

WASHINGTON STATE HOUSING FINANCE COMMISSION
LOW INCOME HOUSING TAX CREDIT LEASE RIDER
(must be attached to Resident's lease)

Property Name: _____

Unit: _____

Applicant/Resident Name: _____

Dear Applicant or Existing Resident:

Summary

The Owner of this property rents residential units under the federal Low-Income Housing Tax Credit (LIHTC) program as administered by the Washington State Housing Finance Commission (the "Commission"). Under the LIHTC program, the Owner can qualify for federal IRS tax credits by renting some or all of the units in the property to low-income households and restricting the rents for those units. In addition, the owner **may** have agreed to reserve some of the units in the property for households or persons with special needs. (See the Special-Needs section below.) This rider was prepared to help residents understand the LIHTC program.

Income and Rent Limits

The Owner has agreed to reserve some or all of this property's units for households at or below 30, 35, 40, 45, 50 or 60% of the area median income. In certain cases, the Owner has also agreed to reserve some units at 20, 70 or 80%. The property manager can provide you with this property's specific income set-asides. Note that the property may not have units available at the lowest income set-asides. The LIHTC program provides rent limits based on a household's income set-aside and number of bedrooms in their unit. The Owner cannot charge more than the LIHTC rent limit for your unit. Ask the property representative for specific information.

Annual Recertification

To be eligible for a rent- and income-restricted unit, all income and assets of every household member must be documented and verified. The property's Owner or their agent will give you the required forms to declare and verify income and assets from all sources. They may also ask you for supporting documentation. The program requires each household to **recertify** or complete a new set of required forms at least once every 12 months.

Since this program involves IRS tax credits, the Commission and everyone involved with this program is under growing pressure to prevent fraud. Your forms must be prepared carefully, with every question answered. Annually, you will be signing a document under penalty of perjury, saying that the information and verifications submitted are correct.

Households who do not properly complete their paperwork **may not** qualify for residency or **may** be required to vacate their income- and rent-restricted unit.

A property that has more than one income/rent limit **can** switch a household to a higher or lower income/rent limit, based on the household's income at recertification. Ask the property representative for specific information.

Full-time Student Households

A household where each member is a full-time student may not qualify for an income- and rent- restricted unit. A household where everyone becomes a full-time student after move-in may no longer qualify for an income- and rent-restricted unit. Your household **must** notify management immediately if your student status changes. **Any** change in student status (for **any** household member) could jeopardize your household's ability to stay in your unit. Ask your property representative for specific information.

Special Needs (if applicable)

The Owner of this property **may** have chosen to reserve some of this property's units for households that have Special Needs. Units could be reserved for households that meet the Commission's criteria for Large Households, Persons with Disabilities, Elderly, Homeless Housing or Farmworkers. Households or individuals applying for one of these Special Needs units will be required to verify their eligibility. Ask your property representative for specific information.

Eventual Tenant Homeownership (ETO) Option (if applicable)

The LIHTC program gives Owners the option to make rental units available to households for purchase as homeownership units after the initial 15-year federal compliance period. If the Owner elected this option in their contract with the Commission, the Owner will provide residents with a lease addendum regarding the ETO and will work with residents to determine their eligibility for homeownership. The Commission does not determine resident homeownership eligibility. A unit is sold by the Owner to the resident. If the Owner determines a resident is not eligible for ETO, then the Owner must continue to rent the unit as a LIHTC unit under current program rules. Please ask your property representative for more information.

Nondiscrimination

The property must comply with federal housing policy governing nondiscrimination and accessibility. In making an apartment available, the Owner **cannot** discriminate against you because of your race, creed, color, sex, national origin, marital status, age, disability or familial status. Furthermore, the Owner **cannot** discriminate against you based on the sources of your income (including Section 8 subsidy), provided the sources of income do not violate any federal, state or local law. Additional state, local laws or ordinances may also apply. When selecting residents, the Owner **cannot** apply standards to a potential resident that are more burdensome than standards applied to any other potential or existing resident.

Good Cause Evictions/Nonrenewals

The Owner is prohibited from evicting you and is prohibited from refusing to renew your lease or rental agreement, other than for "good cause." Generally, good cause shall mean the grounds for termination of tenancy. Such grounds are generally defined in federal regulations at 24 C.F.R. Section 966.4(l)(2) and are applicable except where disallowed by Section 42. These grounds include but are not limited to:

- Failure to make payments due under the lease;
- Criminal activity;
- Discovery after admission of facts that made the tenant ineligible;

- Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income;
- Serious or repeated violations of material terms of the lease.

Any termination or non-renewal notice must state the specific factual violations and grounds for termination. Under federal law, you have the right to enforce this requirement in state court as a defense to any eviction action brought against you.

By signing below, I am/we are indicating I/we have read and discussed the information included in this lease rider. I/we have been given a copy of this lease rider along with my/our lease:

| | | |
|-------------------------------|------------------------------|-------|
| _____ | _____ | _____ |
| Print Applicant/Resident Name | Applicant/Resident Signature | Date |
| _____ | _____ | _____ |
| Print Applicant/Resident Name | Applicant/Resident Signature | Date |
| _____ | _____ | _____ |
| Print Applicant/Resident Name | Applicant/Resident Signature | Date |

My signature below certifies that I explained this form to the applicant/resident and that I have provided them with a copy of this Lease Rider for their records:

| | | |
|------------------------------------|-----------------------------------|-------|
| _____ | _____ | _____ |
| Print Property Representative Name | Property Representative Signature | Date |
| _____ | | |
| Property Contact Information: | | |
| _____ | | |