

CTCAC Section 42
Low Income Housing Tax Credit (LIHTC) Addendum

This Addendum is being attached to, and incorporated by reference in, the Lease Agreement (the "Lease") between the undersigned Landlord and the undersigned Resident(s) for the purpose of modifying certain terms and conditions of the Lease. The parties agree that, if any terms of the Lease and this Addendum are inconsistent, the terms set forth on the Addendum will govern.

1. **Premises ("Property")**: The premises (property) are to be operated in accordance with the requirements of the low-income housing credit program under Section 42 of the Internal Revenue Code of 1986, as amended (the "Program"). Resident's must cooperate with Landlord in verifying their eligibility for this Program. The Program requires that the Property be leased to "Qualified Households" and must meet certain income limitations. The Program also provides for a specific maximum monthly rent, which may be charged for the premise, which is subject to annual adjustment based upon Area Median Income (AMI) as determined by the Department of Housing and Urban Development (HUD). Landlord must be immediately notified if changes occur to the current household status. Resident(s) understand and agree that this Lease may be amended at any time upon thirty (30) days' notice as necessary to ensure compliance with all laws, rules, and regulations governing the Program.
2. **Income Eligibility and Certification**: The Resident must be initially certified for eligibility for the Program and annually thereafter. The Lease and the monthly rent are based upon information provided by the Resident regarding the Resident's household income and assets. Upon request, the Resident must complete the certification process, verification of all income, assets, and other eligibility information. Occupancy is subject to continuing eligibility under the Program requirements. Landlord will contact the Resident approximately 120 days prior to the next effective date to begin processing the necessary documentation for a recertification. It is the Resident's responsibility to cooperate and provide all necessary information for the initial and annual certification process. If at the time there are no original household members in the unit, remaining household members must be certified under the current income limit in order for the unit to determine if the unit retains eligibility.
3. **Income Increases/140% Rule**: The LIHTC program protects annual household income increases without issue up to 140% of the AMI. If the income of the occupants of a qualifying unit increases to more than 140% of the current income limit, the next unit of comparable or smaller size must be occupied by a qualified low-income Resident(s). If the property contains conventional units as well as LIHTC units, the rent on the household over 140% may be increased to market rent and/or other mitigating actions may occur as directed by other funding sources (non-LIHTC).

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4. **Escalation Clause/Utility Allowance**: If the Program increases the maximum amount of rent allowed and/or the utility allowance is changed, Landlord shall have the right to increase the amount of rent and utility allowance up to the maximum allowable rent limit. The increase may occur anytime during the Lease period including the initial lease period, and must be done in accordance with the CTCAC regulations and applicable laws.

5. **Student Status**: The LIHTC Program requires that households comprised entirely of full-time students must meet certain requirements in order for the household to retain its eligibility. If at any time the household becomes comprised of all full-time students or student status changes from part-time to full time, Resident must notify Landlord immediately.

6. **Assignment/Subletting**: Subletting is strictly prohibited. Resident may not sublet or advertise the unit on a hospitality exchange service, such as, but not limited to, Airbnb, Couchsurfing, and Craigslist.

7. **Other Programs**: In addition to the LIHTC Program, the property may have other or additional funding sources (such as HUD Section 8, HOME, USDA-RD, City, County, other State Programs, or private investor funding) that may require additional or more restrictive guidance than the LIHTC program alone. In most instances, it is not a violation of the LIHTC program if the other funding source's requirement is more restrictive than the LIHTC program, but the requirements of the other program do not supersede the requirements of the LIHTC Program.

By signing below, I indicate my understanding of the terms and consent to the provisions of this Lease Addendum:

Tenant/Applicant Name (print)	Signature	Date
Tenant/Applicant Name (print)	Signature	Date
Tenant/Applicant Name (print)	Signature	Date
Tenant/Applicant Name (print)	Signature	Date
Property Representative Name	Signature	Date