

How to complete a lease when using a lower set-aside rent

If your property has more than one set-aside, and a resident is moving in at a set-aside lower than your highest, please complete the lease per supervisor instructions as follows.

Scenario:

Jane House is moving into a one-bedroom unit at 30% set-aside for \$704. Your property has a high set-side of 60%, for which the rent is \$1483.

STEP 1:

- In the **Financial Terms** section, the MONTHLY STATED RENT should be the rent at the highest set-side.
- On the first “Other” line, write in “Rental Discount.”
For the amount of the discount, enter the difference between the high-set aside and the lower set-side you are using. Enter that amount as a *negative*.

(Example: $\$1483 - \$704 = \$779$.
Enter “-779.00” in the amount field.)

Financial Terms	
Monthly Stated Rent	\$ 1,483.00
Other	Rental Discount \$ -779.00
Other	\$ 0.00
Other	\$ 0.00
Other	\$ 0.00
TOTAL MONTHLY CHARGES	
\$ 704.00	

STEP 2:

- On the Tax Credit Lease Addendum, complete the Additional Rental Discounts section by selecting the one option, entering in the number of bedrooms, and listing the highest set-aside rate.

Tax Credit Lease Addendum (C169) Clear All Fields

Additional Rental Discounts

If checked, household has temporarily qualified for additional rental discounts available to lower income households.

For a bedroom apartment at this community

Maximum rental rate (at this time)
\$

Purpose:

This shows the resident that their lower rent is at a discounted rate and allows us to change their set-aside at a later date, if need be.

The final lease will look like this and addendum will look like this:

FINANCIAL TERMS	MONTHLY STATED RENT	\$	1,483.00	ACCOUNTING	RENT DUE AT MOVE IN	DUE 05/01/2024	\$	1,483.00	
	Rental Discount	\$	-779.00		FROM 05/01/2024	THRU 05/31/2024			
	OTHER	\$	0.00		SECOND RENT PAYMENT	DUE 06/01/2024	\$	1,483.00	
	OTHER	\$	0.00		FROM 06/01/2024	THRU 06/30/2024			
	OTHER	\$	0.00		SECURITY DEPOSIT (REFUNDABLE)		\$	0.00	
	TOTAL MONTHLY CHARGES	\$	704.00		ADDITIONAL SECURITY DEPOSIT (PETS, ETC.)		\$	0.00	
	LATE CHARGE: (CHOOSE ONE)	<input checked="" type="checkbox"/>	FLAT FEE OF \$		50.00	PET FEE		\$	0.00
		<input type="checkbox"/>	PER DAY @ \$			NON-REFUNDABLE FEES (DESCRIBE OWNER / AGENT EXPENSE)		\$	
		<input type="checkbox"/>	5% OF STATED RENT EVERY 5 DAYS						
	RETURN CHECK CHARGE:	\$				OTHER MONTHLY CHARGES		\$	-779.00
PRO-RATE METHOD: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C (See #1 on page 2)				<input type="checkbox"/> IF CHECKED, DEPOSITS WILL BE HELD BY OWNER.					
OTHER OCCUPANTS	NAME	DATE OF BIRTH	MAKE/MODEL	STATE	LICENSE PLATE #	MOVE IN ACCOUNTING	RENT	+\$	1,483.00
							DEPOSITS	+\$	
							FEES	+\$	
							OTHER	+\$	-779.00
							PRIOR PAYMENT	-\$	
							EXECUTION DEPOSIT	-\$	
						+\$			
						+\$			
						TOTAL DUE AT MOVE IN	+\$	704.00	

TAX CREDIT LEASE ADDENDUM FOR LIHTC SECTION 42 PROPERTIES

CAMBRIDGE
real estate services

PROPERTY NAME Stony Oaks	PROPERTY #	APARTMENT #	DATE 04/16/2024	LANDLORD CAMBRIDGE REAL ESTATE SERVICES
RESIDENT(S)				

The apartment community in which you reside is operated under a Federal Tax Credit Housing program. This program is designed to provide housing to moderate income individuals and families.

This addendum will be in effect for the duration of the Resident's occupancy in the above Tax Credit Housing Property. By signing this agreement, the above listed Resident(s) acknowledge that they read, understand and agree to the following provisions:

- No less than one time per year, management reserves the right to update their records regarding the continued eligibility of your household for occupancy at this apartment community. All residents must provide the required information on household composition, student status, and income for all household members and **authorize release** of such information from third party sources. This information is required at the following times:
 - Prior to initial move in to determine and certify eligibility.
 - Annually, no less than 30 days before the anniversary date of the original income certification.
 - At any time during the tenancy if the size of the household changes, the household income changes, or if all members of the household become full time students. The Resident(s) are required to report such changes to management immediately.
- The Resident(s) agrees that should it be determined at a future date that the rent charged exceeds the tax credit maximum limits, any such overpayment shall be considered a loan from said Resident(s) and shall be repaid by the landlord without interest.
- Where applicable, the Resident(s) understand that if the number of household members should increase or decrease so that household size conflicts with property requirements, the household will either be required to move to the appropriate size unit within 30 days of a unit becoming available or will be required to move from the property. If there is no appropriate size unit at the property, Resident(s) will be required to move at the end of the current lease. Relocation within the property may require you to demonstrate that you continue to qualify based on the current move-in criteria for residency.
- By signing this agreement, the Resident(s) authorize Cambridge Real Estate Services to conduct a review of the **annual income and assets** of each member of the household for the purposes of determining eligibility for continued occupancy in the above listed apartment. Residents are required to provide a copy of their most recent Federal Income Tax return as part of their annual recertification.
- By signing this agreement, Resident(s) authorize Cambridge Real Estate Services to conduct a review of all past **utility bills** for the above listed apartment.
- There shall be no changes in household composition during the first twelve months of residency except for the birth, adoption or change in legal custody for a minor dependent who is or becomes a member of the household.
- By special provision of the Section 42 program, households are permitted to establish a home-based daycare business provided the resident complies with all local ordinances and codes, including local restrictions which may supersede or in any way restrict this provision of Section 42, and agrees to not consider any portion of the rent or utilities paid for the dwelling to be a business expense for purposes of completing the State or Federal Income Tax Return.
- In the event the community you occupy provides both rent restricted, "affordable apartments" and market-rate apartments, if upon annual recertification of your household income, it is determined your household earns 140% or more of the then-prevailing maximum income limit for your household size (at 60% of area median income), the household may, at the discretion of the landlord, be redesignated a "market household". Such redesignation may result in changes to the rental rate, at the landlord's sole discretion, subject to the terms and conditions of the existing rental agreement or lease.

If this box is checked your household has temporarily qualified for additional rental discounts available to lower income households. Your eligibility for the additional rental discounts will be re-evaluated with each future household income certification, a process which shall occur no less frequently than annually. In the event you cease to be eligible for the lower rent offered to qualifying households, your rent will adjust to the rent applicable for so-called 160% households at the property following the legally required notice.

By way of disclosure, at the present time the maximum rental rate you may expect to pay for a 1 bedroom apartment at this community is \$ 1,483.00.
- In the event this building is designated as a Section 42 Low Income Housing Tax Credit building, and in the event the apartment identified in this lease agreement is a "tax credit" apartment within that building, the tenant is hereby notified that during the term of this lease, the rental rate may be altered either upward or downward due to changes in either the maximum income and rent limits set for the applicable county