

MAHRA, will, at subsequent renewal, be renewed under any option that the contract is eligible for at the time of renewal. The Owner should follow procedures in place at time of renewal and submit the contract Renewal Request Form and OCAF Rent Adjustment Worksheet, Form HUD 9625, found at Attachment 3 of this guide to the PM/CA for processing.

- C. Rent Adjustments. Annual adjustments to contract rents that occur during the term of a multi-year Section 524 contract are called rent adjustments. These adjustments may be by application of the published OCAF or, if applicable, by a budget-basis subject to HUD's approval.
- D. The RCS. A RCS that is submitted at initial renewal will be considered valid for five years. It establishes the market rent for renewals of staged contracts and can be used for the initial renewal of any expiring contracts that were not combined (see Section 2-5 below) that will expire during the five year life cycle of the RCS. In order to take advantage of this opportunity, the original RCS must include all of the Section 8 units in the project. The cost of this RCS is an eligible project expense.

Owner Options

Section 2-2

- A. Six Owner Options. At the time of the initial renewal, Owners may choose among any of the following renewal options for which the project is eligible:
1. Option One is Mark-Up-To-Market;
 2. Option Two is renewal with existing rents adjusted by OCAF or on the basis of a budget when rents under the expiring contract are at or below market;
 3. Option Three is referral to OMHAR for processing because the contract has rents greater than market and is subject to an FHA-insured or HUD-held mortgage;
 4. Option Four is renewal of contracts for "exception" projects, which are exempt from debt-restructuring pursuant to 514(h) of MAHRA or are an "eligible multifamily housing project" as defined in section 512(2) of MAHRA;

5. Option Five is the renewal of contracts for Portfolio Reengineering Demonstration or Preservation projects; and
6. Option Six is to opt-out of the Section 8 contract.