



PROGRAM BULLETIN

Date: October 30, 2019

To: Owners & Managing Agents of Low Income Housing Tax Credit (LIHTC) Properties

From: Claribel Shavers, Director of Leased Housing and Resident Services and Michael DiChiaro, Assistant Director of Leased Housing / Asset Management & Compliance

Subject: LIHTC Lease Addendum (one attachment)

Bulletin #: 2019-08

This Program Bulletin is an update to PB 2015- 01 regarding Rhode Island Housing's LIHTC Lease Addendum (the "Addendum"). As you know, the Addendum modifies and supplements the lease with critical, program-specific tenancy provisions. The Addendum becomes an integral part of the lease and remains in effect for as long as the lease is in effect. If an owner and tenant execute a new lease, a new Addendum must be executed as well. Additionally, owner/agents were advised that regardless of the form of lease used, the Addendum was required.

With the publication of the new LIHTC Compliance Manual in March of 2019, owner/agents were advised that the Addendum could no longer be used with the HUD Model Lease, or any HUD lease form without HUD pre-approval.

Understanding that this most recent guidance may have caused some confusion, RIHousing submitted a formal request to HUD and has recently received their approval to utilize the Addendum with the HUD Model Lease.

Therefore, effective immediately the Addendum must be used for all move-ins and initial certifications and for any annual certifications with an effective date of January 1, 2020 or later.

The Addendum is attached to this Program Bulletin for your use. This Addendum is the only version approved by HUD, please do not attempt to change or modify the form.

If you have any questions regarding RIHousing's LIHTC Lease Addendum, please contact Kathleen Millerick, at 401-457-1241 or kmillerick@rihousing.com, or Lenore Coughlin, at 401- 457-1258 or lcoughlin@rihousing.com

**LOW INCOME HOUSING TAX CREDIT
LEASE ADDENDUM**

This Addendum to Lease (“Addendum”), by and between _____ (“Owner”) and _____ (“Tenant”) modifies that lease agreement between Owner and Tenant effective as of _____ (“Lease”) and is incorporated into the Lease for all purposes as if set forth in full therein.

1. Nature of the Tenancy

Tenant acknowledges that the residential unit which is subject to the Lease (the “Premises”) is operated pursuant to the rules and regulations of the Federal Low Income Housing Tax Credit Program (the “Program”), as administered by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”). The Program provides for a specific maximum monthly rent that may be charged for the Premises, which amount is subject to an annual adjustment based upon changes in area median incomes and/or utility allowances, as determined by HUD. The Program also requires that the Premises be leased to “Qualified Households” as defined by Section 42 of the Internal Revenue Code. Qualified Households may not exceed certain income limitations and are subject to household composition and student status requirements. In addition, Owner and Tenant must comply with all Program requirements established by RIHousing

2. Accurate Information on Application

Tenant certifies that all information provided to the Owner as part of the application process, including without limitation, information regarding household composition, student status, annual income and any other eligibility requirements, is complete, true and accurate.

3. Annual Recertification/Requests for Information

Tenant agrees to comply promptly with all requests from the Owner or RIHousing for information deemed necessary to document initial or continuing eligibility for the Program, including without limitation, information regarding household composition, student status, annual income and any other eligibility requirements. Requests for information will be made at least annually.

4. Tenant’s Obligation to Report Changes

Tenant agrees to notify Owner promptly of any material changes in household income, number of persons residing within the Premises, or the enrollment of any member of the household as a full-time student.

5. Good Cause Required for Eviction or Nonrenewal of Lease

Owner may not terminate the tenancy or refuse to renew this Lease except for serious or repeated violation of the terms and conditions of the Lease, for violation of applicable Federal, State, or local law, or for other good cause.

a. Termination For Nonpayment of Rent

To terminate the tenancy for Tenant's nonpayment of rent, Owner must provide written notice to the Tenant specifying the amount of rent that is fifteen (15) or more days in arrears and notifying the Tenant of Owner's intention to commence an eviction action after five (5) days if the arrearage is not cured, as provided in title 34, chapter 18, section 35 of the Rhode Island General Laws.

b. Termination or Nonrenewal for Grounds Other Than Nonpayment

To terminate the tenancy or refuse to renew this Lease for grounds other than nonpayment of rent, the Owner must provide written notice to the Tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy and must comply with all applicable provisions of Rhode Island law. Tenant shall have the right to cure as provided under Rhode Island law in any termination or nonrenewal under this subsection. Tenant may assert the right conferred by this paragraph as a defense to any eviction action brought by Owner.

6. Failure to Provide Eligibility Information or Provision of Inaccurate Information as Grounds for Eviction

Tenant acknowledges that failure or refusal (i) to provide accurate information either prior to entering into the Lease or at any time during the tenancy; (ii) to report changes in income, household composition or student status during the tenancy; or (iii) to comply with a request for information from Owner or RIHousing during the tenancy shall be deemed a serious violation of a material and substantial obligation of the tenancy and shall constitute good cause for termination of the Lease and tenancy.

7. Conflict Between Lease and Addendum

In the event of a conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall control.

8. Superseding Effect

This Addendum shall take effect immediately and supersedes and replaces in its entirety any prior addendum to the Lease that has been entered into by Owner and Tenant.

[signatures on following page]

This Addendum has been executed by the duly authorized representatives of Owner and Tenant.

Owner

By: _____
Name Date
Its: _____
Title

Tenant

By: _____
Name Date
Its: Head of Household

By: _____
Name Date
Its: Co-Head of Household

By: _____
Name Date
Its: Other Household Member

By: _____
Name Date
Its: Other Household Member