

## **WHAT ARE THE STEPS AN OWNER MUST TAKE TO RENEW THEIR HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT ?**

- Owners and agents must review the *Section 8 Renewal Policy, Guidance for the Renewal of Project-Based Section 8 Contracts*. This guidebook outlines the requirements of the Multifamily Assisted Housing and Affordability Act of 1997 (MAHRAA) and subsequent federal legislation. All expiring HAP contracts must be renewed or terminated as specified by the guidebook.

Note: HUD only provides updates to the guidebook on their web page. Owners and agents are advised to check the web page prior to beginning the renewal process to ensure they submit all required documentation and utilize the current forms.

- Owners must give a one-year written notice to tenants of their intention to renew or not renew the contract. Notice must be given one year in advance of every contract expiration, *i.e.*, owners who renew for one year terms must give notice of their intent every year. Chapter 11 of the renewal guidebook details the notice requirements and provides sample notification letters.
- Owners who intend to renew under an option that requires a rent comparability study (RCS) should investigate the availability of qualified appraisers in their area. It often takes several months to obtain an RCS, and if it is not delivered to the owner in time for submission with the renewal package, the renewal process may be delayed. An RCS generally has a life of 5 years; a new RCS must be commissioned in order to renew after the 5 year period.
- Owners select the renewal option they wish to implement. The requirements for each option are described in the guidebook. Attachment 3 A-1 in the guidebook contains renewal instructions and a worksheet for each option. The owner must complete
  - A contract renewal request form, Attachment 3 A-2,
  - A renewal worksheet for the option selected,
  - An OCAF Rent Adjustment Worksheet, Attachment 3 B, or a budget based rent adjustment as described in Chapter 7 of handbook 4350.1 REV 1.
  - Any other documentation required for the option selected
- Owners submit the complete renewal package to WAHC at least 120 days in advance of the expiration date of the contract. If the renewal package is received with fewer than 120 days to process it, it is likely that HAP voucher payments will be delayed until the new contract is in place.