

## CHAPTER 4. LEASE AGREEMENTS

## Section 1. Supportive Services

(RESERVED)

## Section 2. General

- 4-1. GENERAL. The lease agreement must reflect certain HUD required language and agreement between project owner and tenant. For details on what is required in the lease agreement, refer to HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs.
- 4-2. MANDATORY MEALS. Prior to April 1, 1987, HUD-assisted projects for elderly and handicapped persons were required to participate in a mandatory meals program. Subsequent to April 1, 1987, HUD no longer approves mandatory meals programs. However, an owner may require as a condition of occupancy that tenants (unless exempted) must purchase one or more meals as approved by HUD. The project owner and each prospective tenant must review the meals agreement before signing. The meals agreement will become part of the lease. For additional instructions and discussion of mandatory meals, refer to HUD Handbook 4350.1, Chapter 31.
- A. LEASE PROVISIONS. The meals agreement must reference 24 CFR Part 278, and disclose and explain the following obligations:
1. Statement that the tenant's participation in the mandatory meals program is a condition of occupancy, and state the number of meals the tenant is required to purchase.
  2. Duration of the meals agreement.
  3. Charges for meals effective on the date the agreement is signed.
  4. Exemptions an owner can grant to a tenant.
  5. Statement that failure to comply with these obligations will be a violation of the lease and cause for eviction in accordance with the lease.

- B. CHARGES FOR MANDATORY MEALS are limited to those approved by the HUD Field Office. Any increase in charges must be approved by the HUD Field office in advance. The project owner must provide the tenants

with a 30-day advance notice of an approved increase in the cost of the meal.

4-3. MANDATORY MEALS INCOME. Income from the meals cannot be used to subsidize other project costs. Likewise, project rental income (including assistance payments) cannot be used to subsidize the costs of food and its preparation. Project owners must establish and maintain separate accounting records to show meals expenses and account balances directly related to the Mandatory Meals Operations. Tenant charges for the meals must be separated from rent, and accounted for as a separate revenue item in the project's system of accounts. If the meals program achieved an operating surplus at the end of a project's fiscal year, the project owner must use the funds to either:

- A. OFFSET PREVIOUS YEAR'S OPERATING DEFICITS created by the meals program (this can include all previous years).
- B. OFFSET INCREASES IN MEALS CHARGES which are projected for the upcoming fiscal year.
- C. REDUCE MEALS CHARGES for the next fiscal year.

4-4. PET OWNERSHIP. A project owner of HUD-assisted housing for elderly or handicapped persons may not discriminate against prospective tenants in connection with admission nor against current tenants because a person owns or keeps a common household pet in their dwelling unit. For further instructions and information regarding pet ownership in HUD-assisted projects, refer to HUD Handbook 4350.1, Chapter 32.

A. LEASE PROVISIONS. The lease for each tenant who is admitted to the project must contain the lease provisions in Paragraph 4-4.A.2. below. If the tenant is a pet owner, the lease shall contain lease provisions in Paragraphs 4-4.A.2. and 4-4.A.3. below.

1. Pet Provisions in the Lease

- a. Statement that animals used to assist handicapped persons are excluded from the requirements of the pet rules.

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- b. Statement that tenants are permitted to keep common household pets in their dwelling units in accordance with the pet rule.
- c. Addendum to the lease listing the current pet rules and any proposed amendment to existing rules.

- d. Statement that the tenant agrees to comply with these rules and that a violation of any of these rules may be grounds for removal of a pet or termination of the pet owner's tenancy.
2. Lease Provisions for Inspections
- a. The leases may state that an owner/agent may after reasonable notice to the tenant and during reasonable hours, enter and inspect a tenant's dwelling unit.
  - b. The lease shall permit entry related to pet ownership inspection only if the owner/agent has received signed written complaints; owner/agent has reasonable grounds to believe that the conduct or condition of a pet in the dwelling unit constitutes a nuisance or a threat to health or safety; or the pet constitutes a nuisance or a threat to the occupants of the project or other persons in the community where the project is located.
3. Nuisance or Threat to Health and Safety. A project owner may place a provision in the lease which allows the removal of a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenancy of the project. If there are no State or local laws to remove a pet, the lease may contain the following:
- a. A provision to permit an owner to enter the premises, remove a pet and place the pet in a facility that will provide care and shelter for a period not to exceed 30 days. The cost of the animal care facility can be paid as provided in HUD Handbook 4350.1, Chapter 32, or

- b. A provision that permits an owner to enter the premises and remove the pet after i) an owner requests an immediate removal of a pet from the project and the pet owner refuses to do so, or ii) if an owner is unable to contact the pet owner to make a removal request.

NOTE: A lease may not contain provisions that

relieve an owner from liability for wrongful removal of a pet.

- B. SECURITY DEPOSITS FOR PETS. The house pet rules may require tenants who own or keep cats or dogs in their units to pay a refundable pet deposit. Pet deposits must not exceed \$300.00. This amount was set by publication of a notice in the Federal Register by HUD and may change periodically with future publications. For the correct amount of deposit, refer to HUD Handbook 4350.1. Chapter 32.