Katrina Disaster Rent Subsidy Contract
Katrina Disaster Housing Assistance Program

Instructions for use of Katrina Disaster Rent Subsidy Contract

This Katrina Disaster Rent Subsidy (KDRS) contract is used to provide rent subsidy payments and a security deposit assistance payment under the Katrina Disaster Housing Assistance Program (KDHAP). The KDHAP is an initiative between the Federal Emergency Management Agency and the Department of Housing and Urban Development (HUD) to assist certain families displaced by Hurricane Katrina in obtaining temporary housing for a period not to exceed 18 months.

The KDHAP is administered by public housing agencies (PHAs) that are currently administering a housing choice voucher program. The KDRS contract is an agreement between the PHA and the owner of a unit occupied by an assisted family. The KDRS contract has three parts:
Part A: Contract information (fill-ins)
Part B: Body of contract
Part C: Lease addendum

Use of this form

Use of this KDRS contract is required by HUD. Modification of the KDRS contract is not permitted. The KDRS contract must be word-for-word in the form prescribed by HUD. However, the PHA may add the following:
Language that defines when the rent subsidy 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 KDRS contract.

To prepare the KDRS contract, fill in all contract information in Part A of the contract. Part A must then be executed by the owner.
**Part A of the KDRS Contract: Contract Information**
(To prepare the contract, fill out all contract information in Part A.)

1. **Contents of Contract**
   This KDRS contract has three parts:
   - Part A: Contract Information
   - Part B: Body of Contract
   - Part C: Lease Addendum

2. **Tenant**

3. **Contract Unit**

4. **Family**
   The following persons may reside in the unit. Other persons may not reside in the unit without prior written approval of the owner and the PHA.

5. **Initial Lease Term**
   The initial lease term begins on (mm/dd/yyyy): _______________
   The initial lease term ends on (mm/dd/yyyy): _______________

6. **Initial Lease Rent**
   The initial lease rent is: $ __________
   During the initial lease term, the owner may not raise the monthly rent.

7. **Initial Rent Subsidy Payment**
   The KDRS contract term commences on the first day of the initial lease term. At the beginning of the KDRS contract term, the amount of the rent subsidy payment by the PHA to the owner is $ __________ per month.

   The amount of the monthly rent subsidy payment by the PHA to the owner is subject to change during the KDRS contract term in accordance with HUD requirements.

8. **Security Deposit Assistance**
   The amount of the security deposit charged by the owner is $ __________. The amount of the security deposit assistance payment by the PHA to the owner is $ __________. The security deposit assistance payment must be determined in accordance with HUD requirements.
9. **Utilities and Appliances**
The owner shall provide or pay for the utilities and appliances indicated below by an “O”. The tenant shall provide or pay for the utilities and appliances indicated below by a “T”. Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

<table>
<thead>
<tr>
<th>Utility/Appliance</th>
<th>Provided by/Paid by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Sewer</td>
<td></td>
</tr>
<tr>
<td>Trash Collection</td>
<td></td>
</tr>
<tr>
<td>Refrigerator</td>
<td></td>
</tr>
<tr>
<td>Range/Microwave</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

**Signatures:**

**Public Housing Agency**

Print or Type Name of PHA

Signature

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

**Owner**

Print or Type Name of Owner

Signature

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

**Mail Payments to:**

Name

Address (Street, City, State, Zip)

Page 3 of 11
Part B of KDRS Contract: Body of Contract

1. Purpose
   a. This is a KDRS contract between the PHA and the owner. The KDRS contract is entered into in order to provide assistance for the family under the KDHAP.
   b. The KDRS contract only applies to the family and contract unit specified in Part A of the KDRS contract.
   c. During the KDRS contract term, the PHA will pay rent subsidy payments to the owner in accordance with the KDRS contract.
   d. The family will reside in the contract unit with assistance under the KDHAP. The rent subsidy payments by the PHA assist the tenant to lease the contract unit from the owner for occupancy by the family.
   e. The PHA will also provide security deposit assistance in accordance with the KDRS contract.

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 KDHAP.
   b. The PHA has approved leasing of the unit in accordance with requirements of the KDHAP.
   c. The lease for the contract unit must include word-for-word all provisions of the lease addendum required by HUD (Part C of the KDRS 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 lease addendum; and
      (2) The lease is consistent with State and local law.
   e. The initial lease term must be for a period of at least six months. The initial lease term may not exceed one year. After the initial lease term, the lease may provide for automatic renewals or extensions on a month-to-month basis, in accordance with HUD requirements.
   f. If the family is leasing a new unit after receiving KDHAP assistance for more than 12 months, the PHA may allow the family to enter into a lease with a term of less than six months.
   g. The lease term (initial term and any extensions or renewals) may not under any circumstances exceed 18 months.

h. 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), which are HUD’s minimum quality standards for housing assisted under the KDHAP.
   b. 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 rent subsidy payments, abatement or other reduction of rent subsidy payments, termination of rent subsidy payments, and termination of the KDRS 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 rent subsidy 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.
   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 KDRS Contract
   a. Relation to lease term. The term of the KDRS 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 KDRS contract terminates
   (1) The KDRS contract terminates automatically if the lease is terminated by the owner or the tenant.
   (2) The PHA may terminate KDHAP assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates KDHAP assistance for the family, the KDRS contract terminates automatically.
   (3) If the family moves from the contract unit, the KDRS contract terminates automatically.
   (4) The PHA may terminate the KDRS 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 KDRS contract.

7. Rent to Owner: Reasonable Rent
   a. The PHA may not approve a lease until it determines that the initial lease rent is reasonable.
   b. In order to be reasonable, the initial lease rent may not exceed the rents charged for comparable unassisted units in the private market and comparable unassisted units in the premises.
   c. The PHA must also redetermine the reasonable rent before approving any increase in the lease rent.
   d. Reasonable rent determinations must be made in accordance with HUD requirements.

8. PHA Payment to Owner
   a. When paid
      (1) During the term of the KDRS contract, the PHA must make monthly rent subsidy payments to the owner on behalf of the family at the beginning of each month.
      (2) The PHA must pay rent subsidy payments promptly when due to the owner.
      (3) Rent subsidy payments shall only be paid to the owner while the family is residing in the contract unit during the term of the KDRS contract. The PHA shall not pay a rent subsidy payment to the owner for any month after the month when the family moves out. The owner must promptly notify the PHA when the family moves out.
c. **Limit of PHA responsibility**  
   (1) The PHA is only responsible for making rent subsidy payments to the owner in accordance with the KDRS contract and HUD requirements for a tenancy under the KDHAP.  
   (2) The PHA shall not pay any portion of the lease rent in excess of the rent subsidy 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 rent subsidy 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 to the owner under Section 8 Housing Assistance Payments contracts).

9. **Owner Certification**  
   During the term of this KDRS 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 family. The lease includes the lease addendum (Part C of the KDRS contract), and is in accordance with the KDRS contract and KDHAP requirements. The owner has provided the lease to the PHA, including any revisions of the lease.
   c. Except for the lease rent, 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 KDRS contract term.
   d. The family does not own or have any interest in the contract unit.
   e. 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.
   f. 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.

10. **Prohibition of Discrimination**  
   In accordance with applicable equal opportunity statutes, Executive Orders, and regulations:
   a. The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the KDRS contract.
   b. The owner must cooperate with the PHA and HUD in conducting equal opportunity compliance reviews and complaint investigations in connection with the KDRS contract.

11. **Owner’s Breach of KDRS Contract**  
   a. Any of the following actions by the owner (including a principal or other interested party) is a breach of the KDRS contract by the owner:
      (1) If the owner has violated any obligation under the KDRS contract, including the owner’s obligation to maintain the unit in accordance with the HQS.  
      (2) If the owner commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.  
      (3) If the owner engages 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 KDRS 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 KDRS contract include recovery of overpayments, suspension of rent subsidy payments, abatement or other reduction of rent subsidy payments, termination of rent subsidy payments, and termination of the KDRS 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 KDRS contract.

f. The PHA’s exercise or non-exercise of any right or remedy for owner breach of the KDRS contract is not a waiver of the right to exercise that or any other right or remedy at any time.

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

a. The owner must provide any information pertinent to the KDRS 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 KDRS 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.

13. Exclusion of Third Party Rights

a. The family is not a party to or third party beneficiary of Part B of the KDRS 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 lease addendum (Part C of the KDRS contract) against the owner, and may exercise any right or remedy against the owner under the lease 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 KDRS 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 KDRS 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 KDRS contract.

14. 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 KDHAP);
   (2) Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the KHDAP;
   (3) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the KDHAP; 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 KDRS 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 KDRS contract, or at any time during the KDRS 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 KDRS contract or to any benefits which may arise from it.

15. Assignment of the KDRS Contract

a. The owner may not assign the KDRS contract to a new owner without the prior written consent of the PHA.
b. The owner and the PHA must comply with all HUD requirements governing the assignment of KDRS contracts.

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 KDRS contract contains the entire agreement between the owner and the PHA.

b. The KDRS contract shall be interpreted and implemented in accordance with HUD requirements.
Part C of KDRS Contract: Lease Addendum

1. Katrina Disaster Housing Assistance Program
   a. The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the Katrina Disaster Housing Assistance program (KDHAP) administered by the United States Department of Housing and Urban Development (HUD).
   b. The owner has entered into a Katrina Disaster Rent Subsidy contract (KDRS contract) with the PHA under the Katrina Disaster Housing Assistance program. Under the KDRS contract, the PHA will make rent subsidy 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 to by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with all provisions of the KDRS contract and that the lease includes the lease addendum.
   b. The tenant shall have the right to enforce the lease addendum against the owner. If there is any conflict between the lease addendum and any other provisions of the lease, the language of the lease addendum shall control.

3. Use of Contract Unit
   a. During the lease term, the family will reside in the contract unit with assistance under the Katrina Disaster Housing Assistance program.
   b. The composition of the household must be approved by the PHA. The family must promptly inform the PHA if the family composition changes.
   c. The tenant may not sublease or let the unit.
   d. The tenant may not assign the lease or transfer the unit.

4. Lease Rent
   a. The initial lease rent may not exceed the amount approved by the PHA in accordance with HUD requirements.
   b. Changes in the lease rent shall be determined by the provisions of the lease. However, the owner may not raise the rent during the initial term of the lease.
   c. The lease rent may not exceed the reasonable rent for the unit as determined or redetermined by the PHA in accordance with HUD requirements.

5. Family Payment to Owner
   a. The family is responsible for paying the owner any portion of the lease rent that is not covered by the PHA rent subsidy payment.
   b. Each month, the PHA will make a rent subsidy payment to the owner on behalf of the family in accordance with the KDRS contract. The amount of the monthly rent subsidy payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Katrina Disaster Housing Assistance program.
   c. The rent subsidy payment shall be credited against the monthly lease rent for the contract unit.
   d. The tenant is not responsible for paying the portion of lease rent covered by the rent subsidy payment under the KDRS contract between the owner and the PHA. A PHA failure to pay the rent subsidy payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of the PHA rent subsidy 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 lease rent. Lease rent 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 paid by the tenant to the tenant.

6. Other Fees and Charges
   The owner may not charge the tenant extra amounts for items customarily included in lease rent 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 housing quality standards.
      (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: Owner Requirements. The owner may only terminate the tenancy in accordance with the lease, state and local law and HUD requirements.

9. Lease: Relation to KDRS Contract
   If the KDRS contract terminates for any reason, the lease terminates automatically. The maximum term of the lease may at no time exceed eighteen months.

10. 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.

11. Family Move Out
    The tenant must notify the PHA and the owner before the family moves out of the unit.

12. Security Deposit
    a. The owner may collect a security deposit for the rental of the unit. The owner may not collect a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.
    b. The PHA shall make a security deposit assistance payment on behalf of the family. If the security deposit charged by the owner exceeds the security deposit assistance payment, the owner may collect the remaining amount from the tenant.
    c. When the family moves out of the contract unit or the KDHAP assistance ends, 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.
    d. The owner must give the tenant and PHA 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 PHA. Any amount charged by the owner must first be deducted from any amount of security deposit applied to the amount of security deposit collected from the tenant.
    e. If the security deposit (including the security deposit assistance payment) is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

13. Prohibition of Discrimination
    In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status or disability in connection with the lease.

14. Conflict with Other Provisions of Lease
    a. The terms of the lease addendum are prescribed by HUD in accordance with HUD requirements, as a condition for Federal assistance to the tenant and tenant’s family under the Katrina Disaster Housing Assistance program.
b. In case of any conflict between the provisions of the lease 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 lease addendum shall control.

15. Changes in Lease or Rent

a. The tenant and the owner may not make any change in the lease 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 lease addendum.

b. In the following cases, rent subsidy payments shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new KDRS contract with the owner:

(1) 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.

c. PHA approval of the tenancy, and execution of a new KDRS contract, are not required for agreed changes in the lease other than as specified in paragraph b.

d. The owner must notify the PHA and the tenant of any changes in the amount of the lease rent at least thirty days before any such changes go into effect, and the amount of the lease rent 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.

16. Notices

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

17. 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.

KDRS contract. The rent subsidy payments contract between the PHA and the owner. The PHA pays rent subsidy payments to the owner in accordance with the KDRS contract.

Housing quality standards (HQS). The HUD standards for housing assisted under the Katrina Disaster Housing Assistance programs.

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

HUD requirements. HUD requirements for the Katrina Disaster Housing Assistance program. HUD requirements are issued by HUD headquarters, as regulations, contracts, 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 lease addendum prescribed by HUD.

Lease rent. The total monthly rent payable to the owner for the contract unit. The lease rent is the sum of the portion of rent payable by the tenant plus the PHA rent subsidy payment to the owner.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA. Public Housing Agency.

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

Program. The Katrina Disaster Housing Assistance program.

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