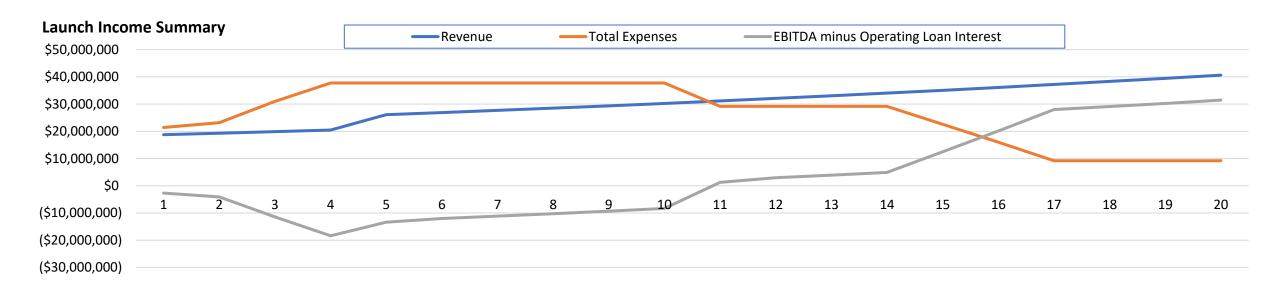
Measurements by Year	Year 1	Year 5	Year 10	Year 15	Year 20
Annual Revenue	\$18,762,556	\$26,875,236	\$30,248,315	\$35,066,087	\$40,651,206
Expenses	\$21,425,143	\$37,753,341	\$37,753,341	\$22,568,919	\$9,211,600
EBITDA	(\$2,662,587)	(\$11,660,879)	(\$7,505,026)	\$12,497,168	\$31,439,606
EBITDA %	-14%	-45%	-25%	36%	77%

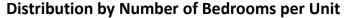
Loan Definitions/Uses	Туре	Term	Rate	Total
Loan 1	New Construction	10	6% \$	64,593,500
Loan 2	Refurb	13	6% \$	59,287,800
Loan 3	Refurb	13	6% \$	59,287,800
Loan 4	Refurb	13	6% \$	61,084,400
Total			\$	244,253,500

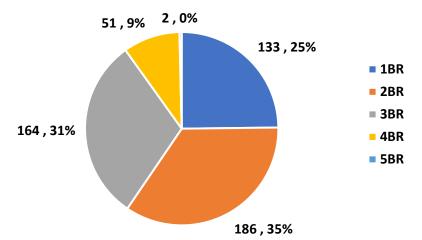
Summary LOC and General Cash	Full Project	Year 1
Maximum Line of Credit Need	\$ 18,357,970 \$	5,503,282
Consolidated Income (20 Year)	\$ 63,335,928	
Projected Cash Accumulation Post Debt Payment	\$ 164,418,570	

EBITDA minus Operating Loan Interest

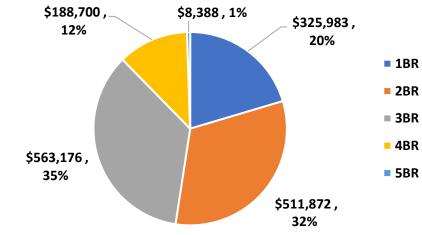








Rental Income by Unit Size Assumption



UNIT Buildings 2-5	% OF TOTAL	NUMBER UNITS	SECTION 8 RENT		MONTHLY RENT	ANNUAL RENT
1BR	25%	133	\$	2,451	\$ 325,983	\$ 3,911,796
2BR	35%	186	\$	2,752	\$ 511,872	\$ 6,142,464
3BR	31%	164	\$	3,434	\$ 563,176	\$ 6,758,112
4BR	10%	51	\$	3,700	\$ 188,700	\$ 2,264,400
5BR	0.4%	2	\$	4,194	\$ 8,388	\$ 100,656
Total		536	\$	16,531	\$ 1,598,119	\$ 19,177,428

The Company's financial model uses a rental rate based on current data from NYCHA for a selected zip code and using 2023 figures. The Company extrapolated this income potential across the Seth Low housing units as the basis for its income projections. A verification of these income figures and rental rates by unit will be made available to selected financial partners.

It is assumed that 70% of this rental income is guaranteed by a Section 8 payment from the federal government (a HUD program) with the tenant assuming the responsibility of paying the residual 30%. The historic collection rate is 29% (a 1% loss).

The Company will not have the ability to adjust the rent for the units, which are established by HUD.

NYCHA Summary Stats	Brookly	'n	Bro	nx	Que	ens	Manhatt	an	Staten Island	Totals
# of Developments	79		75		21		79		10	264
# of Residential Buildings	683		516		215		488		78	1,980
# of Non-Residential Buildings	35		24		7		29		5	100
# of Total Units	49,427		41,931		15,348		50,220		4,510	161,436
# of Current Units	48,968		41,666		15,242		49,868		4,381	160,125
# of Section 8 Apartments *	908		873		-		783		131	2,695
# of Families	47,077		40,156		14,745		48,107		4,117	154,202
Population	102,907		87,903		30,452		99,777		9,079	330,118
Total Public Housing Population	100,885		85,966		30,452		98,144		8,806	324,253
Total Section 8 Population *	2,022		1,937		-		1,633		273	5 <i>,</i> 865
Average Gross Income	\$ 25,952	\$	24,263	\$	25,768	\$	26,445	\$	24,313	
Average Gross Rent	\$ 563	\$	563	\$	561	\$	570	\$	528	
Average Family Size	2.2		2.2		2.1		2.1		2.2	

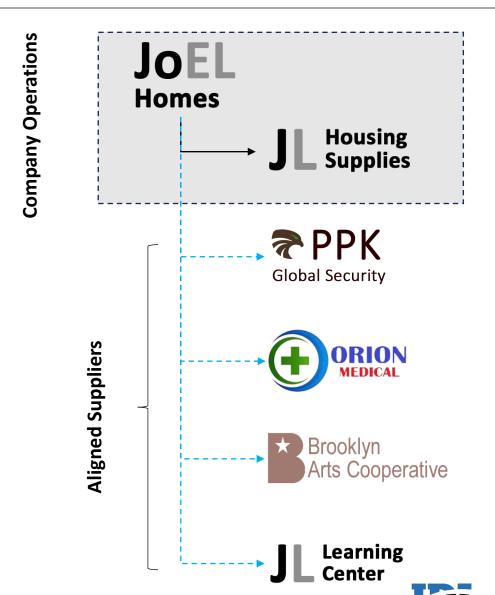
^{*} The actual NYCHA statistics (e.g., Unit totals, etc.) vary year by year and are not precise. As part of the transfer of control of the buildings to the Company from NYCHA they will be converted to Section 8 properties under HUD.

Proximal Expansion Opportunities after Phase I (Adjacent Brownsville Projects)

Development Name	Units (k)	Residents (k)	Development Phase	Impact
LOW	536	1,353	I	536
BROWNSVILLE	1,338	3,109		
HOWARD	815	1,848		
GARVEY (GROUP A)	321	861		
GLENMORE PLAZA	440	793		
HUGHES	513	1,325	II	6,547
TILDEN	998	2,557		
VAN DYKE I	1,603	3,780		
VAN DYKE II	112	129		
WOODSON	407	451		
	7,083	16,206		•

Although the potential expansion opportunities for the Company are substantial, it will maintain a tight focus on its launch location in Seth Low and the Brownsville neighborhood of Brooklyn. Using Seth Low as its base the Company has the potential to demonstrate the development of a small city-within-a-city that introduces a broader array of services beyond the social services defined for the Seth Low campus. All expansion beyond Seth Low will be predicated on the success of the Company during its initial operating period.

By enlarging the resident reach and control the Company can establish larger commercial relationships that could meet the needs of the community for other services, including a local grocery store and pharmacy. This projected or potential expansion will introduce economies of scale in security among other areas.



- Management and HQ staff
- Customer support
- Maintenance workers
- Warehouse/Logistics staff
- Procurement team
- Equipment repair
- Management staff
- Monitoring staff
- Field Response team
- Medical team
- Nursing team
- Home care workers
- CCM/RPM staff
- Management staff
- Volunteer coordinators
- Education staff
- Technology team

Job Projection per Phase Campus: 100+ FT Staff.

Figures do NOT INCLUDE construction and related jobs during the development Phases.

Operational Highlights

The New York City Public Housing Authority (or NYCHA) manages ~177k housing units across New York City's five boroughs. It is the largest collection of public housing units in the U.S. with a multi-decade history of inadequate support that has created a cycle of generational poverty and unsafe housing. Ironically, the city has a waiting list of over 250,000 families for its public housing, which makes each apartment unit a valued possession for its residents.

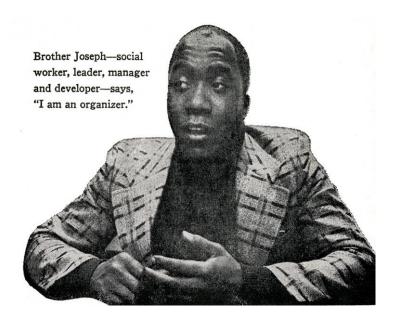
Mr. Joseph Jeffries-EL and various founding partners in JoEL Homes are well qualified to transform and empower this in-need community and redefine their relationship with NYCHA. Mr. Jeffries-EL is a historic NYC community leader with more than five decades experience in the city's public housing neighborhoods, including key leadership positions guiding the more than 400,000 NYCHA residents *.

More than a simple landlord-tenant relationship, the Company is focused on the wellbeing of the residents and their ability to create a thriving local community. To attack this complex challenge, the Company will offer a collection of social programs beyond traditional building management that directly address the cycles of poverty that lead to blighted, dangerous neighborhoods. (See Appendix B for details.)



^{*} The total number of residents in NYCHA housing is in dispute and may be as high as 1m residents.

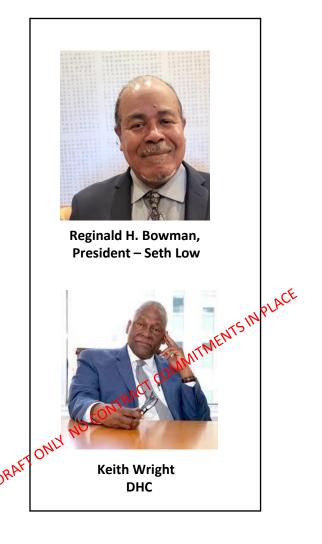




Mr. Joseph Jeffries-EL is a multi-generational resident of the Brownsville neighborhood of Brooklyn. His reputation cuts across the city's five boroughs and decades of political leadership at the city, state and federal levels.

Highly respected in the community, Mr. Jeffries-EL brings an unparalleled reach with residents, the NYC development industries and the public housing authorities. Coupled to its founding leadership, the Company's projected Advisory Board contains a cross section of noted city and industry leaders and is the ultimate testament to the reputation of Mr. Jeffries.

Projected Senior Advisors



Company Founder in Past NYC Development Activity (1970s): Groundbreaking of the First HUD Supported Housing Project



911-23a

Henry R. Fuller, Housing Director BCC • Assistant Commissioner, NYS DHCR • Frances J. Levenson, Commissioner Community Development, NYCHPD • S. William Green, NY Regional Administrator, HUD • Roger A, Glasgow, Architect, Fred Eversley Jr., Contractor • Joseph Jeffries-EL, Developer/President, BHDFC • Horace L. Morancie, Director, Central Brooklyn Model Cities • August W. McCarthy, Vice President MHT Bank • Major R. Owens, U.S. Congressman • Fred W. Eversley Sr., Contractor

Business Activities

The Company will invest into and manage the rental units of a defined community of NYCHA tenants, which it will control through a 99-year lease of selected NYCHA properties in Brooklyn, the launch market. The Company will grow through design/build phases starting with 536 units (**Phase I**) that increases to a potential total of ~7k units* (**Phase II**). A description of the Phase I developments is available in a later section. The Phase II projects can be completed in parallel, providing substantial capital opportunities for the Company's financial and construction partners.

The Company will be responsible for the costs of the redesign and rebuild of the units it controls as well as overseeing and managing their long-term maintenance. The Company will provide a collection of product and service lines that support these buildings that address the quality of life of the building residents and their guests. Separate discussions of these services are available through the Company's development partners and summarized in Appendix B.

Company Assets

The Company's business model is concentrated on the growth of two asset classes: **real-estate leases** and **tenants** as human capital. Each of these assets will be managed by the Company or through contracted partners that span **Orion**Medical to PPK Global Security.



Redeveloped Housing Units



Tenants

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^{*} The full NYCHA unit count is ~170k housing units. The 10k total only refers to the housing units located in Brooklyn, New York.

Company Operations

The Company's operational activities cover the management of its project financing, the support of the tenants (and their resulting quality of life) and finally the maintenance of the properties. Each of the housing units are located within distinct "campuses" that contain a collection of support services. (See the Seth Low campus map on page 24).

While providing oversight of design and construction, the day-to-day building activities will be controlled by contractors, all of whom bringing extensive and relevant experience. The Company's leadership team brings strong civil and construction management to the oversight of these activities and the Company's contractors.

Resident safety, health, and wellbeing will be controlled by aligned businesses directed by the Company, with each service line operating through separate P&Ls and within each housing campus.



Company Activities:

- Capital Programs Management
- Design and Construction Leadership
- Building Management and Maintenance
- Resident and Community Support

Supply Chain Management

Core Social Programs

Healthcare

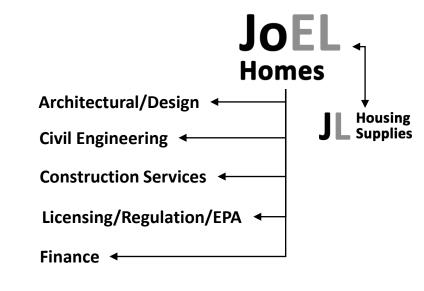
- Medical Services
- Day Care/ Home Care
- Wellness Programs/Nutrition

Security

- Building Monitoring
- Unit/Resident Response
- Police Integration

Mission

Reporting into an executive committee controlled by the Founders, the Company's operations team will oversee the design, contracting, construction and ultimately day-to-day operations of the Phase I programs. The key executives of this team, Dr. Peter Hughes and Ms. Shereen Al Buqain, will also provide guiding leadership to the Company's related Social Services offerings (See Appendix C) in health, education and the arts. Dr. Hughes (a native of Australia and trained architect) has extensive international project management skills and led several of the largest construction projects in the southern hemisphere during his tenure at Lend Lease. The combination of Dr. Hughes and Ms. Buqain (a native of Jordan and skilled construction engineer) are well qualified to drive the initial Seth Low redevelopment and set the stage for the growth of the Company's Phase II expansion.



Leadership

Dr. Hughes is a global construction and development leader and former CEO of Lend Lease Global Healthcare with broad interests in health and technology

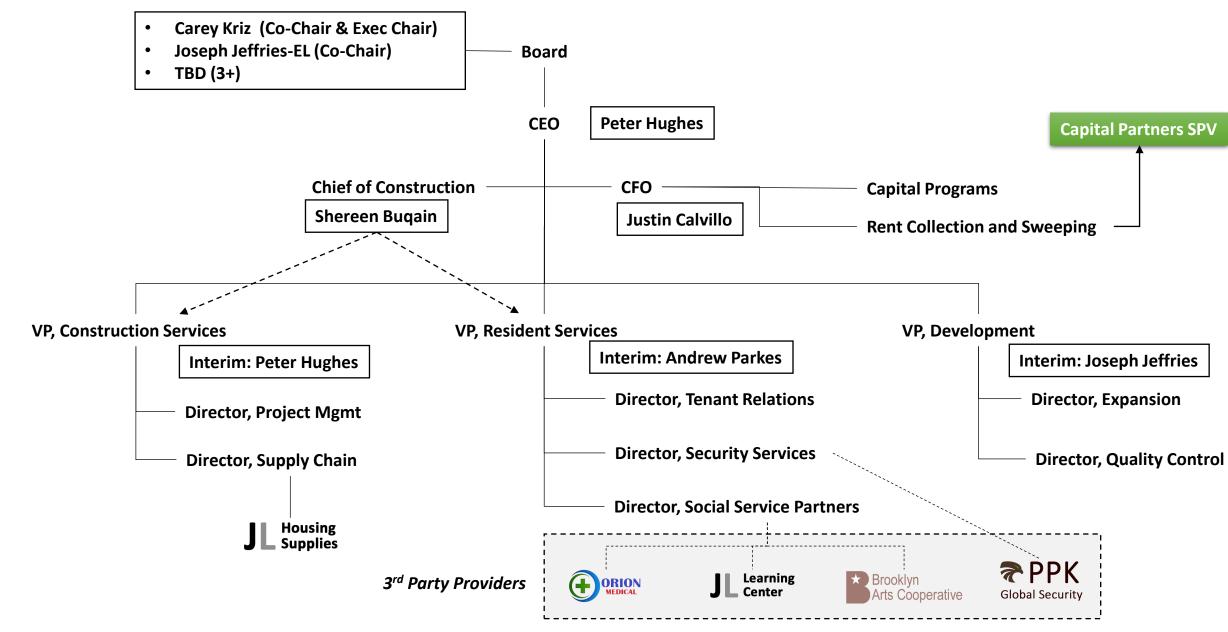
Ms. Buqain is a multi-decade civil engineering and construction project manager, with experiences across residential and commercial sectors.



Dr. Peter Hughes



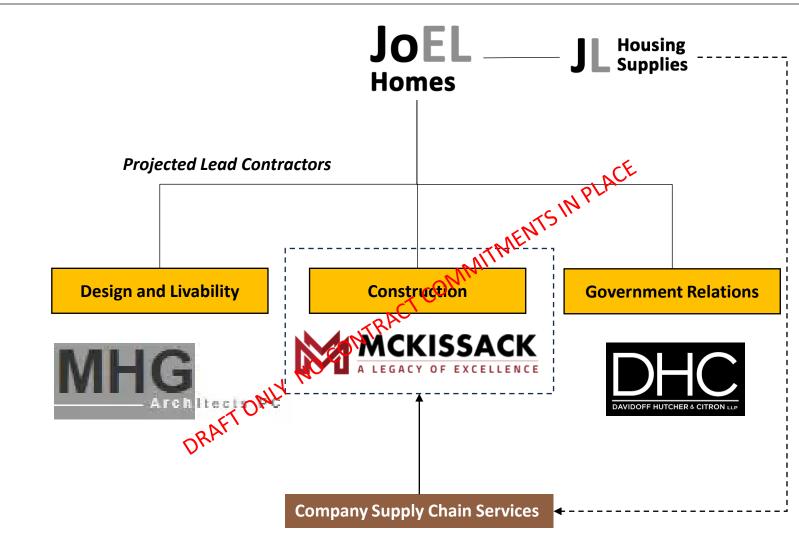
Shereen Al Buqain



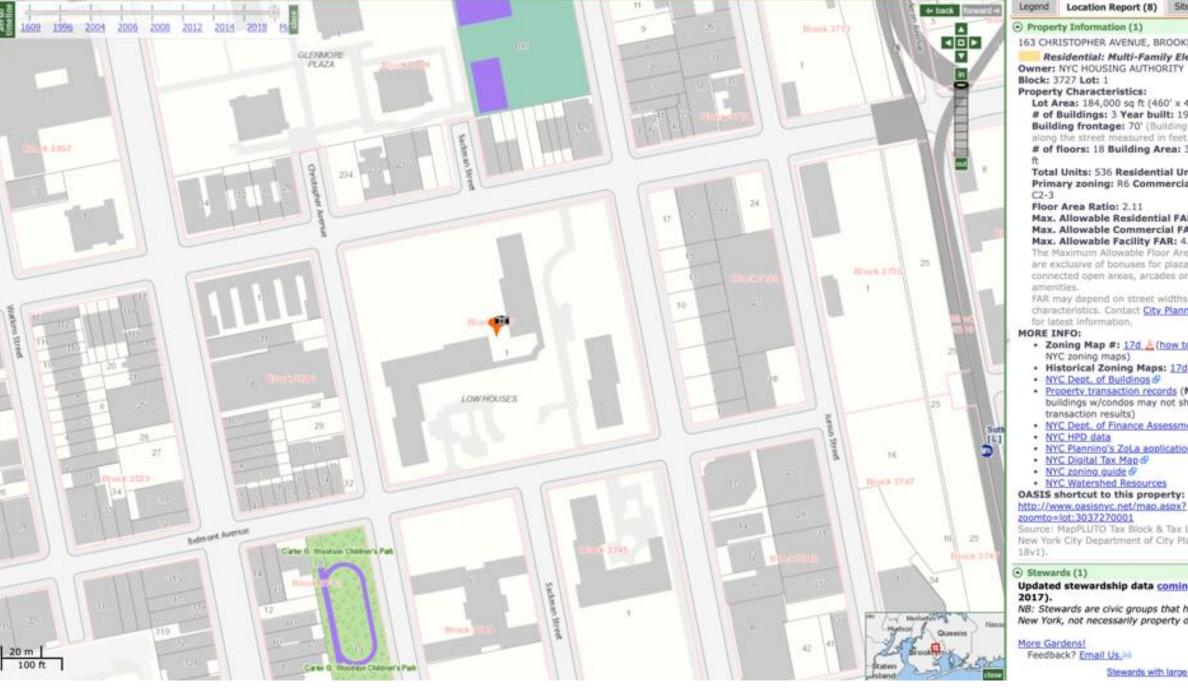
The Company's target contractors bring experience in local commercial and residential construction. These key alliances cover the design of the housing units and campus, provide turnkey construction services, and will guide the Company's relationships with local city/state leadership.

Through aggressively managing its supply chain and the quality of its building components the Company will upgrade the living spaces of the tenants above the current standards of public and affordable housing.

The Company will control its materials supply chain with a goal of improving the quality and lowering the prices of kitchens, bathrooms, unit flooring and the essential building services — including heating, cooling, and hot water plants — through a separate profit center (JL Housing Supplies LLC).



Phase I Project: Revitalization of Seth Low



@ Property Information (1)

163 CHRISTOPHER AVENUE, BROOKLYN 11212

Residential: Multi-Family Elevator Building

Site Search Commun

Owner: NYC HOUSING AUTHORITY Block: 3727 Lot: 1

Property Characteristics: Lot Area: 184,000 sq ft (460' x 400')

of Buildings: 3 Year built: 1967 Building frontage: 70' (Building frontage along the street measured in feet.)

of floors: 18 Building Area: 387,560 sq

Total Units: 536 Residential Units: 536 Primary zoning: R6 Commercial Overlay:

Floor Area Ratio: 2.11

Max. Allowable Residential FAR: 2.43 Max. Allowable Commercial FAR: 0 Max. Allowable Facility FAR: 4.8

The Maximum Allowable Floor Area Ratios are exclusive of bonuses for plazas, plazaconnected open areas, arcades or other

FAR may depend on street widths or other characteristics. Contact City Planning Dept. & for latest information.

- . Zoning Map #: 17d & (how to read # NYC zoning maps)
- Historical Zoning Maps: 17d.
- NYC Dept. of Buildings d₽
- Property transaction records (NB: buildings w/condos may not show
- NYC Dept. of Finance Assessment Roll
- · NYC Planning's ZoLa application
- NYC Digital Tax Map dP
- NYC zoning guide delle

NYC Watershed Resources

OASIS shortcut to this property:

zoomto=lot:3037270001

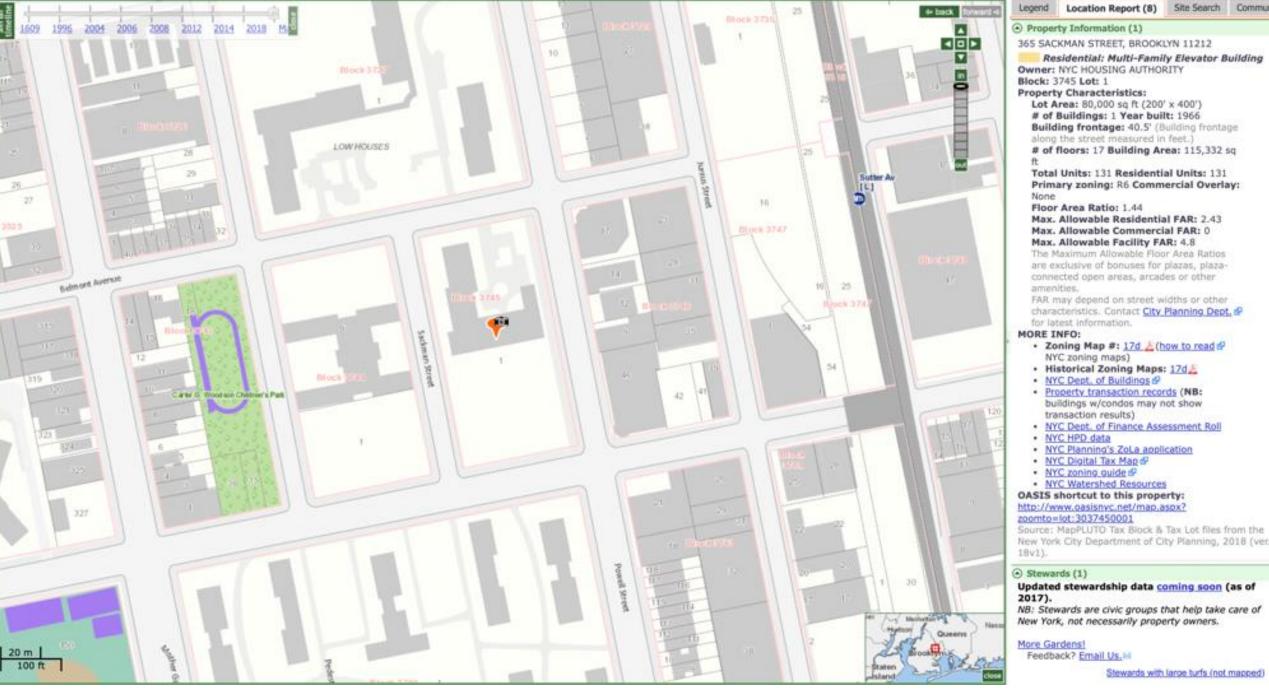
Source: MapPLUTO Tax Block & Tax Lot files from the New York City Department of City Planning, 2018 (ver.

Updated stewardship data coming soon (as of

NB: Stewards are civic groups that help take care of New York, not necessarily property owners.

Feedback? Email Us.III

Stewards with large turfs (not mapped)



Property Information (1)

365 SACKMAN STREET, BROOKLYN 11212

Residential: Multi-Family Elevator Building

Owner: NYC HOUSING AUTHORITY

Block: 3745 Lot: 1

Lot Area: 80,000 sq ft (200' x 400') # of Buildings: 1 Year built: 1966 Building frontage: 40.5' (Building frontage

along the street measured in feet.)

of floors: 17 Building Area: 115,332 sq

Total Units: 131 Residential Units: 131 Primary zoning: R6 Commercial Overlay:

Floor Area Ratio: 1.44

Max. Allowable Residential FAR: 2.43 Max. Allowable Commercial FAR: 0 Max. Allowable Facility FAR: 4.8

The Maximum Allowable Floor Area Ratios are exclusive of bonuses for plazas, plazaconnected open areas, arcades or other amenities.

FAR may depend on street widths or other characteristics. Contact City Planning Dept. @ for latest information.

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- NYC Dept. of Buildings r₽
- Property transaction records (NB: buildings w/condos may not show transaction results)
- NYC Dept. of Finance Assessment Roll
- NYC HPD data
- NYC Planning's ZoLa application
- NYC Digital Tax Map d?
- NYC zoning guide №
- NYC Watershed Resources

OASIS shortcut to this property:

http://www.oasisnyc.net/map.aspx? zoomto=lot:3037450001

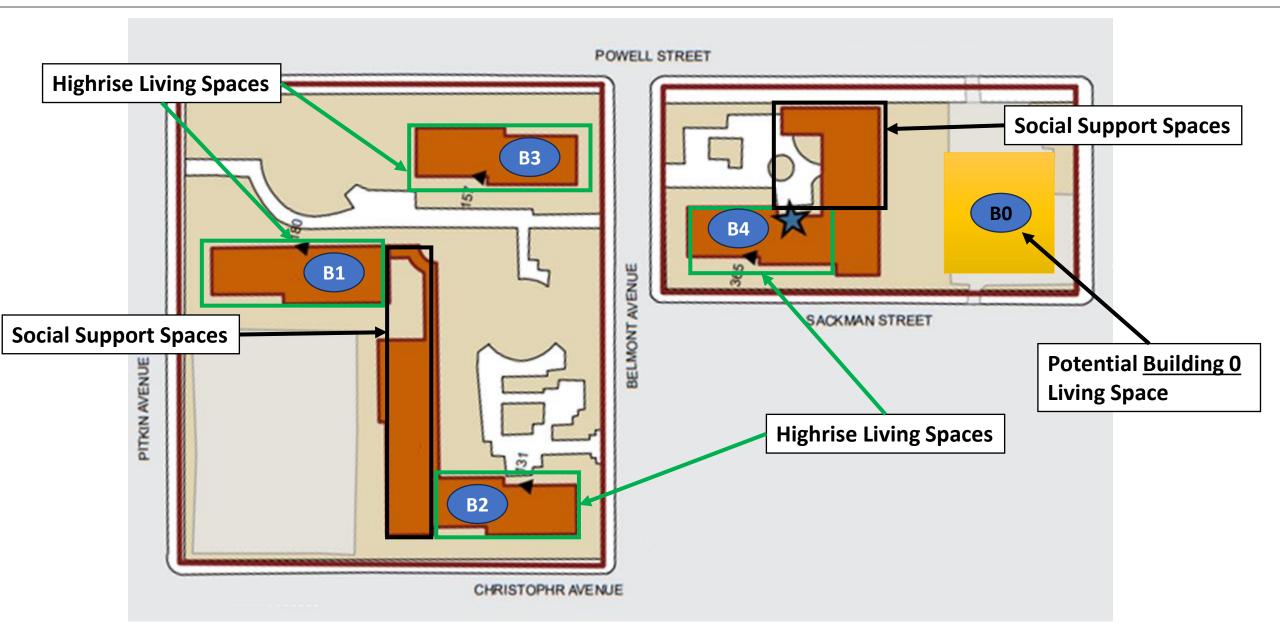
Source: MapPLUTO Tax Block & Tax Lot files from the New York City Department of City Planning, 2018 (ver

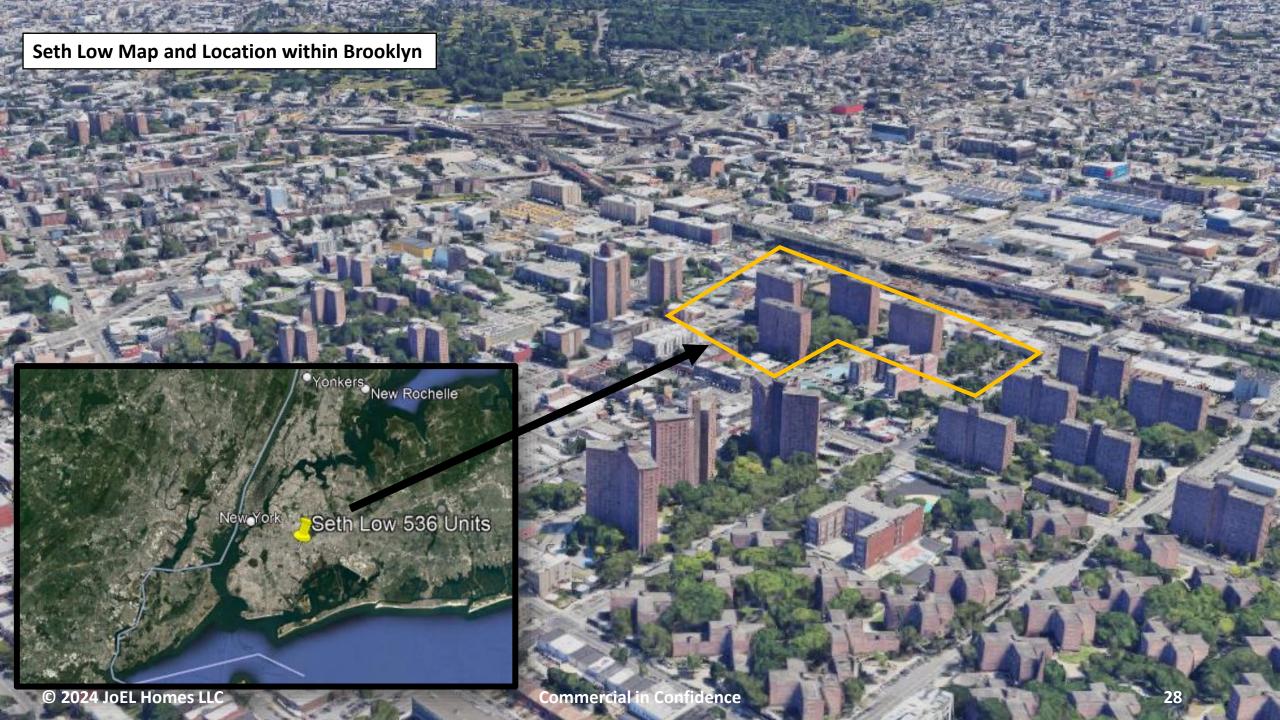
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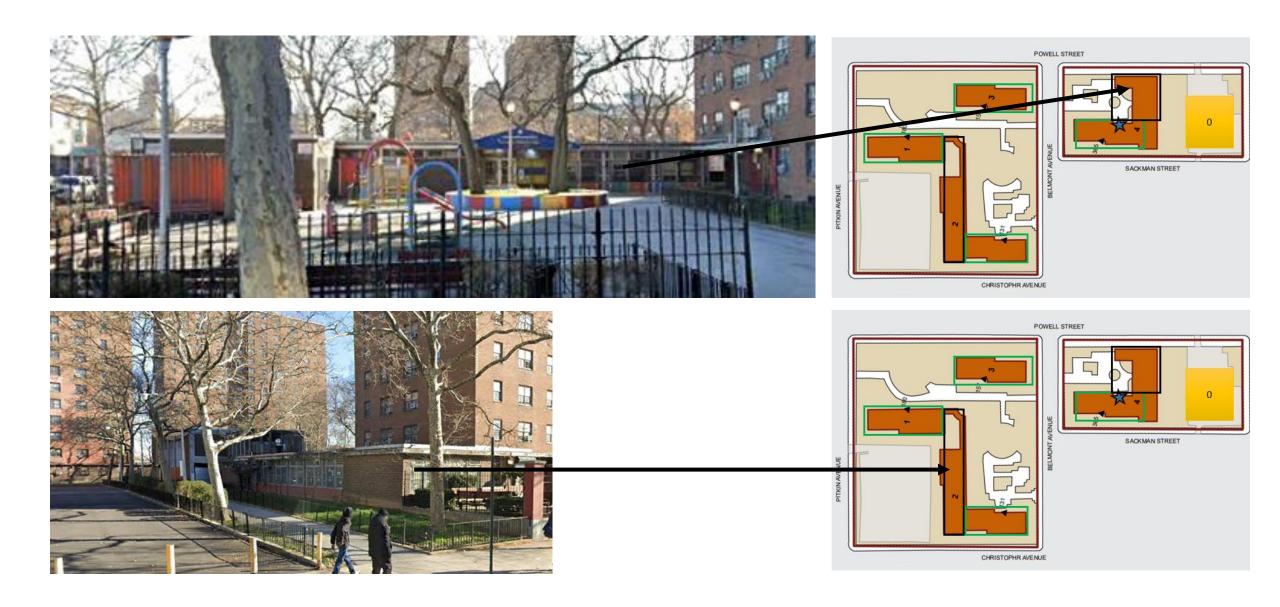
Stewards with large turfs (not mapped)











The launch of the project will use a revised *Campus Map* to guide the development of the Social Support Centers and the Construction of Building 0 – the additional living space chartered by the Company to support the movement of tenants during the redevelopment phases.

Upon completion of these facilities the residents of Building 4 will be moved into Building 0 and Building 4 will be refurbished.

This process of refurbish and movement will continue until all residents have been transferred into new units.

The completed Seth Low will have an additional 100-500+ units, adding much needed public housing inventory to NYC.

Additional development projects can begin almost immediately after the launch of Phase I and the demonstration of the Company to lead a development project of the scale of Seth Low.

The length of the full conversion is anticipated to be 5 years.

General Development Stages

- 1. Launch of Security Program
- 2. Launch of Health, Education and Arts Programs
- 3. Construct Building 0 (Depending on total construction size could become NEW residents)
- 4. Migrate Building 4 Residents to Building 0 (depending on scale of Building 0)
- 5. Remaining Migrations of Tenants based on Design of Building 0

Summary and Expansion Opportunities

Summary

- NYCHA was launched in response to the Great Depression in 1934 and has evolved into the largest public housing agency in the United States. And while the scale of this housing accomplishment is remarkable, NYCHA has experienced a consistent failure in how this housing has been supported, resulting in a multi-decade cycle of poverty for its residents. Rather than creating a sanctuary, the NYCHA housing has become an unfortunate example of failed oversight that negatively impacts resident quality of life and neighborhood opportunity.
- JoEL brings an empathetic alternative to public housing residents through a tenant-driven business model that transfers the control of their homes (**Using the PACT Program**) from a complex bureaucracy to the residents. And while the operational challenges of this shift in control are immense, the Company's business model ultimately resolves to a series of simple metrics driven by the management and support of a single individual, unit and building. More than a real estate developer, JoEL is focused on the quality of life of people, using well understood measurements of health and well being, including how seniors and those living with a disability are supported as its performance metrics.
- The Company is prepared to begin operations within 30 days upon receipt of a **proof of funds statement*/LOC of ~\$250m** that shows the ability of the founders to lead a project of the launch scale. This statement will be used to start the final contract discussions on the public-private alliance of the Company with NYCHA. **The Company has identified an initial tenant association that controls more than 536 units (i.e., Seth Low) that have agreed to join with the Company on this PACT conversion (See Appendix D).**
- While representing a substantial construction expenditure, the project has the luxury of a backstop of US Federal funding that supports the residents and drives monthly income to the Company's accounts during the construction phase. All rental income will be subject to a monthly sweep by the Company to the capital partners. The privatization of the greater NYCHA Brooklyn housing units increases the capital opportunity to more than \$3b (See Page 33 for a description of this expansion).

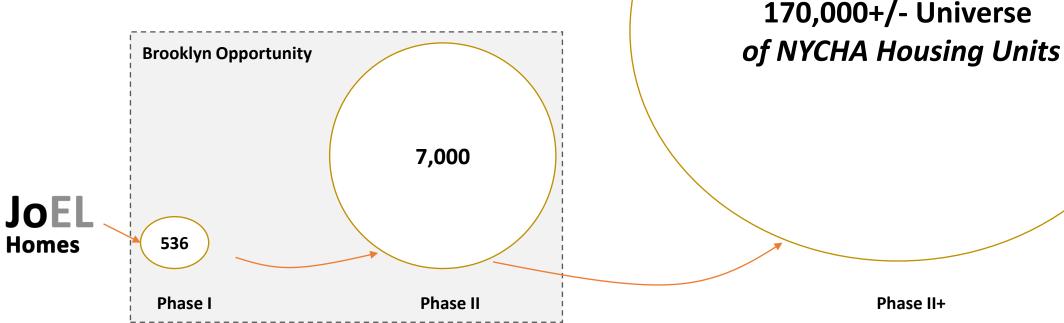
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^{*} The final project expense support well come through the Company's construction partners using performance bonds The larger project beyond the Company's Brooklyn targets can expand to greater than \$40b based on capital interests.

NYCHA Development Opportunity

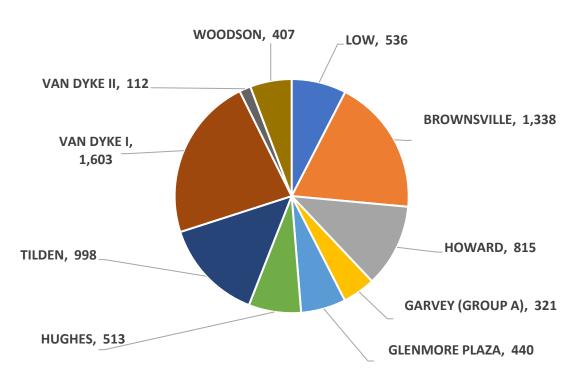
The included diagram shows the relative scale of the housing targets of the Company's plan, which starts with a 536-unit redevelopment that demonstrates the Company's ability to identify/close and successfully work with tenant groups and development partners.

Immediately after this launch the Company has an opportunity to expand to a total of 7,000 units following the same tenant engagement program and the rollout of the initial health and security offerings. The health and security programs will be provided to all included tenant locations on Day 1 of the transfer of the NYCHA lease to the Company.



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The Company has strong relationships within the Brownsville area of Brooklyn that can become PACT locations immediately after the launch of Phase I. These locations will increase the total units controlled by the Company to ~7,000. The Company founder has strong relationships with the housing association leadership in these locations. The advantages to the community of this type of contiguous and ultimately, holistic redevelopment are substantial.





Appendix A: Highlights of Recent NYCHA Redevelopments

Company Founder in Past NYC Development Activity (1970s)

SEE NEXT SLIDE FOR FINISHED PROJECT



911-23a

Henry R. Fuller, Housing Director BCC • Assistant Commissioner, NYS DHCR • Frances J. Levenson, Commissioner Community Development, NYCHPD • S. William Green, NY Regional Administrator, HUD • Roger A, Glasgow, Architect, Fred Eversley Jr., Contractor • Joseph Jeffries-EL, Developer/President, BHDFC • Horace L. Morancie, Director, Central Brooklyn Model Cities • August W. McCarthy, Vice President MHT Bank • Major R. Owens, U.S. Congressman • Fred W. Eversley Sr., Contractor



















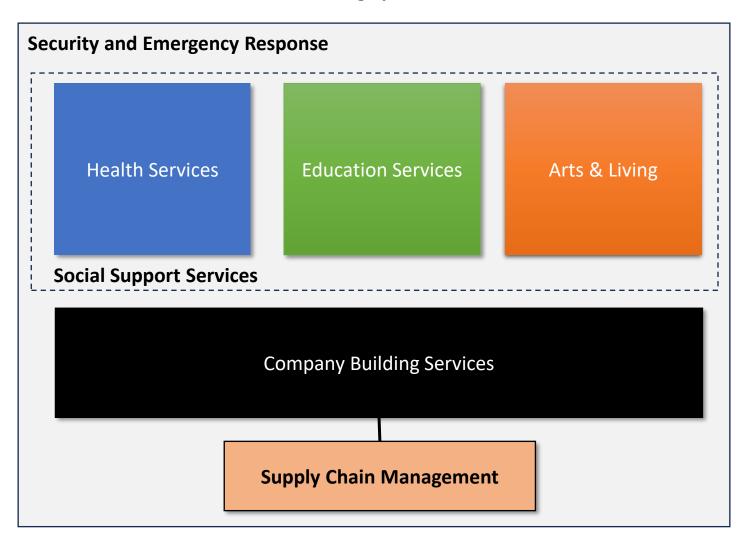
Appendix B: Social Programs that Enrich Resident Living

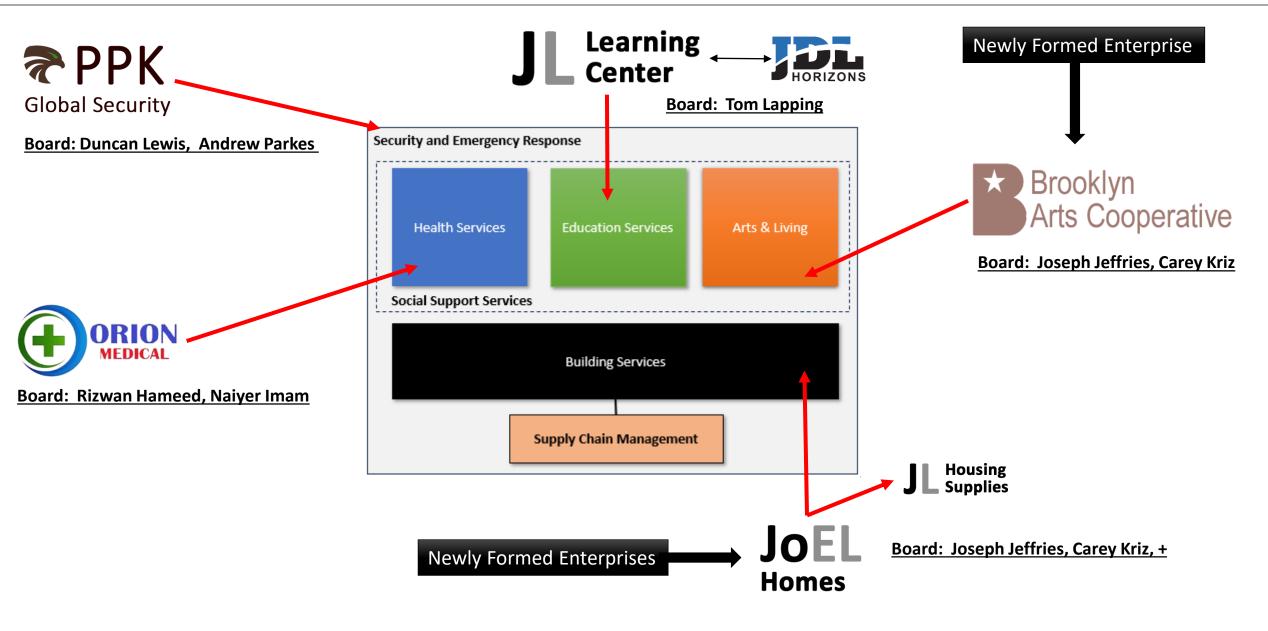
The foundation of the Company's public housing offering is a security wrapper that guarantees that all residents and guests are provided with a 100% safe living space, in which all tenants can freely move between units and on the housing campus.

Next are the building services that provide immediate support to tenants and ensure that problems within their unit and building are resolved within an agreed upon service period – with no greater than 24-hour response to any facility challenges.

Finally, the Company will provide an evolving collection of social services that support the general wellbeing of the tenants and enrich the lives of the community members. Each of these social services will be under the leadership guidance of aligned partners that support their internal operations through a mixture of payments (*including government grants and fee-based services*).

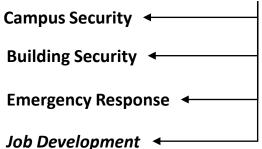
JoEL Homes Living Spaces





PPK Global Security is an Australian-based provider of data, protective and military response solutions. Its US launch will be through the growth of a professional security program in which the staff members are subjected to extensive defense training, including weapons, hand to hand combat, and force response. Once recruited to the PPK team the staff will be provided with career opportunities in the foreign markets developed by PPK, including long-term overseas assignments and through expanded US operations. PPK will rely on the heavy use of technology systems for its security offerings, including 24/7 video and sound monitoring, auto gun and explosive detection systems and finally drones. PPK will, in all cases, work in concert with local law enforcement (City, state and federal) and only carry firearms with proper licensing and background checks. PPK will maintain an operations center and staff that moves across the JoEL campus and buildings.





Leadership

Dr. Parkes is a combination of physician and technologist that brings global experience in the growth of secure data and communications systems in healthcare.

General Lewis is the former head of ASIO and the Australian Special Forces and is an acknowledged leader in the security/intelligence communities.



Dr. Andrew Parkes



Major General Duncan Lewis

Orion Medical is an expansion of an existing medical practice created by Dr. Rizwan Hameed and Dr. Naiyer Imam. Dr. Hameed has extensive experience, relationships and knowledge of the patients in the public housing communities of Brooklyn. Dr. Imam is a noted expert in advanced technologies in healthcare. Drs. Hameed/Imam are the leads for all JoEL Homes healthcare services, which will maintain a presence in each of the housing campuses and expand to patient units using telemedicine and connected health technologies. The Orion centers on each campus will cover roughly 5,000 sq. ft., and blend treatment, diagnostic and consultation rooms. In general, the primary provider in each of the Orion centers will be a nurse practitioner working under the close supervision of the Orion physician practice. All patients will have their cases reviewed and approved by a physician.





Leadership

Dr. Hameed is a combination of a physician executive and passionate healthcare provider. He has a more than 4-decade career in the healthcare challenges of New York City.

Dr. Imam is a highly skilled physician and computer scientist that has driven the growth of AI-based medicine and telehealth during his more than 3-decade career.



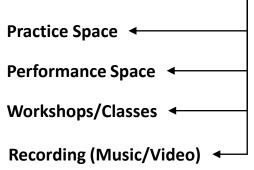
Dr. Rizwan Hameed



Dr. Naiyer Imam

The Brooklyn Arts Cooperative (or BAC) will provide performance and a learning space for residents interested in the performing arts (including music, painting/visual arts and writing) — and a local venue for small life performances. BAC will seek private sponsors to underwrite its programs, with the Company providing access to rent-free facilities. A fee-based recoding facility will be included in each campus location. It is anticipated that each BAC location (e.g., Seth Low) will become an artistic resource for the local neighborhood. The BAC will occupy ~3,000 sq ft. of combined performance and educational/ workshop space.



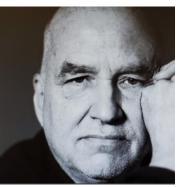


Interim Leadership

Mr. Kriz and Mr. Jeffries-EL, co-founders of JoEL Homes, are committed to the support of the humanities and believe in their value in enhancing human creativity. Mr. Kriz and Jeffries-EL will serve as the co-directors of Brooklyn Arts during the recruitment phase of its permanent director.

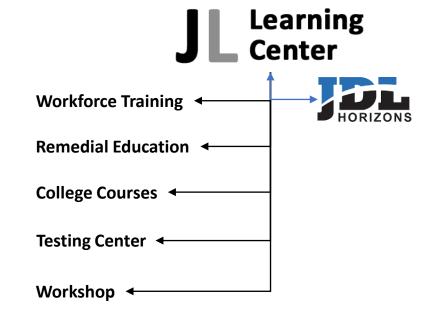


Joseph Jeffries-EL



Carey Kriz

Working through an alliance with the Company, JL Learning Center will lead a collection of workforce training and educational programs that primarily rely on a technology-based delivery platform. Given that all the JoEL Homes units will include a base fiber and wireless connection the residents can participate in the JDL sessions either online or within the educational space in the building. Like BAC, each JL Learning Center location will be referenced by their Location (e.g., Seth Low) and be housed in roughly 2,000 sq. ft. of space, which will include a technology room, a general meeting area for class discussion and a workshop. JoEL Homes will provide the JL Learning Center with rent free access and tuition reimbursement through various city/state/federal programs. JDL Horizons brings strong relationships within the NYC Public School system, among other institutional relationships.



Leadership

A leader in the US educational technology sector with a focus on the build of online training systems, video production solutions and finally computer networks.



Tom Lapping

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Appendix C: Supply Chain Solution



One of the most critical activities of the Company will be the management of its supply chain, which will be supported by its Asian partners and the provision of high-quality, low-prices products to outfit the various units redeveloped as part of the PACT conversion. These supply chain targets include:

- Bathrooms (including toilets, shower/tubs, sinks, faucets, and other plumbing components)
- Kitchens (including cabinets, sinks, faucets, plumbing components, refrigerators, ovens, and stoves)
- Surface Counters (including stone products from an Indian quarry)
- General Flooring (including carpet and tiles floor and wall)
- Windows and Doors (interior and exterior)
- Perimeter Fencing (cast iron)
- Lighting (unit, building interiors, exterior)
- Communications tools (WiFi routers, intercoms)
- Security Systems (Cameras, Audio/Motion/Fire Detection, Tracking Systems)
- Building Services (heating/cooling, hot water, backup energy storage)

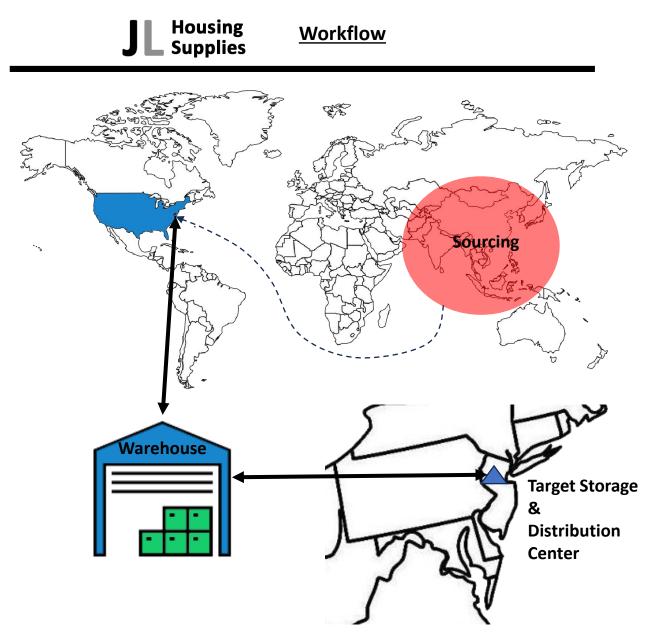
The Company will maintain a warehouse proximal to NYC to house these products, which will be packaged in standard configurations for each unit. All units will have the same internal components, reducing the costs and time required for installation and maintenance. All supply chain and installation programs will be managed through **JL Housing Supplies LLC**, a newly formed subsidiary of the Company.

The goal of the Company's supply chain programs is to dramatically improve the quality of the unit finishing to a level of a middle-class home, far above standard affordable/public housing and to reduce the costs of installation/maintenance.

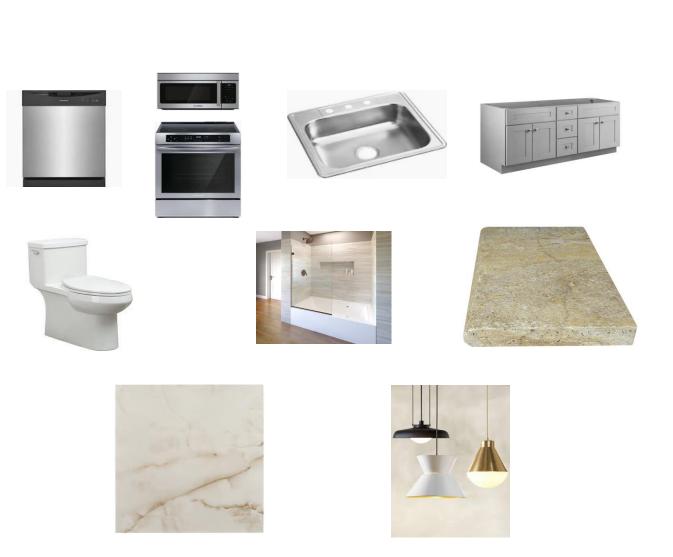
All interior installations will be managed by JL Housing Supplies, which will operate as a separate, free-standing profit center. General repairs will be performed in the Company warehouse, with products replaced and taken from the unit. The goal is to reduce each maintenance cycle to less than an hour.

All electrical, plumbing and HVAC connections will be managed through easy to access panels, further reducing the costs and time required to perform installations and maintenance. HVAC installs/support will be through licensed Company partners.

JL Housing Supplies will support the install/maintenance needs of the Company's units at a cost-plus basis and provide retail support to individuals proximal to the Company's warehouse.



Unit Suppliers



Building Supplies







Appendix D: Resident Agreement to PACT CONVERSION / PACT OVERVIEW



RESOLUTION OF THE SETH LOW RESIDENT COUNCIL

WHEREAS, in October 2017, Residents of Seth Low Houses participated in a Hope Summit planning exercise to determine desired expectations for improvements to existing housing conditions. Approximately 70% of all campus residents were polled and asked to prioritize principles for how they wanted change to happen.

WHEREAS, the Preserving Public Housing Planning Summit focused on preserving public housing, setting resident goals for improvements, and creating a set of principles for the future.

WHEREAS, the Annual Seth Low Resident Council Hope Summit met December 2017 through November 2022 to plan for the future with the goal of moving towards Resident Management and Housing Infrastructure and Modernization Project Capital Improvements with the Brooklyn East Development Plan to be Launched by March 2023.

WHEREAS, the Residents priorities for Modernization included, 1) Improved security / install Cameras / Fix all locks / Tenant Patrol; 2) Provide Resident Development Programs (employment, job training, legal services, scholarships, free programs); 3) Free Wi-Fi / Improve Internet Connectivity; 4) Hold NYCHA accountable to maintain sanitation, pest, and bug control of buildings; 5) Keep Affordable Housing Act Title 24 CPR 964. Ownership of property. Right to organize. Right to employment; 6) Keep AHA Title 24 CFR 135 – Sec. 3. Economic opportunity for Low Income; 7) Improve Accessibility (Fix Elevators); 8) Resident ownership (Community Land Trust).

NOW THEREFORE BE IT RESOLVED. The Seth Low Resident Council hereby formally Optout of the New York City Public Housing Preservation Trust and form a new entity "Brooklyn East Housing Development Fund Corporation (BEHDFC), a Resident Management Corporation (RMC) to Convert Seth Low Houses from its original regulatory platform to PACT/RAD by switching to a Tenant Protection Vouchers (TPV) funding Project-based Section 8 Platform.

Brooklyn East Housing Development Fund Corporation will keep homes permanently affordable and preserve all resident rights and protections. These protections align with current public housing rights and are stronger than in the traditional Section 8 program:

- Residents continue to pay 30% of income towards rent.
- Residents continue to have full "Title 24 CFR Part 964" resident participation rights (including the right to organize and Right to Employment) and "Title 24 CFR Part 135 Section 3 Regulations" (Economic Opportunity for Residents).
- Residents will determine which vendors are chosen to complete renovation work at their development.
- Residents continue to have all succession rights and a prohibition against re-screening on PACT/RAD Section 8 Conversion.
- Residency continues to be restricted to low-income residents and continue to fill vacant apartments from the NYCHA Section 8 waitlists.
- Embed all rights, affordability, and use restrictions in the land and codify that protections cannot be changed, and buildings cannot become market rate.

Reginald H. Bowman

Edith Walker

Money Clark

Evolun Hollow

Eva Lambert

Shelevya Pearson

To: Jonathan Gouveia, Executive Vice President for Real Estate Development

From: Reginald Bowman, President, Seth Low Houses Resident Association / RMC-Led Engagement PACT

Re: SETH LOW RFEI AND RESIDENT REVIEW COMMITTEE PROCESS

JOSEPH JEFFRIES-EL, as President of the Brownsville Housing Development Fund Corporation built the First Minority-owned, HUD-financed (\$12 Million), 385-unit housing project in the Country and New York City in 1970. Based on his 50 years of experience in multifamily housing development, ownership, management, and as HUD Non-Profit Sponsors Institute Resource Lecturer, Reginald Bowman, President, Seth Low Residents Association contracted MR EL to assist the Resident Association in developing a Resident-led Infrastructure and Modernization design vision for their homes by forming a Resident Management Corporation (RMC)-Led PACT Partner, The Seth Low Houses Modernization Plan was submitted to Mr. Bowman in September 2022.

Seth Low Resident Association's Request for Expressions of Interest (RFEI) and Resident Review Committee Process due diligence Timeline has been ongoing for over five years to envision a Resident-led modernization plan for their homes and in search for a potentional Resident Management Corporation-Led PACT Partner. Michael Gelfand AIA, partner in MHG Architects PC, a Firm with over 40 years of experience in Architecture and Planning and has been responsible for the design of over 20,000 new and rehabilitated housing units of all types and varieties. MHG was the Architects for the joint venture formed by Mr. EL's Subchapter "S" Corporation, Tiffany Associates, Inc. with Hudson Eldert LLC to develop Dumont Green, a \$50 Million Eight-story structure containing 176 affordable housing units in 2011. Dumont Green was financed through a complex array of public and private sources with funding from HDC, HPD, NYC Acquisition Loan Fund, NYC Housing Trust Fund, the Office of the Brooklyn Borough President, Bank of America, and the Richman Group.

Michael Gelfand was engaged to provide a design vision based on Resident issues and goals in the Modernization Plan. The PACT Partner-Led Engagement will be used for Requests for Expressions of Interests from developers MHG has worked with listed below in response to Seth Low Requests for Expressions of Interest and Resident Review Committee Process. Seth Low Resident-Led Engagement PACT Partner Selection is New York's leading developer, builder and manager, L+M Development Partners (see Term Sheet):

 10/19/2022 - MCKISSACK & MCKISSACK an outgrowth of the oldest Minority-owned architecture/ engineering firm in the United States with \$15 Billion in Construction Management;

■ 11/11/2022 - L+M DEVELOPMENT PARTNERS, a full-service real estate development firm which develops, invests, constructs, and manages properties with industry-leading innovation. Ranked in the Top 25 on Affordable Housing Finance's Top 50 Developers list nationally, L+M and its affiliate companies are responsible for over \$10 billion in development and investment and have acquired, built, or preserved nearly 40,000 high-quality residential units in a variety of urban markets nationwide, primarily in New York's tristate area;

■ <u>11/15/2022 - HUDSON INC</u> has completed over 6,400 residential units and has over 5,000 more in the pipeline. Hudson has set and broken multiple sustainability thresholds including: the largest photo voltaic solar array on a residential building in the state of New York, (Dumont Green, East New York);

11/19/2022 - SPATIAL EQUITY CO partners with community and supportive nonprofits to create equitable developments addressing core neighborhood needs. They integrate design-build principles and technological innovations to achieve resilient, cost-efficient construction projects. They deliver onsite energy generation and strict sustainability standards to build towards a decarbonized future;

• 11/28/2022 - MONADNOCK DEVELOPMENT over the past decade, has developed or rehabilitated over 8,000 units of affordable, mixed-income, and market-rate housing with a total development cost of over \$2.9 billion. Monadnock focus is on developing affordable and luxury housing and mixed-use developments with complex building programs and financing structures.

Through the Seth Low RMC-Led Engagement PACT Partner, the development will be included in the federal Rental Assistance Demonstration (RAD) and convert to a more stable, federally funded program called Project-Based Section 8. This ensures homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program. 24 CFR PART 964 (up to date as of 8/11/2022) - TENANT PARTICIPATION AND TENANT OPPORTUNITIES IN PUBLIC HOUSING. \$964.15 - HUD POLICY ON RESIDENT MANAGEMENT: It is HUD's policy to encourage resident management. HUD encourages HA's, resident councils, and resident management corporations to explore the various functions involved; in management to identify appropriate opportunities for contracting with a resident management corporation. The Newly formed Resident Management Corporation for the Seth Low Houses Infrastructure and Modernization Project (RMC) will operate under RESIDENT MANAGEMENT requirements of 24-CFR 964 regulations 964.225 subsections (a) through (l).

Joel 24" INFRASTRUCTURE & MODERNIZATION PLAN

ALL Resident Councils will formally Opt-out of the New York City Public Housing Preservation Trust ("Trust"). The Resident Associations will determine that the best way to implement their vision of a Resident-led infrastructure and modernization plan for their homes is by forming a Resident Management Corporation ("RMC"). The Residents will form a Resident Management Corporation (RMC) (see <u>Title 24 CFR—\$964.15; \$964.117; \$964.120</u>) (up to date as of 11/29/2023) that will **Joint Venture ("JV")** with **JoEL|24"** to which the New York City Housing Authority ("NYCHA") ownership and management will transfer.

JoEL[24" JV will enter into 99-year ground leases for NYCHA developments to secure Tenant Protection Vouchers, a subsidy worth double NYCHA's current federal subsidy and will be converted to a more stable, federally funded program called Project-Based Section 8. This ensures homes remain permanently affordable and residents have the same basic rights (Title 24—CFR—\$964) as they possess in the public housing program. This allows NYCHA/HUD to unlock funding to ensure their homes are healthy, safe, and sanitary while also keeping homes permanently affordable. This means that their homes and community spaces will receive much-needed ~\$80 billion upgrades consistent with the community vision and the On-site property management and social services will be enhanced. This will include either renovation of occupied residential units or demolition of existing buildings presently owned by NYCHA and potential new-construction infill sites, as well as ancillary community facilities to be utilized for adult day health care, youth workforce development, and education services among others.

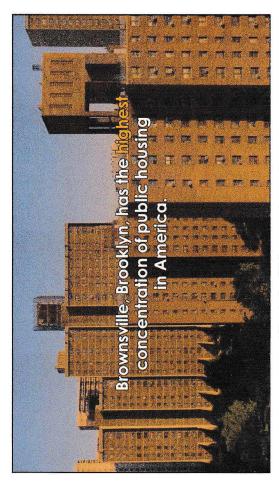
The project will be developed in multiple phases wherein the preservation rehabilitation work will occur first and the new construction infill sites and any associated ancillary community facilities will be developed in subsequent phases. The newly Modernize and Infill Built Houses will be renamed Houses" (see Van Dyke III PACT/RAD Model).

Care and Human Services Center in the Community Facility space in the renovated or newly built senior building. JoEL|24" JV will partner with The Building and Construction Trades Council of Greater New York ("BCTC"). The BCTC represents more than 100,000 tradesmen and tradeswomen across New York City and consists of local affiliates of 15 national and international unions. In among the city's construction industry. BCTC-sponsored pre-apprenticeship and direct-entry programs have led to the creation of thousands of middle-class of these efforts, a majority of workers in the city's unionized construction industry are now minority New Yorkers. JoEL|24™ JV will create On-site K to grade 4 Early Child Education Schools for the residents' children in Joel24" JV will establish one building in each development for Senior/Assisted Living Housing on open campus space or in a building created by the relocation or demolition. JoeL|24" JV will create a new Adult Day Health recent years, the BCTC has made significant efforts to build and grow diversity careers for the city's minority and historically underserved communities. the Community Facility spaces

RESIDENT MANAGEMENT CORPORATION—JoeL|24" JV WILL KEEP ALL RESIDENT RIGHTS AND PROTECTIONS

JoEL|24™ JV will keep homes permanently affordable and preserve ALL resident basic rights and protections, as they currently possess in the public housing program and are stronger than those in the traditional Section 8 program: Residents continue to have full rights (see <u>Title 24 CFR—\$964.225 Resident Management Requirements—SUBSECTIONS</u> (a) THROUGH (I) (up to date as of 11/29/2023).

- . Residents continue to pay 30% of their income towards rent
- Residents continue to have all succession rights and a prohibition against re-screening on the JoEL|24[™] JV Section 8 Conversion.
- Residency continues to be restricted to low-income residents and continues to fill vacant apartments from the NYCHA Section 8 waitlists.
- 4. **JoEL|24™ JV** will embed all rights, affordability, and use restrictions in the land and codify that protections cannot be changed, and buildings cannot become market rate.



Watch the PBS 5-part docuseries:

A Dream Deferred: The Broken Promise of New York City Public Housing.

Created by JoEL | 24TM 11/10/2023



NEW YORK CITY HOUSING AUTHORITY

90 CHURCH STREET . NEW YORK, NY 10007

TEL: (212) 306-3000 • http://nyc.gov/nycha

LISA BOVA-HIATT
INTERIM CHIEF EXECUTIVE OFFICER

February 17, 2023

Dear Seth Low Resident:

Thank you to the Seth Low Resident Association and Seth Low residents for your time and dedication over the last five years to envision a resident-led modernization plan for your homes. Recently, the Resident Association determined that the best way to implement this vision is by creating a resident-managed entity and using NYCHA's Permanent Affordability Commitment Together (PACT) program. This means that your home and community spaces will receive much-needed upgrades consistent with your community vision, and on-site property management and social services will be enhanced.

Through PACT, your development will be included in the federal Rental Assistance Demonstration (RAD) and convert to a more stable, federally funded program called Project-Based Section 8. This allows NYCHA to unlock funding to ensure your homes are healthy, safe, and modern while also keeping homes permanently affordable. Residents will have the same basic rights as they possess in the public housing program. Over the coming months and years, you and your resident leaders will play a key role in shaping these plans and will ensure they are tailored to meet the needs of your community and protect your rights. NYCHA will continue to work with you and your Resident Association to explore every possible tool to make your vision a reality, including rehabilitation, new construction, resident-centered property management, enhanced social services and more, to ensure Seth Low residents will benefit from a fully modernized campus.

In addition, the Seth Low Resident Association plans to establish a resident-managed entity to play a key role in the long-term property management of Seth Low Houses. NYCHA looks forward to collaborating with the Resident Association to further refine and implement this new approach to enhancing resident decision-making in the day-to-day maintenance, operation, and oversight of your development.

The enclosed info packet provides more details on what to expect from the PACT planning process, what rights and protections you have in the program, and how you can prepare your household for the transition. Expect to receive more information about PACT and upcoming meetings soon. In the meantime, you can find more information or ask questions about the PACT program using the following resources:

PACT Hotline: 212-306-4036
Email: PACT@nycha.nyc.gov
Web: on.nyc.gov/nycha-pact

We look forward to working in partnership with you throughout this process.

Sincerely,

Jonathan Gouveia Executive Vice President for Real Estate Development



Housing Assistance Payments (HAP) Contract Section 8 Tenant-Based Assistance Housing Choice Voucher Program

OMB Burden Statement. The public reporting burden for this information collection is estimated to be up to 0.5 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This collection of information is required to establish the terms between a private market owner and a PHA for participating in the program, including whether the tenant or owner pays for utilities and services. Assurances of confidentiality are not provided under this collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Office of Public and Indian Housing, US. Department of Housing and Urban Development, Washington, DC 20410. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Privacy Notice. The Department of Housing and Urban Development (HUD) is authorized to collect the information on this form by 24 CFR § 982.451. The information is used to provide Section 8 tenant-based assistance under the Housing Choice Voucher program in the form of housing assistance payments. The Personally Identifiable Information (PII) data collected on this form are not stored or retrieved within a system of record.

Instructions for use of HAP Contract

This form of Housing Assistance Payments Contract (HAP contract) is used to provide Section 8 tenant-based assistance under the housing choice voucher program (voucher program) of the U.S. Department of Housing and Urban Development (HUD). The main regulation for this program is 24 Code of Federal Regulations Part 982.

The local voucher program is administered by a public housing agency (PHA). The HAP contract is an agreement between the PHA and the owner of a unit occupied by an assisted family. The HAP contract has three parts:

Part A Contract information (fill-ins).

See section by section instructions.

Part B Body of contract

Part C Tenancy addendum

Use of this form

Use of this HAP contract is required by HUD. Modification of the HAP contract is not permitted. The HAP contract must be word-for-word in the form prescribed by HUD.

However, the PHA may choose to add the following:

Language that prohibits the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. Such a prohibition must be added to Part A of the HAP contract.

Language that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner). Such language must be added to Part A of the HAP contract.

To prepare the HAP contract, fill in all contract information in Part A of the contract. Part A must then be executed by the owner and the PHA.

Use for special housing types

In addition to use for the basic Section 8 voucher program, this form must also be used for the following "special housing types" which are voucher program variants for special needs (see 24 CFR Part 982, Subpart M): (1) single room occupancy (SRO) housing; (2) congregate housing; (3) group home; (4) shared housing; and (5) manufactured home rental by a family that leases the manufactured home and space. When this form is used for a special housing type, the special housing type shall be specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: (Insert Name of Special Housing type)."

However, this form may not be used for the following special housing types: (1) manufactured home space rental by a family that owns the manufactured home and leases only the space; (2)

cooperative housing; and (3) the homeownership option under Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)).

How to fill in Part A

Section by Section Instructions

Section 2: Tenant

Enter full name of tenant.

Section 3. Contract Unit

Enter address of unit, including apartment number, if any.

Section 4. Household Members

Enter full names of all PHA-approved household members. Specify if any such person is a live-in aide, which is a person approved by the PHA to reside in the unit to provide supportive services for a family member who is a person with disabilities

Section 5. Initial Lease Term

Enter first date and last date of initial lease term.

The initial lease term must be for at least one year. However, the PHA may approve a shorter initial lease term if the PHA determines that:

- Such shorter term would improve housing opportunities for the tenant, and
- Such shorter term is the prevailing local market practice.

Section 6. Initial Rent to Owner

Enter the amount of the monthly rent to owner during the initial lease term. The PHA must determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. During the initial lease term, the owner may not raise the rent to owner.

Section 7. Housing Assistance Payment

Enter the initial amount of the monthly housing assistance payment.

Section 8. Utilities and Appliances.

The lease and the HAP contract must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the tenant. Fill in section 8 to show who is responsible to provide or pay for utilities and appliances.

Housing Assistance Payments Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

o prepare the contract, fill out all contract info	ormation in Part A.)			
Contents of Contract		,		
This HAP contract has three parts: Part A: Contract Information				
Part A: Contract Information Part B: Body of Contract				
Part C: Tenancy Addendum				
Tenant				
*				
Contract Unit				
Contract Cuit				
Household				
The following persons may reside in the unthe owner and the PHA.	nit. Other persons may not be added t	o the household withou	ut prior written	approval o
	nit. Other persons may not be added t	o the household withou	ut prior written	approval o
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the owner and the PHA.		o the household withou	ut prior written	approval o
Initial Lease Term		o the household withou	ut prior written	approval o
Initial Lease Term The initial lease term begins on (mm/dd/yy	yy):		ut prior written	approval o
Initial Lease Term The initial lease term begins on (mm/dd/yyy) The initial lease term ends on (mm/dd/yyyy)	yy):		ut prior written	approval o
Initial Lease Term The initial lease term begins on (mm/dd/yyy) The initial lease term ends on (mm/dd/yyyy) Initial Rent to Owner	yy):y):		ut prior written	approval o
Initial Lease Term The initial lease term begins on (mm/dd/yyy) The initial lease term ends on (mm/dd/yyyy)	yy):y):			approval o

in accordance with HUD requirements.

Item	Specify fuel type					Paid by
Heating	☐ Natural gas	☐ Bottled gas	☐ Electric	Heat Pump	Oil Other	
Cooking	☐ Natural gas	☐ Bottled gas	☐ Electric		Other	
Water Heating	□ Natural gas	☐ Bottled gas	☐ Electric		Oil Other	100
Other Electric						
Water						
Sewer						
Trash Collection						
Air Conditioning						
Other (specify)						D 11 11
Refrigerator						Provided by
Range/Microwave						
up to 5 years, fines, and	civil and administr	rative penalties. (1	18 U.S.C. § 28	37, 1001, 1010, 101	civil penalties, includir 2; U.S.C. § 3729, 3802	0
Public Housing A	gency		O	vner).
Print or Type Name o			· ·	wner nt or Type Name o).
×			Pri).
Print or Type Name o	f PHA	y	Pri	nt or Type Name o).
Print or Type Name o	f PHA nd Title of Signator	y payments to:	Pri Sig	nt or Type Name o	f Owner).
Print or Type Name o Signature Print or Type Name a	f PHA nd Title of Signator		Pri Sig Pri	nt or Type Name o	f Owner).
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Print or Type Name of Signature Print or Type Name at	f PHA nd Title of Signator		Pri Sig	nt or Type Name of the control of th	f Owner nd Title of Signatory).

8. Utilities and Appliances

Housing Assistance Payments Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

Part B of HAP Contract: Body of Contract

1. Purpose

- a. This is a HAP contract between the PHA and the owner. The HAP contract is entered to provide assistance for the family under the Section 8 voucher program (see HUD program regulations at 24 Code of Federal Regulations Part 982).
- b. The HAP contract only applies to the household and contract unit specified in Part A of the HAP contract.
- c. During the HAP contract term, the PHA will pay housing assistance payments to the owner in accordance with the HAP contract.
- d. The family will reside in the contract unit with assistance under the Section 8 voucher program. The housing assistance payments by the PHA assist the tenant to lease the contract unit from the owner for occupancy by the family.

2. Lease of Contract Unit

- a. The owner has leased the contract unit to the tenant for occupancy by the family with assistance under the Section 8 voucher program.
- b. The PHA has approved leasing of the unit in accordance with requirements of the Section 8 voucher program.
- The lease for the contract unit must include word-forword all provisions of the tenancy addendum required by HUD (Part C of the HAP contract).
- d. The owner certifies that:
 - (1) The owner and the tenant have entered into a lease of the contract unit that includes all provisions of the tenancy addendum.
 - (2) The lease is in a standard form that is used in the locality by the owner and that is generally used for other unassisted tenants in the premises.
 - (3) The lease is consistent with State and local law.
- e. The owner is responsible for screening the family's behavior or suitability for tenancy. The PHA is not responsible for such screening. The PHA has no liability or responsibility to the owner or other persons for the family's behavior or the family's conduct in tenancy.

3. Maintenance, Utilities, and Other Services

- a. The owner must maintain the contract unit and premises in accordance with the housing quality standards (HQS).
- The owner must provide all utilities needed to comply with the HQS.

- c. If the owner does not maintain the contract unit in accordance with the HQS, or fails to provide all utilities needed to comply with the HQS, the PHA may exercise any available remedies. PHA remedies for such breach include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract. The PHA may not exercise such remedies against the owner because of an HQS breach for which the family is responsible, and that is not caused by the owner.
- d. The PHA shall not make any housing assistance payments if the contract unit does not meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within the period specified by the PHA.
- e. The PHA may inspect the contract unit and premises at such times as the PHA determines necessary, to ensure that the unit is in accordance with the HQS.
- f. The PHA must notify the owner of any HQS defects shown by the inspection.
- g. The owner must provide all housing services as agreed to in the lease.

4. Term of HAP Contract

- a. Relation to lease term. The term of the HAP contract begins on the first day of the initial term of the lease, and terminates on the last day of the term of the lease (including the initial lease term and any extensions).
- b. When HAP contract terminates.
 - (1) The HAP contract terminates automatically if the lease is terminated by the owner or the tenant.
 - (2) The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program assistance for the family, the HAP contract terminates automatically.
 - (3) If the family moves from the contract unit, the HAP contract terminates automatically.
 - (4) The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
 - (5) The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families in the program.

- (6) The HAP contract terminates automatically upon the death of a single member household, including single member households with a live-in aide.
- (7) The PHA may terminate the HAP contract if the PHA determines that the contract unit does not provide adequate space in accordance with the HQS because of an increase in family size or a change in family composition.
- (8) If the family breaks up, the PHA may terminate the HAP contract, or may continue housing assistance payments on behalf of family members who remain in the contract unit.
- (9) The PHA may terminate the HAP contract if the PHA determines that the unit does not meet all requirements of the HQS, or determines that the owner has otherwise breached the HAP contract.

5. Provision and Payment for Utilities and Appliances

- a. The lease must specify what utilities are to be provided or paid by the owner or the tenant.
- b. The lease must specify what appliances are to be provided or paid by the owner or the tenant.
- c. Part A of the HAP contract specifies what utilities and appliances are to be provided or paid by the owner or the tenant. The lease shall be consistent with the HAP contract.

6. Rent to Owner: Reasonable Rent

- a. During the HAP contract term, the rent to owner may at no time exceed the reasonable rent for the contract unit as most recently determined or redetermined by the PHA in accordance with HUD requirements.
- The PHA must determine whether the rent to owner is reasonable in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:
 - The location, quality, size, unit type, and age of the contract unit; and
 - (2) Any amenities, housing services, maintenance and utilities provided and paid by the owner.
- c. The PHA must redetermine the reasonable rent when required in accordance with HUD requirements. The PHA may redetermine the reasonable rent at any time.
- d. During the HAP contract term, the rent to owner may not exceed rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA any information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.

7. PHA Payment to Owner

- a. When paid
 - (1) During the term of the HAP contract, the PHA must make monthly housing assistance

- payments to the owner on behalf of the family at the beginning of each month.
- (2) The PHA must pay housing assistance payments promptly when due to the owner.
- If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, the PHA shall pay the owner penalties if all of the following circumstances apply: (i) Such penalties are in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment of rent by a tenant; (ii) It is the owner's practice to charge such penalties for assisted and unassisted tenants; and (iii) The owner also charges such penalties against the tenant for late payment of family rent to owner. However, the PHA shall not be obligated to pay any late payment penalty if HUD determines that late payment by the PHA is due to factors beyond the PHA's control. Moreover, the PHA shall not be obligated to pay any late payment penalty if housing assistance payments by the PHA are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following PHA remedies: recovery of overpayments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments and termination of the contract).
- (4) Housing assistance payments shall only be paid to the owner while the family is residing in the contract unit during the term of the HAP contract. The PHA shall not pay a housing assistance payment to the owner for any month after the month when the family moves out.
- b. Owner compliance with HAP contract Unless the owner has complied with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments under the HAP contract.
- c. Amount of PHA payment to owner
 - (1) The amount of the monthly PHA housing assistance payment to the owner shall be determined by the PHA in accordance with HUD requirements for a tenancy under the voucher program.
 - (2) The amount of the PHA housing assistance payment is subject to change during the HAP contract term in accordance with HUD requirements. The PHA must notify the family and the owner of any changes in the amount of the housing assistance payment.
 - (3) The housing assistance payment for the first month of the HAP contract term shall be prorated for a partial month.
- d. **Application of payment** The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.

e. Limit of PHA responsibility

- The PHA is only responsible for making housing assistance payments to the owner in accordance with the HAP contract and HUD requirements for a tenancy under the voucher program.
- (2) The PHA shall not pay any portion of the rent to owner in excess of the housing assistance payment. The PHA shall not pay any other claim by the owner against the family.
- f. Overpayment to owner If the PHA determines that the owner is not entitled to the housing assistance payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner (including amounts due under any other Section 8 assistance contract).

8. Owner Certification

During the term of this contract, the owner certifies that:

- a. The owner is maintaining the contract unit and premises in accordance with the HQS.
- b. The contract unit is leased to the tenant. The lease includes the tenancy addendum (Part C of the HAP contract), and is in accordance with the HAP contract and program requirements. The owner has provided the lease to the PHA, including any revisions of the lease.
- c. The rent to owner does not exceed rents charged by the owner for rental of comparable unassisted units in the premises.
- d. Except for the rent to owner, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit during the HAP contract term.
- The family does not own or have any interest in the contract unit.
- f. To the best of the owner's knowledge, the members of the family reside in the contract unit, and the unit is the family's only residence.
- g. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.
- 9. **Prohibition of Discrimination**. In accordance with applicable nondiscrimination and equal opportunity laws, statutes, Executive Orders, and regulations.
 - a. The owner must not discriminate against any person because of race, color, religion, sex(including sexual orientation and gender identity), national origin, age, familial status, or disability in connection with the HAP contract. Eligibility for HUD's programs must be made without regard to actual or perceived sexual orientation, gender identity, or marital status.

- The owner must cooperate with the PHA and HUD in conducting equal opportunity compliance reviews and complaint investigations in connection with the HAP contract.
- c. Violence Against Women Act. The owner must comply with the Violence Against Women Act, as amended, and HUD's implementing regulation at 24 CFR part 5, Subpart L, and program regulations.

10. Owner's Breach of HAP Contract

- a. Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:
 - (1) If the owner has violated any obligation under the HAP contract, including the owner's obligation to maintain the unit in accordance with the HQS.
 - (2) If the owner has violated any obligation under any other housing assistance payments contract under Section 8.
 - (3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
 - (4) For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.
 - (5) If the owner has engaged in any drug-related criminal activity or any violent criminal activity.
- b. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights and remedies under the HAP contract, or any other available rights and remedies for such breach. The PHA shall notify the owner of such determination, including a brief statement of the reasons for the determination. The notice by the PHA to the owner may require the owner to take corrective action, as verified or determined by the PHA, by a deadline prescribed in the notice.
- c. The PHA's rights and remedies for owner breach of the HAP contract include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.
- d. The PHA may seek and obtain additional relief by judicial order or action, including specific performance, other injunctive relief or order for damages.
- e. Even if the family continues to live in the contract unit, the PHA may exercise any rights and remedies for owner breach of the HAP contract.
- f. The PHA's exercise or non-exercise of any right or remedy for owner breach of the HAP contract is not a

waiver of the right to exercise that or any other right or remedy at any time.

11. PHA and HUD Access to Premises and Owner's Records

- a. The owner must provide any information pertinent to the HAP contract that the PHA or HUD may reasonably require.
- b. The PHA, HUD and the Comptroller General of the United States shall have full and free access to the contract unit and the premises, and to all accounts and other records of the owner that are relevant to the HAP contract, including the right to examine or audit the records and to make copies.
- c. The owner must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and must provide any information or assistance needed to access the records.

12. Exclusion of Third Party Rights

- a. The family is not a party to or third party beneficiary of Part B of the HAP contract. The family may not enforce any provision of Part B, and may not exercise any right or remedy against the owner or PHA under Part B.
- b. The tenant or the PHA may enforce the tenancy addendum (Part C of the HAP contract) against the owner, and may exercise any right or remedy against the owner under the tenancy addendum.
- c. The PHA does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with management of the contract unit or the premises or with implementation of the HAP contract, or as a result of any other action or failure to act by the owner.
- d. The owner is not the agent of the PHA, and the HAP contract does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with management of the contract unit or the premises or with implementation of the HAP contract.

13. Conflict of Interest

- a. "Covered individual" means a person or entity who is a member of any of the following classes:
 - (1) Any present or former member or officer of the PHA (except a PHA commissioner who is a participant in the program);
 - (2) Any employee of the PHA, or any contractor, sub-contractor or agent of the PHA, who formulates policy or who influences decisions with respect to the program;
 - (3) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the program; or
 - (4) Any member of the Congress of the United States.

- b. A covered individual may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such person is a covered individual or during one year thereafter.
- c. "Immediate family member" means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any covered individual.
- d. The owner certifies and is responsible for assuring that no person or entity has or will have a prohibited interest, at execution of the HAP contract, or at any time during the HAP contract term.
- e. If a prohibited interest occurs, the owner shall promptly and fully disclose such interest to the PHA and HUD.
- f. The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.
- g. No member of or delegate to the Congress of the United States or resident commissioner shall be admitted to any share or part of the HAP contract or to any benefits which may arise from it.

14. Assignment of the HAP Contract

- a. The owner may not assign the HAP contract to a new owner without the prior written consent of the PHA.
- b. If the owner requests PHA consent to assign the HAP contract to a new owner, the owner shall supply any information as required by the PHA pertinent to the proposed assignment.
- c. The HAP contract may not be assigned to a new owner that is debarred, suspended or subject to a limited denial of participation under HUD regulations (see 24 Code of Federal Regulations Part 24).
- d. The HAP contract may not be assigned to a new owner if HUD has prohibited such assignment because:
 - (1) The Federal government has instituted an administrative or judicial action against the owner or proposed new owner for violation of the Fair Housing Act or other Federal equal opportunity requirements, and such action is pending; or
 - (2) A court or administrative agency has determined that the owner or proposed new owner violated the Fair Housing Act or other Federal equal opportunity requirements.
- e. The HAP contract may not be assigned to a new owner if the new owner (including a principal or other interested party) is the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the family of such determination) that approving the assignment, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

- f. The PHA may deny approval to assign the HAP contract if the owner or proposed new owner (including a principal or other interested party):
 - (1) Has violated obligations under a housing assistance payments contract under Section 8;
 - (2) Has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program;
 - (3) Has engaged in any drug-related criminal activity or any violent criminal activity;
 - (4) Has a history or practice of non-compliance with the HQS for units leased under the Section 8 tenant-based programs, or non-compliance with applicable housing standards for units leased with project-based Section 8 assistance or for units leased under any other Federal housing program;
 - (5) Has a history or practice of failing to terminate tenancy of tenants assisted under any Federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - (a) Threatens the right to peaceful enjoyment of the premises by other residents;
 - (b) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing;
 - (c) Threatens the health or safety of, or the right to peaceful enjoyment of their residents by, persons residing in the immediate vicinity of the premises; or
 - (d) Is drug-related criminal activity or violent criminal activity;
 - (6) Has a history or practice of renting units that fail to meet State or local housing codes; or
 - (7) Has not paid State or local real estate taxes, fines or assessments.
- g. The new owner must agree to be bound by and comply with the HAP contract. The agreement must be in writing, and in a form acceptable to the PHA. The new owner must give the PHA a copy of the executed agreement.
- 15. Foreclosure. In the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision does not affect any State or local law that provides longer time periods or other additional protections for tenants.
- **16. Written Notices** Any notice by the PHA or the owner in connection with this contract must be in writing.
- 17. Entire Agreement: Interpretation
 - a. The HAP contract contains the entire agreement between the owner and the PHA.

b The HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including the HUD program regulations at 24 Code of Federal Regulations Part 982.

Housing Assistance Payments Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

Part C of HAP Contract: Tenancy Addendum

1. Section 8 Voucher Program

- The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the Section 8 housing choice voucher program (voucher program) of the United States Department of Housing and Urban Development (HUD).
- b. The owner has entered into a Housing Assistance Payments Contract (HAP contract) with the PHA under the voucher program. Under the HAP contract, the PHA will make housing assistance payments to the owner to assist the tenant in leasing the unit from the owner.

2. Lease

- a. The owner has given the PHA a copy of the lease, including any revisions agreed by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with all provisions of the HAP contract and that the lease includes the tenancy addendum.
- b. The tenant shall have the right to enforce the tenancy addendum against the owner. If there is any conflict between the tenancy addendum and any other provisions of the lease, the language of the tenancy addendum shall control.

3. Use of Contract Unit

- During the lease term, the family will reside in the contract unit with assistance under the voucher program.
- b. The composition of the household must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.
- c. The contract unit may only be used for residence by the PHA-approved household members. The unit must be the family's only residence. Members of the household may engage in legal profit making activities incidental to primary use of the unit for residence by members of the family.
- d. The tenant may not sublease or let the unit.
- e. The tenant may not assign the lease or transfer the unit.

4. Rent to Owner

- The initial rent to owner may not exceed the amount approved by the PHA in accordance with HUD requirements.
- b. Changes in the rent to owner shall be determined by the provisions of the lease. However, the owner may not raise the rent during the initial term of the lease.
- During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:

- (1) The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or
- (2) Rent charged by the owner for comparable unassisted units in the premises.

5. Family Payment to Owner

- a. The family is responsible for paying the owner any portion of the rent to owner that is not covered by the PHA housing assistance payment.
- b. Each month, the PHA will make a housing assistance payment to the owner on behalf of the family in accordance with the HAP contract. The amount of the monthly housing assistance payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 youcher program.
- The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.
- d. The tenant is not responsible for paying the portion of rent to owner covered by the PHA housing assistance payment under the HAP contract between the owner and the PHA. A PHA failure to pay the housing assistance payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of the PHA housing assistance payment.
- e. The owner may not charge or accept, from the family or from any other source, any payment for rent of the unit in addition to the rent to owner. Rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease
- f. The owner must immediately return any excess rent payment to the tenant.

6. Other Fees and Charges

- Rent to owner does not include cost of any meals or supportive services or furniture which may be provided by the owner.
- b. The owner may not require the tenant or family members to pay charges for any meals or supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- c. The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

7. Maintenance, Utilities, and Other Services

a. Maintenance;

- (1) The owner must maintain the unit and premises in accordance with the HQS.
- (2) Maintenance and replacement (including redecoration) must be in accordance with the

standard practice for the building concerned as established by the owner.

b. Utilities and appliances

- (1) The owner must provide all utilities needed to comply with the HQS.
- (2) The owner is not responsible for a breach of the HQS caused by the tenant's failure to:
 - (a) Pay for any utilities that are to be paid by the tenant.
 - (b) Provide and maintain any appliances that are to be provided by the tenant.
- c. Family damage. The owner is not responsible for a breach of the HQS because of damages beyond normal wear and tear caused by any member of the household or by a guest.
- d. **Housing services**. The owner must provide all housing services as agreed to in the lease.

8. Termination of Tenancy by Owner

- Requirements. The owner may only terminate the tenancy in accordance with the lease and HUD requirements.
- b. Grounds. During the term of the lease (the initial term of the lease or any extension term), the owner may only terminate the tenancy because of:
 - (1) Serious or repeated violation of the lease;
 - (2) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
 - (3) Criminal activity or alcohol abuse (as provided in paragraph c); or
 - (4) Other good cause (as provided in paragraph d).

c. Criminal activity or alcohol abuse.

- (1) The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a esident's control commits any of the following types of criminal activity:
 - (a) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
 - (b) Any criminal activity that threatens the health, or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
 - (c) Any violent criminal activity on or near the premises; or
 - (d) Any drug-related criminal activity on or near the premises.
- (2) The owner may terminate the tenancy during the term of the lease if any member of the household is:
 - (a) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from

- which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- (b) Violating a condition of probation or parole under Federal or State law.
- (3) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.
- (4) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

d. Other good cause for termination of tenancy

- During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.
- (2) During the initial lease term or during any extension term, other good cause may include:
 - (a) Disturbance of neighbors,
 - (b) Destruction of property, or
 - (c) Living or housekeeping habits that cause damage to the unit or premises.
- (3) After the initial lease term, such good cause may include:
 - (a) The tenant's failure to accept the owner's offer of a new lease or revision;
 - (b) The owner's desire to use the unit for personal or family use or for a purpose other than use as a residential rental unit; or
 - (c) A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).
- (4) The examples of other good cause in this paragraph do not preempt any State or local laws to the contrary.
- (5) In the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease, requiring the tenant to vacate the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner:
 - (a) Will occupy the unit as a primary residence; and
 - (b) Has provided the tenant a notice to vacate at least 90 days before the effective date of such notice. This provision shall not affect any State or local law that provides for longer time periods or addition protections for tenants.

9. Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.

- a. Purpose: This section incorporates the protections for victims of domestic violence, dating violence, sexual assault, or stalking in accordance with subtitle N of the Violence Against Women Act of 1994, as amended (codified as amended at 42 U.S.C. 14043e et seq.) (VAWA) and implementing regulations at 24 CFR part 5, subpart L.
- b. Conflict with other Provisions: In the event of any conflict between this provision and any other provisions included in Part C of the HAP contract, this provision shall prevail.
- c. Effect on Other Protections: Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault, or stalking.
- d. Definition: As used in this Section, the terms "actual and imminent threat," "affiliated individual", "bifurcate", "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in HUD's regulations at 24 CFR part 5, subpart L. The terms "Household" and "Other Person Under the Tenant's Control" are defined at 24 CFR part 5, subpart A.
- e. VAWA Notice and Certification Form: The PHA shall provide the tenant with the "Notice of Occupancy Rights under VAWA and the certification form described under 24 CFR 5.2005(a)(1) and (2).

f. Protection for victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking:

- (1) The landlord or the PHA will not deny admission to, deny assistance under, terminate from participation in, or evict the Tenant on the basis of or as a direct result of the fact that the Tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the Tenant otherwise qualifies for admission, assistance, participation, or occupancy. 24 CFR 5.2005(b)(1).
- (2) The tenant shall not be denied tenancy or occupancy rights solely on the basis of criminal activity engaged in by a member of the Tenant's Household or any guest or Other Person Under the Tenant's Control, if the criminal activity is directly related to domestic violence, dating violence, sexual assault, or stalking, and the Tenant or an Affiliated Individual of the Tenant is the victim or the threatened victim of domestic violence, dating violence, sexual assault, or stalking. 24 CFR 5.2005(b)(2).
- (3) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated violations of the lease by the victim or threatened victim of the incident. Nor shall it not be construed as other "good cause" for termination of the lease, tenancy, or occupancy rights of such a victim or threatened victim. 24 CFR 5.2005(c)(1) and (c)(2).
- g. Compliance with Court Orders: Nothing in this Addendum will limit the authority of the landlord, when notified by a court order, to comply with the court order with respect to the rights of access or control of property

- (including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking) or with respect to the distribution or possession of property among members of the Tenant's Household. 24 CFR 5.2005(d)(1).
- h. Violations Not Premised on Domestic Violence, Dating Violence, Sexual Assault, or Stalking: Nothing in this section shall be construed to limit any otherwise available authority of the Landlord to evict or the public housing authority to terminate the assistance of a Tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the Tenant or an Affiliated Individual of the Tenant. However, the Landlord or the PHA will not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance. 24 CFR 5.2005(d)(2).

i. Actual and Imminent Threats:

- (1) Nothing in this section will be construed to limit the authority of the Landlord to evict the Tenant if the Landlord can demonstrate that an "actual and imminent threat" to other tenants or those employed at or providing service to the property would be present if the Tenant or lawful occupant is not evicted. In this context, words, gestures, actions, or other indicators will be construed as an actual and imminent threat if they meet the following standards for an actual and imminent threat: "Actual and imminent threat" refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. 24 CFR 5.2005(d)(3).
- (2) If an actual and imminent threat is demonstrated, eviction should be used only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence, developing other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. 24 CFR 5.2005(d)(4).
- j. Emergency Transfer: A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking may request an emergency transfer in accordance with the PHA's emergency transfer plan. 24 CFR 5.2005(e). The PHA's emergency transfer plan must be made available upon request, and incorporate strict confidentiality measures to ensure that the PHA does not disclose a tenant's dwelling unit location to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant;

For transfers in which the tenant would not be considered a new applicant, the PHA must ensure that a request for an emergency transfer receives, at a minimum, any applicable additional priority that is already provided to other types of emergency transfer requests. For transfers in which the tenant would be considered a new applicant, the plan must include policies for assisting a tenant with this transfer.

Bifurcation: Subject to any lease termination requirements or procedures prescribed by Federal, State, or local law, if any member of the Tenant's Household engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, the Landlord may "bifurcate" the Lease, or remove that Household member from the Lease, without regard to whether that Household member is a signatory to the Lease, in order to evict, remove, or terminate the occupancy rights of that Household member without evicting, removing, or otherwise penalizing the victim of the criminal activity who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the housing choice voucher program. 24 CFR 5.2009(a).

If the Landlord bifurcates the Lease to evict, remove, or terminate assistance to a household member, and that household member is the sole tenant eligible to receive assistance, the landlord shall provide any remaining tenants or residents a period of 30 calendar days from the date of bifurcation of the lease to:

- (1) Establish eligibility for the same covered housing program under which the evicted or terminated tenant was the recipient of assistance at the time of bifurcation of the lease:
- Establish eligibility under another covered housing program; or
- (3) Find alternative housing.
- Family Break-up: If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. 24 CFR 982.315.
- m. Move with Continued Assistance: The public housing agency may not terminate assistance to a family or member of the family that moves out of a unit in violation of the lease, with or without prior notification to the public housing agency if such a move occurred to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking; and who reasonably believed they were imminently threatened by harm from further violence if they remained in the dwelling unit, or if any family member has been the victim of sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.
 - The move is needed to protect the health or safety of the family or family member who is or has been a victim of domestic violence dating violence, sexual assault or stalking; and
 - (2) The family or member of the family reasonably believes that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. However, any family member that has been the victim of a sexual assault that occurred on the premises during the

90-calendar day period preceding the family's move or request to move is not required to believe that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. 24 CFR 982.354

n. Confidentiality.

- (1) The Landlord shall maintain in strict confidence any information the Tenant (or someone acting on behalf of the Tenant) submits to the Landlord concerning incidents of domestic violence, dating violence, sexual assault or stalking, including the fact that the tenant is a victim of domestic violence, dating violence, sexual assault, or stalking.
- (2) The Landlord shall not allow any individual administering assistance on its behalf, or any persons within its employ, to have access to confidential information unless explicitly authorized by the Landlord for reasons that specifically call for these individuals to have access to the information pursuant to applicable Federal, State, or local law.
- (3) The Landlord shall not enter confidential information into any shared database or disclose such information to any other entity or individual, except to the extent that the disclosure is requested or consented to in writing by the individual in a time-limited release; required for use in an eviction proceeding; or is required by applicable law.

10. Eviction by court action

The owner may only evict the tenant by a court action.

11. Owner notice of grounds

- (1) At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.
- (2) The owner must give the PHA a copy of any owner eviction notice at the same time the owner notifies the tenant.
- (3) Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under State or local law.

12. Lease: Relation to HAP Contract

If the HAP contract terminates for any reason, the lease terminates automatically.

13. PHA Termination of Assistance

The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program, assistance for the family, the lease terminates automatically.

14. Family Move Out

The tenant must notify the PHA and the owner before the family moves out of the unit.

15. Security Deposit

a. The owner may collect a security deposit from the tenant. (However, the PHA may prohibit the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. Any such PHA-required restriction must be specified in the HAP contract.)

- b. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease.
- c. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.
 - d. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

16. Prohibition of Discrimination

In accordance with applicable nondiscrimination and equal opportunity laws, statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex (including sexual orientation and gender identity), national origin, age, familial status or disability in connection with the lease. Eligibility for HUD's programs must be made without regard to actual or perceived sexual orientation, gender identity, or marital status.

17. Conflict with Other Provisions of Lease

- a. The terms of the tenancy addendum are prescribed by HUD in accordance with Federal law and regulation, as a condition for Federal assistance to the tenant and tenant's family under the Section 8 voucher program.
- b. In case of any conflict between the provisions of the tenancy addendum as required by HUD, and any other provisions of the lease or any other agreement between the owner and the tenant, the requirements of the HUD-required tenancy addendum shall control.

18. Changes in Lease or Rent

- a. The tenant and the owner may not make any change in the tenancy addendum. However, if the tenant and the owner agree to any other changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must be in accordance with the requirements of the tenancy addendum.
- b. In the following cases, tenant-based assistance shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner:
 - If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
 - (2) If there are any changes in lease provisions governing the term of the lease;
 - (3) If the family moves to a new unit, even if the unit is in the same building or complex.
- PHA approval of the tenancy, and execution of a new HAP contract, are not required for agreed

- changes in the lease other than as specified in paragraph b.
- d. The owner must notify the PHA of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and the amount of the rent to owner following any such agreed change may not exceed the reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements.

19. Notices

Any notice under the lease by the tenant to the owner or by the owner to the tenant must be in writing.

20. Definitions

Contract unit. The housing unit rented by the tenant with assistance under the program.

Family. The persons who may reside in the unit with assistance under the program.

HAP contract. The housing assistance payments contract between the PHA and the owner. The PHA pays housing assistance payments to the owner in accordance with the HAP contract.

Household. The persons who may reside in the contract unit. The household consists of the family and any PHA-approved live-in aide. (A live-in aide is a person who resides in the unit to provide necessary supportive services for a member of the family who is a person with disabilities.)

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the Section 8 tenant-based programs.

HUD. The U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements for the Section 8 program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

Lease. The written agreement between the owner and the tenant for the lease of the contract unit to the tenant. The lease includes the tenancy addendum prescribed by HUD.

PHA. Public Housing Agency.

Premises. The building or complex in which the contract unit is located, including common areas and grounds.

Program. The Section 8 housing choice voucher program.

Rent to owner. The total monthly rent payable to the owner for the contract unit. The rent to owner is the sum of the portion of rent payable by the tenant plus the PHA housing assistance payment to the owner.

Section 8. Section 8 of the United States Housing Act of 1937 (42 United States Code 1437f).

Tenant. The family member (or members) who leases the unit from the owner.

Voucher program. The Section 8 housing choice voucher program. Under this program, HUD provides funds to a PHA for rent subsidy on behalf of eligible families. The tenancy under the lease will be assisted with rent subsidy for a tenancy under the voucher program.



WHAT IS PACT?

Permanent Affordability Commitment Together (PACT)



Permanent Affordability Commitment Together (PACT) is a program that allows NYCHA to unlock funding to complete comprehensive repairs at your development. Through PACT, your development will be included in the federal Rental Assistance Demonstration (RAD) and convert to a more stable, federally funded program called Project-Based Section 8.

This ensures homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program. Resident voices are an important part of PACT; their expertise will shape what PACT investments are made at each development.

HOW PACT WORKS

PACT depends on partnerships with private and non-profit development partners, who are selected based on resident input.

COMPREHENSIVE REPAIRS

Development partners bring design and construction expertise. They address all the physical needs at the development.

PROFESSIONAL MANAGEMENT

Property management partners are responsible for the day-to-day operation and upkeep of the buildings and grounds.

ENHANCED SERVICES

Partnerships with social service providers help improve on-site services and programming through input from residents.

PUBLIC CONTROL: NYCHA & RESIDENTS

Developments will remain under public control. After conversion, NYCHA will continue to own the land and buildings, administer the Section 8 subsidy and waitlist, and monitor conditions at the development. Where needed, NYCHA can step in to resolve any issues that may arise between residents and the new property management team.



WHY PACT?

NYCHA needs an estimated \$40 billion to fully restore and renovate all of its buildings, but the federal government has provided only a fraction of the funding needed for these improvements. We recognize that many of the conditions in NYCHA buildings are unacceptable and unsafe for residents and their families. Renovations are long overdue and necessary to ensure that the day-to-day needs of residents are met and living conditions improve. PACT is a critical tool that allows NYCHA to:



Modernize and keep homes permanently affordable



Preserve resident rights and protections



Invest in community spaces and amenities and enhance on-site community programs



Upgrade kitchens, bathrooms, and living spaces



Upgrade lighting, security systems, doors, windows, and hallways and stairwells



Replace or upgrade building systems such as roofs, facades, elevators, and boilers

RESIDENT RIGHTS AND PROTECTIONS

PACT will keep homes permanently affordable and preserve resident rights and protections. These protections are stronger than in the traditional Section 8 program.

- Residents will continue to pay 30% of their adjusted gross household income towards rent.
- Residents will have the right to remain in their apartment during construction.
- Residents will continue to have the right to organize.
- Resident associations will continue to receive funding after conversion.
- All residents will have the right to renew their lease.
- No one will be re-screened before signing a new lease.
- Residents will be able to add relatives onto their lease.
- All household members will continue to have succession rights.
- Residents will be able to have grievance hearings.
- Residents will have the right to apply for job opportunities associated with the project.

LEARN MORE ABOUT PACT!

Residents can attend any upcoming PACT information session to learn more about PACT. Resident voices are an important part of PACT, and we want to make sure YOU and YOUR NEIGHBORS are at the next meeting!

RESOURCES
AVAILABLE NOW:

PACT Hotline: 212-306-4036 Email: PACT@nycha.nyc.gov

PACT Website: on.nyc.gov/nycha-pact





RESIDENT RIGHTS + RESPONSIBILITIES

You will have the ability to apply for job opportunities associated with the conversion



What are my rights? How can I make sure I'm ready for PACT?

PACT will keep your home permanently affordable and preserve your rights and protections. Before converting to the Section 8 program, there are steps you should take to ensure a smooth transition.

RESIDENT RIGHTS AFTER CONVERSION	RESIDENT RESPONSIBILITIES		
Residents who transition to the Section 8 program will continue to pay 30% of their adjusted gross household income towards rent	 If your income changes before signing your new lease, submit a rent adjustment to NYCHA property management After conversion, you will pay your rent to a new property manager 		
You will have the right to organize , and your resident association will continue to receive funding	 Get involved with your resident association, or form one if one does not exist! Attend a resident meeting to learn more about resident associations and how to organize 		
 You will have the right to renew your lease Your application will not be re-screened before signing a new lease You will have the right to remain in your apartment during construction You will be able to add relatives onto your lease Relatives on your lease will have succession rights 	 Confirm all members of your household are lister on your lease prior to conversion If you need to add family members, contact NYCHA property management or attend a Lease Addition Day If you require a reasonable accommodation because of a disability or health concerns during construction, you will need to contact NYCHA property management 		
You will have the right to grievance hearings	Attend a resident meeting to learn more about how grievance hearings are conducted under the Section 8 program		

Attend a NYCHA REES info session

to learn more!

FREQUENTLY ASKED QUESTIONS

How will rent be determined? Will my rent increase?

For residents who convert to the Section 8 program, rent will continue to be set at 30% of adjusted gross household income, and residents will not need to pay a new security deposit. Residents will not be re-screened prior to signing a new lease. Any changes to your household configuration (for example, if you add family members onto your lease) can change your portion of the rent, but it will always be set to 30% of the household income.

What if I need to add people or pets onto my lease?

Before you sign your new lease, you will be able to add any members of your family not currently on your lease. After conversion, there will also be an annual recertification process led by NYCHA's Leased Housing Department, and you can add a new family member at that time. Make sure your family composition is up to date before conversion. Also be sure to register pets with NYCHA prior to conversion.

Will I need to move or relocate during construction?

No one will be asked to move as all renovations are completed while you remain in your home. In some cases, depending on the severity of repairs needed or due to health concerns, residents will be assisted in a temporary relocation, but you will have a right to return to your home as soon as construction is completed.

Will I be required to move to a larger or smaller apartment?

Once you transfer to the Section 8 program, NYCHA's Leased Housing Department will determine which households are overcrowded or over-housed, based on the number of people listed on your lease. If your household does not meet Section 8 standards, meaning that there are too many people or too many bedrooms for your household size, you will need to move to an appropriate-sized unit when one becomes available.

Can I move with my new voucher? Are Section 8 vouchers portable?

One year after converting to the Section 8 program, an income-qualified family can request a Housing Choice Voucher pending funding availability. The voucher program allows tenants to move anywhere in the United States where Section 8 vouchers are accepted.

What about our resident leadership? Can our resident association still organize?

As long as your tenant association is in good standing, your tenant association will continue to have rights and can organize after conversion. Resident associations will continue to receive the same funding levels after conversion.

LEARN MORE ABOUT PACT!

Residents can attend any upcoming PACT information session to learn more about PACT and their rights and protections. All PACT project pages have up to date information on meeting dates.

RESOURCES AVAILABLE NOW:

PACT Hotline: 212-306-4036 Email: PACT@nycha.nyc.gov

PACT Website: on.nyc.gov/nycha-pact







RECORD AND RETURN TO:

REGULATORY AGREEMENT		
THIS REGULATORY AGREEMENT (this "Agreement"), dated as of, is by and among the NEW YORK CITY HOUSING AUTHORITY, a public benefit corporation organized under the laws of the State of New York with an address of 90 Church Street, 5 th Floor, New York, New York 10007 (the "PHA"), HOUSING DEVELOPMENT FUND CORPORATION, a New York not-for-profit corporation organized pursuant to Article XI of the Private Housing Finance Law of the State of New York with an address c/o NYCHA Law Department, 90 Church Street, 5 th Floor, New York, New York 10007 (the "HDFC"), and, a New York [limited liability company/ partnership] with an address at (the "Owner").		
RECITALS		
A. The PHA's mission is to increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.		
B. The PHA has adopted in collaboration with the New York City Rental Assistance Demonstration Roundtable on Resident Rights and Protections those certain "Principles for the Rental Assistance Demonstration: Supplemental Resident Rights and Protections Under RAD Conversion" dated as of June 13, 2016 (the "PACT Principles");		
C. The PHA is the fee owner of certain real property described in <u>Exhibit A</u> , attached hereto and incorporated herein (the " Property ");		
D. The PHA, the HDFC, and the Owner are entering into that certain Lease Agreement, dated as of even date herewith (the " Lease Agreement "), which will convey a leasehold interest in the affordable housing development commonly known as (the " Development ") to the HDFC and Owner;		
E. The Owner and the HDFC have elected to operate the Development for affordable housing		

F. Furthermore, PHA, either directly or through its affiliate, possesses certain approval rights and oversight of the Development and its continued affordability under the Lease Agreement, the Owner's [Amended and Restated Partnership Agreement], that certain Control Agreement between PHA and the Owner, those certain subsidy contracts between the PHA and Owner

purposes and documented such elections in the RAD Use Agreement and HUD Declaration (as

such terms are defined below);

providing operating assistance to the Development, and that certain Payment in Lieu of Tax Agreement applicable to the Development (the "PILOT"); and

G. The PHA, the HDFC and the Owner desire to further encumber the Property with this Agreement in order to preserve the Development as affordable housing by setting forth below certain rights afforded the PHA.

AGREEMENT

In consideration of the promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as set forth below. The Recitals are incorporated by reference.

1. Definitions.

- a. "Effective Date" shall mean the date of this Agreement.
- b. "**HUD Declaration**" shall mean, collectively, those certain Declarations of Restrictive Covenants and Use Agreements by and among PHA, Owner and HDFC, dated as of substantially even date herewith and recorded simultaneously herewith.
- c. "Persons of Low Income" and "Families of Low Income" shall have the meaning set forth in section two of the Private Housing Finance Law of the State of New York, as may be further restricted by the definition of the same terms in section three of the Public Housing Law of the State of New York.
- d. "**Project Documents**" shall mean the RAD Use Agreement, the HUD Declaration, the Lease, and the Control Agreement.
- e. "RAD Use Agreement" shall mean, collectively, those certain Rental Assistance Demonstration Use Agreements by and among HUD, PHA, Owner and HDFC, dated as of substantially even date herewith and recorded simultaneously herewith.
- f. "Restricted Period" shall mean the period the Property is subject to the Use Requirement, as set forth in Section 2(b).
 - g. "Use Requirement" shall mean the use restrictions set forth in Section 2(a).

2. Use Requirement.

a. <u>Generally</u>. The PHA, the HDFC, and the Owner, each for itself and for its successors and assigns, hereby covenants and agrees that initial occupancy of all residential units in the Development shall be restricted as set forth in the Project Documents; provided, however in the event of a conflict in the Project Documents, the more restrictive requirement shall control. In the event that the RAD Use Agreement and/or HUD Declaration terminate or expire, initial occupancy of all residential units in the Development shall be made available to Persons of Low Income and Families of Low Income throughout the period set forth in Section 2(b).

- b. <u>Restricted Period</u>. The Use Requirement shall encumber the Property from the Effective Date through such date which is ninety-nine (99) years following the Effective Date.
- c. <u>Exceptions to the Use Requirement</u>. The following events shall not constitute a breach of the Use Requirement:
- i. <u>Vacancy</u>. If any unit in the Development is left vacant for a reasonable period and Owner is exercising commercially reasonable efforts to eliminate such vacancy.
- ii. <u>Casualties</u>. If the Development is damaged or destroyed by fire or other casualty and the use of the Development in conformance with the Use Requirement ceases during a period of repairs and/or reconstruction.
- iii. <u>Takings</u>. If the Development is taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof.
- 3. <u>PHA Approval and Removal Rights</u>. PHA, either directly or through its affiliate(s), shall have the right to:
- a. approve certain actions in accordance with the Operating Agreement of _____ (the "[Sole Member/Managing Member/General Partner]"), a [New York limited liability company] and the [sole member/managing member/general partner] of the Owner (the "Operating Agreement"), including but not limited to:
- i. approval and adoption of the form of residential lease, tenant screening process, and tenant selection method and any modification thereof, in compliance with the RAD Requirements or the PBV Requirements for the Development, as applicable, and the PACT Principles; and
- ii. any action having a material adverse impact on the affordability of the Development's continued eligibility for the PILOT;
- b. cause the removal of the managing member/general partner of the [Sole Member/Managing Member/General Partner] upon the occurrence of a "Removal Event" as described in the Operating Agreement which Removal Events shall include, but not be limited to, failure to comply with and subsequent failure, after notice thereof, to correct instances of noncompliance with the Lease Agreement, the RAD Requirements, the PBV Requirements, the Control Agreement or the PACT Principles, provided that such failure has a material adverse effect on the operation of the Development; and
- c. in accordance with the Operating Agreement, be permitted to ensure that the Development be maintained and operated as affordable housing, as such affordability standards may be determined by PHA or its affiliate(s) in its reasonable discretion and in accordance with the RAD Requirements, the PBV Requirements, the Control Agreement, the PACT Principles and regulatory agreements entered into by the Owner.

4. <u>Release</u>. This Agreement shall remain as an encumbrance against the Property for the Restricted Period unless there is mutual consent by the PHA, the HDFC and the Owner to release prior to the termination of the Restricted Period. The release of this Agreement shall not affect the restrictions imposed by any other document recorded against the Property or to which the PHA, Owner and HDFC are parties affecting the Property and the Development.

5. Subordination.

- a. This Agreement is subordinate to the RAD Use Agreement and the HUD Declaration. If there are any conflicts between the provisions of this Agreement and the RAD Use Agreement and the HUD Declaration, the provisions of the RAD Use Agreement and the HUD Declaration shall control.
- b. This Agreement and all terms and conditions contained herein shall be subject to and subordinate to, in all respects, any lien secured by any mortgage encumbering the Property (including future mortgages executed after the date hereof) held by any lender and any rights of any lender secured by such mortgages.
- c. In the event of any inconsistency between the Use Requirement and the tenant income requirements set forth in any other document recorded against the Property, the most restrictive tenant income requirement shall control.
- 6. <u>Third Party Beneficiaries</u>. No person or entity, other than the parties to this Agreement, has any rights or remedies under this Agreement.
- 7. <u>Successors and Assigns</u>. Recordation of this Agreement shall constitute the agreement by Owner to be bound by and to comply with the restrictions set forth in this Agreement. The benefits and burdens of this Agreement touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the parties to this Agreement, including any PHA-approved transferee.
- 8. <u>Notices</u>. All notices under this Agreement shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first-class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to Owner, or the PHA, as appropriate, at the addresses for such parties set forth above. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause (b) shall be deemed received seven (7) calendar days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 8.

PHA:

New York City Housing Authority 90 Church Street, 5th Floor New York, New York 10007

Attention: Vice President for Real Estate Development

New York City Housing Authority 90 Church Street, 11th Floor New York, New York 10007

Attention: Associate General Counsel for Real Estate and Economic Development

OWNER:

9. <u>Amendments</u>. This Agreement may be amended only by a written instrument signed by the parties to this Agreement.

- 10. <u>Governing Law</u>. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of New York, and the parties shall submit to the jurisdiction and venue of the courts in the City and County of New York.
- 11. <u>Severability</u>. The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.
- 12. <u>Counterpart Signatures</u>. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.
- 13. <u>Definitions</u>. All initially capitalized terms used in this Agreement, if not otherwise defined herein, shall have the meanings ascribed to such terms in the Operating Agreement.

[Remainder of this page intentionally left blank].

IN WITNESS WHEREOF, the PHA, the HDFC and the Owner have each duly executed this Agreement as of the date first written above.

PHA:	_	
		CITY HOUSING AUTHORITY, blic benefit corporation
By:		
J	Name: Title:	
HDF	<u>C:</u>	
COR	PORATI	HOUSING DEVELOPMENT FUND ON, a New York not-for-profit corporation
By:		
	Name:	
	Title:	

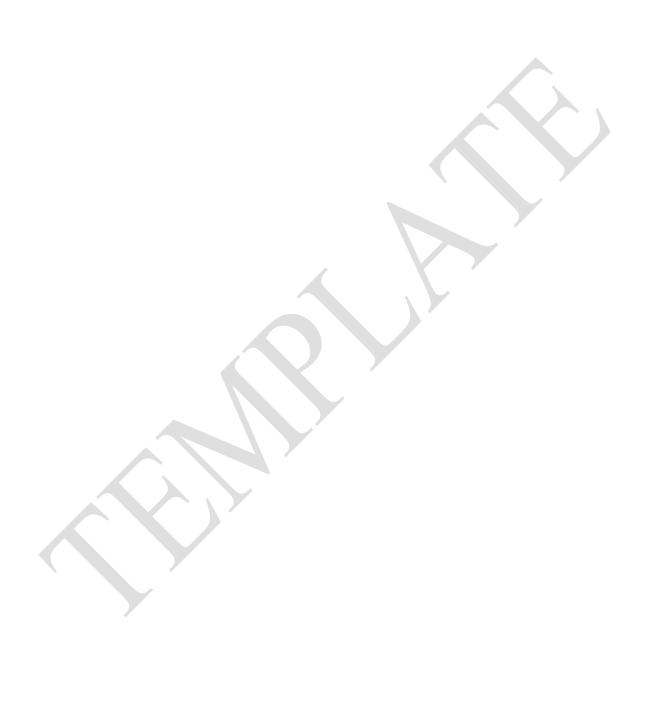
[Signatures continue on next page]

OWNER:

By:			
•	Name:		
	Title:		

Exhibit A Legal Description

[Attached]



NEW YORK CITY HOUSING AUTHORITY PACT LEASE COVER LETTER

SAMPLE PACT Resident Lease – Revised January 2023

Enclosed is a sample of the PACT lease that NYCHA residents will sign before their development converts to the Project-Based Section 8 program through PACT. **This is a sample PACT lease; residents should not sign it.**

This PACT lease was developed by NYCHA and has been informed by the residents, advocates and stakeholders. It has also been reviewed by Legal Aid Society, an independent legal services organization. This lease cannot be changed without NYCHA's approval.

In coordination with NYCHA, PACT partners will reach out to residents to schedule a lease signing. By signing this new lease, residents ensure that their apartment will remain affordable to their household and that authorized relatives will have succession rights to the apartment. In addition to this lease, there are other documents that protect resident rights – including the documents NYCHA will sign with the PACT partner and the U.S Department of Housing and Urban Development (HUD). To learn more about resident rights and protections under that PACT program, you can visit NYCHA's PACT website: on.nyc.gov/nycha-pact.

In addition to the lease itself, there are riders and notices that all residents will also need to sign. Most of these are required by local, state or federal law of all renters in New York City. The riders and notices are also available on NYCHA's PACT website to review before the lease signing: on.nyc.gov/nycha-pact.

Residents should not wait to ask questions about their new PACT lease and should use the following resources to learn more and ask questions:

- Residents can attend a town hall hosted by the PACT partner to explain the lease signing process and answer any questions you might have.
- Residents can call a **free legal services hotline provided by the Legal Aid Society.** This line is dedicated to residents converting through the NYCHA PACT program.

Please call 212-298-3450 to reach the Legal Aid Society.

REMINDER: This is a sample PACT lease. Please do not sign it.

Last Updated: January 06, 2023

A translation of this document is available in your management office.

La traducción de este documento está disponible en la Oficina de Administración de su residencial.

所居公房管理處備有文件譯本可供索取。

所居公房管理处备有文件译本可供索取。

Перевод этого документа находится в офисе управления Вашего жилищного комплекса.

RESIDENTIAL APARTMENT LEASE – [DEVELOPMENT]

PERMANENT AFFORDABILITY COMMITMENT TOGETHER (PACT) LEASE

PACT Partner and Tenant make this apartment lease agreement ("Lease") as follows:
PACT Partner Name:
PACT Partner Address for Notices:
PACT Property Manager Name:
PACT Property Manager's Address:
Development:
Address of "Leased Premises" (including Apt No.):
Tenant's Name (person/people signing lease):
Section 8 Case Number:
Effective Date of Lease:, 20 or the date of the PBV HAP Contract (as defined below) for the
Development, whichever is later.

1. **HEADINGS**: Paragraph headings are only for ready reference to the terms of this Lease. In the event of a conflict between the text and a heading, the text controls.

2. MONTHLY RENT TO THE PACT PARTNER:

The monthly "Contract Rent" to the PACT Partner is determined by the New York City Housing Authority ("NYCHA") in accordance with the U.S. Department of Housing and Urban Development ("HUD") requirements for a tenancy under the Section 8 Voucher program.

One of the three options below will be checked by the PACT Partner prior to Tenant signing the Lease:

- ___ A. Unit on Section 8 Project-Based Housing Assistance Payment ("HAP") Contract. See Subparagraph 2.a.
- ___ B. Unit not on Section 8 Project-Based HAP Contract because a rent election has been made. *See Subparagraph 2.b.*
- __ C. Tenant is Section 8 Tenant-Based participant; unit not on Section 8 Project-Based HAP Contract. See PACT Residential Lease Rider (Tenant-Based Section 8 Participants).
- ONLY IF 2(A) IS CHECKED: Unit on Project-Based HAP Contract. Each month the PACT Partner and/or the PACT Property Manager will credit a housing assistance payment received from NYCHA, if any, (the "monthly housing assistance payment") against the monthly Contract The amount of the monthly housing Rent. assistance payment will be determined by NYCHA in accordance with HUD requirements for a tenancy under the Section 8 Project-Based Voucher ("PBV") program and NYCHA's implementation of the Rental Assistance Demonstration ("RAD") program as implemented by Notice H 2019-09 PIH 2019-23 (September 5, 2019), as it may be amended from time to time (the "RAD Notice").

The remaining portion of the Contract Rent is the Tenant's portion of the rent. You as Tenant are responsible for paying to the PACT Partner this "Tenant's portion of the rent" which is an amount that is equal to thirty (30%) percent of your adjusted gross income as determined by NYCHA, exclusive of any allowance for tenant-paid utilities, if applicable as further set forth in accordance with

HUD PBV requirements. If you were a NYCHA public housing tenant residing at the Development, and if, at the initial conversion of the Development to project-based Section 8, your portion of the rent as calculated, represents an increase over what you paid for rent as a public housing resident because you were paying less than thirty (30%) percent of your adjusted gross income, and such increase is by more than the greater of ten (10%) percent or twenty-five (\$25.00) dollars, as determined by NYCHA, such increase will be phased-in over a 5-year period. Such phased-in increase will be calculated by NYCHA in accordance with the requirements set forth in the RAD Notice.

The Contract Rent is the sum of the monthly housing assistance payment plus Tenant's portion of the rent. The Tenant's portion of the rent is due and payable the first day of each month or at such other day each month as the PACT Partner and/or the PACT Property Manager may decide at the address above or at a location designated by the PACT Partner and/or the PACT Property Manager in writing. Notice from the PACT Partner to Tenant that rent is due is not required. The rent must be paid in full without deductions. The Tenant shall tender his/her/their portion of the rent by check or money order or as otherwise accepted by the PACT Partner and/or the PACT Property Manager (which may include rent paid directly to the PACT Partner on the Tenant's behalf by public assistance, and will be accepted in accordance with the public assistance payment schedule).

TENANT'S PORTION OF THE RENT: The initial Tenant's portion of the rent shall be \$

Monthly Housing Assistance Payment: The initial monthly housing assistance payment shall be \$

Contract Rent for Apartment: The initial contract rent shall be \$

b. ONLY IF 2(B) IS CHECKED: Unit not on Project-Based HAP Contract.

(i) <u>At Initial Conversion</u>: If at initial conversion, your Tenant's portion of the rent exceeds the Contract Rent as determined pursuant to the PBV program (the monthly housing assistance payment is equal to \$0), and you received the "**Rent Election Form**" attached to this Lease as a Rider and elected to pay the Contract Rent Amount as shown in the Rent Election Form and listed below which Contract

Rent Amount is lower than thirty (30%) percent of your adjusted gross income, then your unit will not be on the Project-Based HAP Contract; or

(ii) After Initial Conversion: If you became a Tenant after the initial conversion and the Leased Premises was terminated from the Project-Based HAP because your tenant's portion of the rent exceeds the Contract Rent as determined pursuant to the PBV program (the monthly housing assistance payment is equal to \$0 for at least 180 days), then you will pay the Contract Rent Amount shown below.

The PACT Partner and Tenant agree that if at any time the PACT Partner or the PACT Property Manager notifies Tenant that they are eligible for the PBV program, the Tenant agrees to complete all documentation necessary to apply for assistance under the PBV program. If the Tenant does not complete the necessary documentation within thirty (30) days of written notification by the PACT Partner or the PACT Property Manager, Tenant agrees to pay the Contract Rent for Apartment as listed below.

The Tenant agrees to provide to the PACT Partner and/or the PACT Property Manager annually, no later than sixty (60) days from the PACT Partner's and/or the PACT Property Manager's written request, a certification of annual income and household size along with verification documentation. In order to verify Tenant's certification of annual income and household size, the PACT Partner and/or the PACT Property Manager may require Tenant to provide, and Tenant agrees to deliver, such documentation as would enable the PACT Partner and/or the PACT Property Manager to verify Tenant's income under the requirements of the PBV Program, including, without limitation, consecutive paystubs, completed federal and state income tax returns, and W-2 and 1099 forms (or their equivalent). If the Tenant fails to provide income documentation within the required time frame, Tenant agrees to pay the Contract Rent for Apartment as listed below.

The Contract Rent Amount is due and payable the first day of each month or at such other day each month as the PACT Partner and/or the PACT Property Manager may decide at the address above or at a location designated by the PACT Partner and/or the PACT Property Manager in writing. Notice from the PACT Partner to Tenant that rent is due is not required. The rent must be paid in full without deductions. The Tenant shall tender

his/her/their portion of the rent by check or money order or as otherwise accepted by the PACT Partner and/or the PACT Property Manager (which may include rent paid directly to the PACT Partner on the Tenant's behalf by public assistance, and will be accepted in accordance with the public assistance payment schedule).

CONTRACT	RENT	FOR	APARTMENT:	The
initial contract	rent sha	all be \$		

c. The PACT Partner, in consideration of the rent herein paid and Tenant's undertaking to comply with the Tenant's obligations in this Lease and with all of the rules and regulations of the PACT Partner, hereby leases to the Tenant and the Tenant hereby rents from the PACT Partner the Leased Premises for the Term specified above.

3. USE AND OCCUPANCY OF LEASED PREMISES:

The Leased Premises shall be the Tenant's only residence and except as otherwise permitted herein shall be used solely as a residence for the Tenant and the members of the Tenant's household (i.e., those members that were authorized members of the public housing household at the time of conversion or named in the signed application for Section 8 post conversion) who remain in continuous occupancy since the inception of the tenancy, since birth or adoption, or since authorization by the PACT Partner and/or the PACT Property Manager and NYCHA. The members of the Tenant's household as authorized by the PACT Partner and/or the PACT Property Manager and NYCHA are listed below. The Tenant shall obtain the prior written consent of the PACT Property Manager, or such PACT Property Manager 's designee and NYCHA, before allowing any person to reside in the Leased Premises.

The Tenant and the members of the Tenant's household listed below shall have the right to exclusive use and occupancy of the Leased Premises:

Name:	Relation to Tenant:		

- b. The Tenant shall use the Leased Premises as a residential dwelling for the Tenant and the Tenant's household as identified in Paragraph 3a above, or subsequently authorized by the PACT Partner and/or the PACT Property Manager and NYCHA, and shall not use the Leased Premises or permit its use for any other purpose, except that the Tenant and authorized members of the Tenant's household may engage in legal profitmaking activities incidental to the primary use of the Leased Premises as a residence for Tenant and authorized members of the Tenant's household.
- **4. ADDED CHARGES**: Tenant may be required to pay other charges and fees to the PACT Partner under the terms of this Lease as set forth in the "**House Rules**" as defined below. These other charges and fees are called "**added charges**" and are:
- In the event of damage to the Leased Premises or to fixtures beyond normal wear and tear, or in the event misuse of equipment results in additional maintenance costs, the Tenant shall pay the cost of labor and material for repair and for additional maintenance as set forth in a schedule to be posted by the PACT Partner and/or the PACT Property Manager pursuant to Paragraph 5 of this Lease. The Tenant shall also pay according to such schedule for damage to the common areas committed by any member of the Tenant's household. In the event that the damage is incapable of appraisal in advance, the Tenant agrees to pay the cost of labor and material actually expended for such repair. The Tenant may also be charged for consumption of excess utilities, consumed in performance of such repairs.
- b. The Tenant shall pay as damages such reasonable charge or fee as is imposed by the PACT Partner and/or the PACT Property Manager for extra services required by reason of any violation by the Tenant or any member of the Tenant's household of any rule or regulation established by the PACT Partner and/or the PACT Property Manager for the proper administration of the Development, the protection of the PACT Partner's and/or the PACT Property Manager's property and employees or the safety and convenience of other residents (the "House Rules").
- c. The Tenant shall pay reasonable charges for the repair of damages to the PACT Partner owned appliances, other than for ordinary wear and tear, or to the Development, including damages to Development buildings, facilities or common areas,

- caused by the Tenant or the Tenant's household or guests.
- In addition to the foregoing charges, the Tenant shall pay (i) such charges as may be hereafter imposed for additional services provided by the PACT Partner and/or the PACT Property Manager at the Tenant's request, (ii) any installation and/or monthly service charge established by the PACT Partner and/or the PACT Property Manager in order to grant permission to the Tenant to install or use appliances enumerated in Paragraph 25 hereof (if applicable; see also Rider L: Appliance Agreement), (iii) any charge hereafter imposed by the PACT Partner and/or the PACT Property Manager for the provision of utilities such as gas or electricity (if applicable; see paragraph 8), (iv) the cost of replacing equipment lost by the Tenant or damaged beyond ordinary wear and tear, and (v) such charges as may be hereafter imposed by the PACT Partner and/or the PACT Property Manager regarding dishonored checks.
- e. Except in the case of a written agreement between the PACT Partner and/or the PACT Property Manager and Tenant which may otherwise provide, any charge assessed under the foregoing sub-paragraphs under this Paragraph 4 shall become due and collectible on the first day of the second month following the month in which said charge is made. If not paid the added charges set forth above shall be collectible in any court having jurisdiction thereof.

5. CHANGES TO LEASE, SCHEDULES, POLICIES, RULES AND REGULATIONS:

- a. The PACT Partner and/or the PACT Property Manager may not modify this Lease without the prior written consent of NYCHA. The PACT Partner and/or the PACT Property Manager shall give at least 30 days' prior written notice to the Tenant of any proposed modification. Such notice shall set forth the proposed modification and the reason therefor, indicate that the proposed modification is subject to NYCHA's prior written consent, and shall provide the Tenant an opportunity to present written comments (which notice and any comments shall be provided by the PACT Partner and/or the PACT Property Manager to NYCHA). Such notice shall be provided in the same manner set forth in Section 5(b) below.
- b. Schedules of added charges for services, equipment, repairs and utilities, rules and regulations, policies, House Rules and all items

specifically herein required to be posted shall be publicly posted in a conspicuous manner in the Management Office and in a prominent location in each building, and shall be furnished to the Tenant on request. The PACT Partner and/or the PACT Property Manager may not modify such schedules, policies, rules and regulations without the prior written consent of NYCHA. The PACT Partner and/or the PACT Property Manager shall give at least 30 days' prior written notice to the Tenant of any proposed modification. Such notice shall set forth the proposed modification and the reason therefor, indicate that the proposed modification is subject to NYCHA's prior written consent, and shall provide the Tenant an opportunity to present written comments (which notice and any comments shall be provided by the PACT Partner and/or the PACT Property Manager to NYCHA). A copy of such notice of any such proposed modification shall be

- i. delivered directly or mailed to the Tenant; or
- ii. posted in at least 3 conspicuous places within the building in which the Leased Premises are located, as well as in a conspicuous place in the Management Office.

6. SECURITY DEPOSIT:

- a. <u>At Initial Conversion</u>: The balance of any security deposit currently held by NYCHA for you shall be transferred to the PACT Partner and you will not be required to pay any additional security, even if you transfer to another unit at this Development.
- b. <u>After Initial Conversion</u>: If you are a new Tenant, any required security deposit is limited to the lesser of (i) one month of the Tenant's portion of the rent in the amount of \$_______, and (ii) the Contract Rent.
- c. If required by law, the amount held as the security deposit will be held in an account bearing interest at the banking institution's prevailing rate. An annual payment of accrued interest will be made by the banking institution to the Tenant, less 1% interest of the security on deposit, to be tendered by the banking institution to the PACT Partner. The PACT Partner may use or apply all or any part of the deposit as may be required to pay for damage to the Leased Premises during the term of this Lease. If Tenant carries out all of Tenant's obligations under this Lease, and if the Leased Premises is returned to the PACT Partner at the expiration of the lease term in the same condition as when rented by Tenant,

ordinary wear and tear excepted, Tenant's security deposit will be returned in full to Tenant, with accrued interest thereon, within fourteen (14) days of Tenant vacating. Tenant shall not use the security deposit to pay the last month's rent of the Lease term. The PACT Partner may use the security deposit in full or in part, if necessary, as may be permitted by law.

- 7. SUBLETTING/ASSIGNMENT: Tenant shall neither assign the Leased Premises in whole or in part nor sublet the Leased Premises in whole or in part without the written consent of the PACT Partner, nor permit anyone not specifically indicated in this Lease to occupy the Leased Premises. A sublet or assignment without consent shall constitute a breach of a substantial obligation of this Lease.
- **8. SERVICES**: The following services and utilities are the responsibility of (boxes to be checked by the PACT Partner before signing):

PACT Partner: Heat Hot water Gas
☐ Electricity ☐ Other
Tenant: ☐ Heat ☐ Hot water ☐ Gas ☐ Electricity
☐ Other

- **9. PACT PARTNER'S INABILITY TO PROVIDE SERVICE:** If the PACT Partner is unable to provide certain services as a result of circumstances which are not the fault of the PACT Partner, Tenant's obligations under this Lease, including the obligation to pay rent, shall remain in effect, except as otherwise permitted by law.
- 10. ACCESS: The PACT Partner and/or the PACT Property Manager, upon reasonable advance notice to the Tenant, shall be permitted to enter the Leased Premises during reasonable hours for the purposes of performing routine inspections and maintenance. making improvements or repairs, or for showing the Leased Premises for re-leasing or to prospective mortgagees. A written statement specifying the purpose of the PACT Partner's or the PACT Property Manager's entry, delivered to Leased Premises at least 2 days before such entry, shall be considered reasonable advance notice. If the Tenant fails to permit such entry to the Leased Premises after such notice has been given, the PACT Partner and/or the PACT Property Manager may enter the Leased Premises at any time thereafter without further notification. The PACT Partner and/or the PACT Property Manager may enter the Leased Premises at any time without prior notice to Tenant

when there is reasonable cause to believe an emergency exists. Failure by Tenant to provide access to the PACT Partner and/or the PACT Property Manager upon reasonable advance notice after a reasonable number of attempts with a minimum of two attempts in a reasonable stated manner is a breach of a substantial obligation of this Lease.

- **11. LIABILITY OF TENANT**: Tenant shall pay all sums incurred by the PACT Partner in the event the PACT Partner is held liable for damages resulting from any act by Tenant.
- 12. FIRE AND CASUALTY DAMAGE: Tenant is required to advise the PACT Partner immediately in the event of fire or other casualty which renders the Leased Premises partially or wholly unfit for occupancy. The PACT Partner shall repair the Lease Premises as soon as possible subject to any delays due to adjustment of insurance claims or any cause not under the PACT Partner's control. If part of the Leased Premises is usable, Tenant must pay rent for the usable part. If the Leased Premises are damaged and the PACT Partner determines that the Leased Premises is beyond repair, the term of this Lease shall end, and Tenant must vacate the Leased Premises. If the fire or casualty was caused by Tenant's actions, the costs of the repairs shall be repaid to the PACT Partner by Tenant as added rent.
- 13. TENANT DEFAULT: In the event Tenant does not comply with any of the obligations of this Lease, creates a nuisance, engages in conduct detrimental to the safety of other tenants, intentionally damages the property, or is disturbing to other tenants, the PACT Partner may terminate the tenancy and Lease in accordance with the termination and grievance procedures set forth in Paragraph 14 herein. Any demand for rent must be made in writing.

14. TERMINATION NOTIFICATION AND GRIEVANCE PROCESS; GOOD CAUSE.

a. <u>Termination Notification</u>. HUD is incorporating additional termination notification requirements to comply with section 6 of the United States Housing Act of 1937 (as may be amended, the "Act") for public housing projects that convert assistance under RAD and to non-RAD PBV units located at the Development. In addition to the regulations at 24 CFR § 983.257, related to the PACT Partner termination of tenancy and eviction, the termination procedure for RAD and non-RAD conversions to PBV will require adequate written

notice of termination of the Lease to Tenants which shall be:

- i. A reasonable period of time, but not to exceed 30 days:
 - 1. If the health or safety of other tenants, the PACT Partner's employees, or persons residing in the immediate vicinity of the Leased Premises is threatened; or
 - 2. In the event of any drug-related or violent criminal activity or any felony conviction;
- ii. At least 14 days in the case of nonpayment of rent; and
- iii. At least 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- b. <u>Grievance Process.</u> Pursuant to the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) and the RAD Notice as amended, HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to subsidy assistance and termination of such assistance, PBV program rules require the public housing agency as contract administrator to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(v), an opportunity for an informal hearing must be given to the Tenant for any dispute that the Tenant may have with respect to a PACT Partner action in accordance with the Tenant's Lease or the contract administrator in accordance with RAD or Non-RAD PBV requirements that adversely affect the Tenant's rights, obligations, welfare, or status.
 - For any hearing required under 24 CFR § 982.555(a)(1)(i)-(v) (which relates to subsidy assistance under Section 8), NYCHA, as the contract administrator, will perform the hearing, as is the current standard in the program. The hearing officer must be

- selected in accordance with 24 CFR §982.555(e)(4)(i).
- For any additional hearings for Tenant to grieve the PACT Partner actions that adversely affect Tenant's rights, obligations, welfare or status under his/her/their Lease, the PACT Partner will perform the hearing.
- ii. An informal hearing will not be required for class grievances or for disputes between residents not involving the PACT Partner or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of Tenants and the PACT Partner or NYCHA as the contract administrator.
- iii. The PACT Partner gives the Tenant notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(v).
- iv. The PACT Partner must provide opportunity for an informal hearing before an eviction.
- c. <u>Good Cause</u>. The PACT Partner cannot terminate this Lease or refuse to renew this Lease except for good cause:
- i. Good cause grounds for termination or nonrenewal of the lease include:
- (A) Serious or repeated violation of the Lease;
- (B) Violation of Federal, State, or local law that imposes obligations on the Tenant in connection with the occupancy or use of the Leased Premises and the Development;
- (C) Criminal activity or alcohol abuse (as provided in sub-paragraph ii below); or
- (D) Other good cause (as provided in sub-paragraph iii below).
 - ii. Criminal Activity or Alcohol Abuse:
- (A) The PACT Partner may terminate the tenancy during the term of the Lease if the Tenant,

- any member of the household, a guest or another person under Tenant's control engages in:
 - (1) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by persons residing in the Development or the immediate vicinity of the Development; or the health or safety of the PACT Partner, the PACT Property Manager and their employees, or persons performing a contract administration function or responsibility on behalf of NYCHA as the Section 8 HAP contract administrator at the Development;
 - (2) Any violent criminal activity on or near the Development; or
 - (3) Any activity drug-related criminal activity on or near the Development.
- (B) The PACT Partner may terminate the tenancy during the term of the Lease if any member of the household is:
 - (1) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
 - (2) Violating a condition of probation or parole under Federal or State law.
- (C) The PACT Partner may terminate the tenancy for criminal activity by a household member in accordance with this section if the PACT Partner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.
- (D) The PACT Partner may terminate the tenancy during the term of the Lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the Development by other residents.
- iii. Other Good Cause for Termination of Tenancy.
- (A) During the initial Lease term, other good cause for termination of tenancy must be something

the Tenant or a member of the Tenant's household did or failed to do.

- (B) During the initial lease term or during any extension term, other good cause includes:
 - (1) Disturbance of neighbors,
 - (2) Destruction of property, or
 - (3) Living or housekeeping habits that cause damage to the Leased Premises or the Development.
- (C) After the initial Lease term, such good cause includes the Tenant's failure to accept the PACT Partner's offer of a new Lease or revision.

15. LEGAL FEES:

In the event either the PACT Partner or Tenant incurs legal fees and/ or court costs in the enforcement of any of the PACT Partner's or Tenant's rights under this Lease or pursuant to law, neither party shall be entitled to the repayment of such legal fees and/or court costs.

- **16. RE-ENTRY**: If Tenant is evicted by legal action, the PACT Partner may enter the Leased Premises without being liable for re-entry and may re-rent the Leased Premises.
- **17. WINDOW CLEANING:** Tenant shall not allow any windows to be cleaned from the outside unless such service is provided by the PACT Partner.
- **18. COMMON AREAS**: Tenant shall not place baby carriages, bicycles or any other property in or on fire escapes, roofs, side-walks, entrances, driveways, elevators, stairways, halls or any other public areas. Public access ways shall be used only for entering and leaving the Leased Premises and the building. Only those elevators and passageways designated by the PACT Partner can be used for deliveries.
- 19. GARBAGE AND REFUSE: Garbage and recyclable items must be brought to the basement or other area designated by the PACT Partner in such a manner that the PACT Partner may direct. Carpets, rugs, or other articles shall not be hung or shaken out of any window or balcony of the building. Tenant shall not sweep or throw or permit to be swept or thrown any dirt, garbage or other substances out of

the windows or into any of the halls, elevators, elevator shafts or any other public areas. Tenant shall not place any articles of refuse outside the Leased Premises or outside the building except in safe containers and only at places designated by the PACT Partner. Tenant shall be liable to Owner for any violations issued to the PACT Partner as a result of Tenant's failure to properly recycle or other violation of law.

20. PETS:

- The PACT Partner shall have a pet policy that (i) at a minimum authorizes for all residents the number and kinds of pets as is currently allowed by NYCHA for its residents, namely registration of one dog or cat under (25) twenty-five pounds with (either full breed or mixed breed) Doberman Pinscher, Pit Bull and Rottweiler specifically prohibited and reasonable quantities of other pets such as small caged birds (parakeets, canaries), fish and small caged animals (hamsters, gerbils, guinea pigs), and (ii) does not charge pet fees in excess of any pet fees charged by NYCHA for its residents. All pets must be maintained in accordance with the NYC Health Code and the House Rules. The PACT Partner does not waive the right to deny or object to any other pet belonging to Tenant or any other Tenant.
- b. If Tenant has a dog or cat legally registered with NYCHA or reasonable quantities of other pets such as small caged birds (such as parakeets, canaries), fish and small caged animals (such as hamsters, gerbils, guinea pigs) as of the date of the conversion of the Development, Tenant shall be permitted to keep such dog or cat or other animals on the Leased Premises.
- c. Assistance Animals: An assistance animal must be registered with the PACT Property Manager before bringing it into the Leased Premises, and documentation setting forth the need for an assistance animal may be required.
- d. In no event shall any dog, cat or other animal be permitted in any elevator or in any public portion of the building unless carried or on a leash. Failure to comply with this provision shall be grounds for termination of the tenancy and Lease.
- 21. SMOKE AND CARBON MONOXIDE ALARMS: Tenant acknowledges that the Leased Premises being rented has smoke and carbon monoxide alarm(s) in proper working order as required by law.

- 22. WINDOW GUARDS: Tenant hereby agrees to notify the PACT Partner if any child who is ten years of age or under occupies the Leased Premises. Tenant shall not install any gate or guard on any window without written permission of the PACT Partner or remove any window guard installed by the PACT Partner. Tenant shall be liable to the PACT Partner for any violations issued to PACT Partner as a result of Tenant's failure to permit PACT Partner to install window guards or for installing any gate or guard on any window in violation of law.
- **23. PEELING PAINT:** Tenant hereby agrees to notify PACT Partner of any paint within the Leased Premises that is peeling, cracking, flaking, blistering or loose in any manner so that PACT Partner may repair such conditions and to notify PACT Partner if a child under six years of age occupies the Leased Premises.
- **24. FACILITIES**: Storeroom, roof access, laundry facilities in the building or television master antenna may be provided by the PACT Partner at the option of the PACT Partner. The PACT Partner may discontinue any or all of the facilities at any time and shall not be liable for any damage, injury or loss from the use or discontinuance of these facilities.

25. ALTERATIONS/CARPETING/

INSTALLATIONS: Tenant may not paste or nail any carpet, tile or linoleum to the floors. Tenant shall not apply wallpaper or other wall covering to the walls or ceilings. When Tenant vacates the Leased Premises, it shall be left painted in the same color as when rented. Tenant shall not install a waterbed, washing machine, dryer, dishwasher, air conditioner, refrigerator, sink, garbage disposal, kitchen cabinets, stove, other mechanical equipment or an external antenna in an apartment or make any other changes, alterations or improvements without the written consent of the PACT Partner.

- **26. DEPOSIT OF RENT**: If the PACT Partner commences legal proceedings against Tenant, Tenant may be required to deposit rent into court. Failure to deposit such rent may result in the entry of a final judgment against Tenant.
- **27. TERRACES AND BALCONIES**: The Leased Premises may have a terrace or balcony. The terms of this Lease apply to the terrace or balcony as if the terrace or balcony is part of the Leased Premises. The PACT Partner may make special rules for the terrace and balcony. The PACT Partner will notify Tenant of such rules. The failure of

Tenant to comply with such rules shall constitute a breach of a substantial obligation of the Lease. Tenant must keep the terrace or balcony in good repair and clean and free from snow, ice, leaves and garbage. No cooking is allowed on the terrace or balcony. Tenant may not keep plants or install a fence or make any addition to the terrace or balcony or use such space for storage purposes. If Tenant does so, the PACT Partner has the right to remove them and store them at Tenant's expense.

- **28. BATHROOM** AND PLUMBING FIXTURES: The bathrooms, toilets, wash closets and plumbing fixtures shall be used only for the purposes for which they were designed or built; sweepings, rubbish bags, acids or other substances shall not be placed in them, nor shall any bathroom ventilation fans be obstructed.
- **29. LAUNDRY**: Laundry machines, if any, provided by the PACT Partner, shall be used by Tenant in the manner and at the times that the PACT Partner may designate. Tenant shall not dry or air clothes on the roof or any other public area, or on the terrace or balcony, if any. Tenant may use laundry machines, if any, at their own risk.
- **30. OBJECTIONABLE CONDUCT:** Tenant, their families, guests, employees, or visitors shall not engage in any conduct which makes the Leased Premises or building less fit to live in for Tenant or other occupants. Tenant shall not make or permit any disturbing noises in the Leased Premises or building or permit anything to be done that will interfere with the rights, comfort or convenience of other occupants of the building.
- **31. NO PROJECTIONS**: Tenant may not install or cause to be installed anything on the roof or outside wall of the building or any balcony, terrace, or window, or common areas. Satellite dishes shall not be installed except in accordance with law and with the PACT Partner's written permission.
- **32. MOVING:** Tenant can use the elevator to move furniture and possessions only on designated days and at designated hours. The PACT Partner shall not be liable for any costs, expenses or damages incurred by Tenant in moving because of delays caused by unavailability of the elevator. Tenant shall be liable for any damage caused to the building or the Leased Premises during such move.
- **33. END OF TERM**: At the end of the Lease term, Tenant shall leave the Leased Premises clean and in good order, reasonable wear and tear excepted.

Tenant shall remove all of Tenant's personal possessions from the Leased Premises after Tenant has vacated. If any property remains in the Leased Premises at the expiration of the term, it will be deemed by the PACT Partner to be abandoned property which the PACT Partner may discard or sell. Tenant agrees to pay any expenses incurred by the PACT Partner as a result of the PACT Partner's disposition of said property.

34. JURISDICTION. Tenant consents to the jurisdiction of the Housing Court and all other courts in the City and State of New York. Tenant expressly represents that in the event a judgment is obtained against him or her, the PACT Partner may enforce the judgment against any property or assets of Tenant, wherever they are located.

35. MILITARY STATUS:

- ☐ Tenant represents that he or she or they is in the United States military or is dependent upon a member of the United States military.
- ☐ Tenant represents that he or she or they is *not* in the United States military and is *not* dependent upon a member of the United States military. Tenant shall notify the PACT Partner within ten days of enlistment in the military.

The above response is for informational purposes only and is intended to protect Tenants who are in or may enter into military service.

- **36. PARTIES BOUND:** This Lease agreement is binding on the PACT Partner and Tenant, and on all those who claim a right, or have a right, to succeed to the legal interest of the PACT Partner or Tenant.
- **37. FORMS:** Tenant agrees to complete any and all forms that may be requested by the PACT Partner from time to time as are necessary for the operation of the Development, related subsidy, or financing thereof, or as otherwise mandated by the PACT Partner's lenders, NYCHA or law.
- **38. SUBORDINATION:** The rights of Tenant, including all rights granted under the terms of this Lease, are and shall be subject to and subordinate to the terms of any mortgage on the building or the land under the building which now exists, or building which may hereafter exist. The foregoing shall include but not be limited to any modification, consolidation or extension agreement of any existing mortgage on the land or building.

39. SINGULAR/PLURAL and **JOINT** /**SEVERAL**: The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires. If more than one person is signing the Lease, their obligations shall be joint and several.

40. CONDEMNATION/EMINENT DOMAIN:

If the building, or any part of the building, is taken or condemned by a public authority or government agency, this Lease will end on the date of such taking. In such event, Tenant will have no claim for damages against the PACT Partner based upon such taking, and Tenant will be required to surrender the Leased Premises to the PACT Partner upon 30 days' written notice from the PACT Partner to Tenant of such government taking.

41. CONSTRUCTION/CONVENIENCE:

Neighboring buildings may be the subject of construction, renovation or demolition. The PACT Partner will not be liable to Tenant nor shall Tenant seek to hold the PACT Partner liable for interference with views, light, air flow, or ventilation, the covenant of quiet enjoyment, or breach of the warranty of habitability, whether such interference is temporary or permanent, if such interference results from activities conducted on adjoining properties.

- **42. NO WAIVER:** The failure of the PACT Partner to insist at any time upon strict performance of any clause in this Lease shall not be construed as a waiver of the PACT Partner's rights. No waiver by the PACT Partner of any provision of this Lease can be made unless made in writing by the PACT Partner. Acceptance of rent by the PACT Partner with knowledge of the breach of any condition or term of this Lease is not a waiver of the breach.
- 43. RENEWAL: The "Term" of the Lease, defined as the period between the "Beginning" and the "Ending" dates described in the Lease, shall be automatically renewable following the Ending date, unless otherwise terminated, for terms of twelve (12) months, each 12-month term terminating at midnight on the last day of the 12th month. Notwithstanding the foregoing, this Lease shall automatically renew for successive definite terms, subject to the PACT Partner being able to terminate the Lease for good cause as set forth in Paragraph 14c.
- **44. NOTICES**: All notices, which include bills and/or other statements with respect to this Lease, must be in writing. Notices to Tenant shall be sent

to Tenant at the Leased Premises by regular mail except that any notice alleging failure to comply with any terms of this Lease shall be sent by certified mail. Notices to the PACT Partner shall be sent to the PACT Partner by certified mail to the address on this Lease, or to such other address as the PACT Partner shall advise Tenant in writing. Notices will be considered delivered five (5) consecutive days from the date mailed.

45. THIS LEASED PREMISES IS NOT SUBJECT TO RENT STABILIZATION: It is expressly understood that the Leased Premises which is the subject of this Lease is not subject to the Rent Stabilization Law.

46. VIOLENCE AGAINST WOMEN ACT PROVISIONS ("VAWA"):

- a. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as a serious or repeated violation of the Lease by the victim or threatened victim of that violence, and will not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.
- b. Criminal activity directly relating to abuse, engaged in by a member of the Tenant's household or any guest or other person under the Tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the Tenant or an immediate member of the Tenant's family is the victim or threatened victim of domestic violence, dating violence, sexual assault, or stalking.
- Notwithstanding any restrictions admission, occupancy or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, the PACT Partner and/or Managing Agent may "bifurcate" a lease, or otherwise remove a household member from a lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is the Tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence who is also the Tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the

termination of leases or assistance under the PACT Program.

- d. Nothing in this section may be construed to limit the authority of the PACT Partner and/or Managing Agent, when notified, to honor court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up.
- e. Nothing in this section limits any otherwise available authority of the PACT Partner and/or Managing Agent to evict the Tenant or terminate assistant to the Tenant for any violation of the Lease not premised on the act or acts of violence in question against the Tenant or a member of the Tenant's household, provided that the PACT Partner and/or Managing Agent does not subject an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.
- f. Nothing in this section may be construed to limit the PACT Partner and/or Managing Agent's authority to terminate the tenancy of, or terminate assistance to, any Tenant if the PACT Partner and/or Managing Agent can demonstrate an actual and imminent threat to other tenants, to the PACT Partner and/or Managing Agent's employees, or to those providing service to the Leased Premises if the Tenant is not evicted or terminated from assistance.
- g. Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault, or stalking.
- 47. FALSE INFORMATION; FAILURE TO CERTIFY: In addition to any other rights available to NYCHA, if the Tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or composition or other factors considered in calculating the Tenant's Portion of the Rent, and as a result pays a Tenant's Portion of the Rent that is less than the amount required by HUD's or NYCHA's rent formulas, the Tenant agrees to reimburse NYCHA for the difference between the Tenant's Portion of the Rent she/he/they should have paid and the portion of the rent she/he/they was actually charged. The Tenant

is not required to reimburse NYCHA for undercharges caused solely by NYCHA's failure to follow HUD's procedures for computing contract rent or monthly housing assistance payments.

- **48. ENTIRE AGREEMENT:** The PACT Partner and Tenant have read this Lease and agree that it and the Riders set forth below contain the entire understanding of the parties regarding the rental of the subject Leased Premises. The Lease can only be changed in writing. The writing must be signed by both the PACT Partner and Tenant.
- **49. RIDERS**: The following Riders are attached to and are part of this lease:
 - a. Window Guard Notice;
 - b. Lead-Based Paint Development Disclosure Summary
 - c. Lead Paint Hazards in the Home (Sp. and Eng.)
 - d. Lease/Commencement Occupancy Notice for Prevention of Lead-Based Paint Hazards Regarding Child;
 - e. PACT Residential Lease Rider;
 - f. PACT Residential Lease Rider for Tenant-Based Section 8 Participants (check here if applicable__);
 - g. Rider for Tax-Exempt Bond Financing (check here if applicable __);
 - h. Tenancy Addendum Section 8 Project Based Voucher Program HUD-52530-c (check here if applicable __);
 - i. Tenancy Addendum Section 8 Tenant Based Voucher Program HUD-52641-a (check here if applicable __);
 - j. Rental Calculation Election Form (check here if applicable ____);
 - k. Indoor Allergens Hazards Form; and
 - l. Appliance Agreement (check here if applicable ____)

To the extent any provisions of the Riders conflict with any other provisions in the Lease, the provisions of the Riders shall prevail. Any other terms in the Lease not in conflict with the provisions of the Riders remain in full force and effect.

50. SEVERABILITY: In the event that any provision of this Lease shall violate any requirement of law, then such provision shall be deemed void, the applicable provision of law shall be deemed substituted, and all other provisions of this Lease shall remain in full force and effect.

51. SPRINKLER SYSTEM. The Leased Premises do not have a maintained and operative sprinkler system unless indicated below:

The Leased Premises have a maintained and operative sprinkler system. The last date of maintenance and inspection was:

52. SMOKING POLICY:

The PACT Partner has adopted a Smoke-Free Policy prohibiting tobacco and marijuana smoking in restricted areas. Smoking means inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe (hookah), or any similar form of lighted object or device containing tobacco or marijuana. Restricted areas include, but are not limited to, the Leased Premises and all interior areas of the Development, or to the property boundary where that boundary is less than 25 feet from the property line of a development building. The Tenant, any member of the household, a guest, or another person under the Tenant's control must comply with the Smoke-Free Policy. The PACT Partner's adoption of the requirements in this paragraph 52 does not make the PACT Partner a guarantor of the Tenant's or any other resident's health or of the smoke-free condition of restricted areas. PACT Partner specifically disclaims any implied or express warranties that the Leased Premises will have higher or improved air quality or will be free from secondhand smoke. PACT Partner will take reasonable steps to enforce the requirements of this paragraph 52 utilizing a graduated enforcement policy, to be consistent with NYCHA's Smoke-Free Policy.

53. ELECTRONIC SIGNATURE.

- a. Any electronic signature shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law, including the Federal <u>Electronic Signatures</u> in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state law based on the Uniform Electronic Transactions Act, and the parties hereby waive any objection to the contrary.
- b. The PACT Partner, Managing Agent and Tenant each acknowledge and agree that this Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation,

"electronic signature" shall include faxed versions of an original signature or electronic signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature or electronic signature.

If any part of this Lease is determined to be invalid, the remaining provisions of the Lease will remain valid and in full force and effect.

PACT Partner/Agent (on behalf of PACT Partner) Date	Tenant	Date	
	Tenant	Date	

LEASE AND RIDER TRANSLATION

Translation of this lease and riders are available at [insert appropriate location]. PACT Partner is providing the translation for your information only. Please sign the English language version of the lease and riders.

¹ Translations to be made available in Spanish, Russian, simplified Chinese, traditional Chinese, and any other language necessary based on the needs of the development.