

**§ 882.402 Definitions.**

In addition to the definitions set forth in § 882.102, the following will apply:

*Agreement to enter into Housing Assistance Payments Contract ("Agreement").* A written agreement between the Owner and the PHA that, upon satisfactory completion of the rehabilitation in accordance with requirements specified in the Agreement, the PHA will enter into a Housing Assistance Payments Contract with the Owner.

*Eligible Family ("Family").* A family as defined in § 882.102, including all low-income single persons in occupancy prior to execution of the Agreement. (Units occupied by low-income single persons, even if not elderly or handicapped, may be determined eligible in order to prevent displacement.)

*Moderate rehabilitation.* Rehabilitation involving a minimum expenditure of \$1,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

(a) Upgrade to Decent, Safe and Sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below those standards (improvements being of a modest nature and other than routine maintenance); or

(b) Repair or replace major building systems or components in danger of failure.

*Single Room Occupancy (SRO) Housing:* A unit for occupancy by a single eligible individual capable of independent living which does not contain food preparation and/or sanitary facilities in accordance with § 882.109, and is located within a multifamily structure consisting of more than 12 units.

*Statement of Family responsibility.* An agreement, in the form prescribed by HUD, between the PHA and a Family to be assisted under the Program, stating the obligations and responsibilities of the two parties.

**§ 882.403 ACC, housing assistance payments contract, and lease.**

(a) *Maximum Total ACC Commitments.* The maximum total annual contribution that may be contracted for is the total of the Moderate Rehabilitation Fair Market Rents for all the units.

The fee for the costs of PHA administration is payable out of the annual contribution.

(b) *Project account.* (1) A project account will be established and maintained by HUD as a specifically identified and segregated account for each project. The account will contain the sum of the amounts by which the maximum annual commitment exceeds the amount actually paid out for the project under the ACC each year. Payments will be made from this account when needed to cover increases in Contract Rents or decreases in Gross Family Contributions for (i) housing assistance (including vacancy) payments, (ii) the amount of the fee for PHA costs of administration, and (iii) other costs specifically approved by the Secretary.

(2) When a HUD-approved estimate of required payments under the ACC for a fiscal year exceeds the maximum annual commitment, and would cause the amount in the project account to be less than 40 percent of the maximum, HUD will, within a reasonable period of time, take such additional steps authorized by Section 8(c)(6) of the U.S. Housing Act of 1937, as may be necessary, to assure that payments under the ACC will be adequate to cover increases in Contract Rents and decreases in Gross Family Contributions.

(c) *Term of Housing Assistance Payments Contract.* The Contract for any unit rehabilitated in accordance with the Program must be for a term of 15 years.

(d) *Term of Lease.* The initial Lease between the Family and Owner must be for at least one year. Any renewal or extension of the Lease term for any unit must in no case extend beyond the remaining term of the Contract.

**§ 882.404 Housing quality standards.**

In addition to the standards set forth in § 882.109, the following will apply:

(a) *Energy efficiency-performance requirement.* Caulking and weatherstripping are required as energy conserving improvements. Other appropriate energy conserving improvements such as insulation and storm windows must be accomplished by the Owner as part of the rehabilitation under this Program, to the extent that the PHA determines these improvements to be practicable,