

LOS ANGELES HOUSING DEPARTMENT
MAJOR PROJECTS (MIXED-FUNDED)
AFFORDABILITY AND ANNUAL COMPLIANCE REPORTING REQUIREMENTS

OCCUPANCY, RENT AND INCOME REQUIREMENTS:

All assisted units must be occupied or held vacant and available for rental at affordable rates by households whose income does not exceed the HUD determined median income level mandated in the covenant. Please review your covenant for your Program's occupancy, rent and income affordability requirements. A utility allowance, as defined by the Housing Authority of the City of Los Angeles (HACLA), must be deducted from the rent for tenant-paid utilities to determine the maximum allowable rent (MAR). Contact LAHD to determine whether subsidized rent for Section 8 units must be within the Program rent limits.

INITIAL INCOME CERTIFICATION AND VERIFICATION:

All households upon initially occupying a restricted unit must *certify* their projected gross income by completing a **Tenant Income and Rent Certification Form** (Tenant Form), which is signed by both owner and the tenant. Owner must also *verify* the tenants' projected gross income reported on the Tenant Form by examining and submitting copies of the tenants' **Income Source Documents**, such as pay stubs, check stubs from SSI awards, etc. All income certification and verification documents must be current within six months. The Section 8 definition of income must be used to qualify tenants. Tax returns are not acceptable. A copy of the Tenant Form must be (a) given to the tenant, (b) maintained in the owner's files, and (c) submitted to the City.

ANNUAL COMPLIANCE REPORTING:

Owners must *certify* the tenants' projected gross income by submitting a **Tenant Income and Rent Certification Form** for all households in a restricted unit (a) annually or if applicable to your program guidelines, (b) whenever there is a change in household composition or size, and (c) upon request. Owners must *verify* the tenants' projected gross income for all households in a restricted unit by examining and submitting **Income Source Documents** (a) annually or if applicable to your program guidelines, (b) whenever there is a change in household composition or size, and (c) upon request.

Owners must also verify their continued compliance with the affordability terms of their covenant by completing, signing and submitting a **Certificate of Continuing Program Compliance** and an **Occupancy Summary** (a) at lease-up, (b) annually, and (c) upon request.

TENANT-OWNER AGREEMENT:

Owner must complete a **Mandatory Addendum to Lease or Rental Agreement**, signed by owner and tenant, for every tenant household (a) at lease-up and (b) upon request. The Addendum ensures owner-tenant cooperation with program rules. A copy of the Addendum must be given to the tenant, maintained in the owner's files and a copy submitted to the City. Owner is required to **Lease** restricted units for not less than one year. If both owner and tenant do not wish an annual lease, then a **Lease Waiver** must be signed and placed into the tenant's file.

INCREASE IN TENANT INCOME:

See program guidelines or the Covenant or consult with LAHD. *(Note: If the project has HOME funds, see HOME affordability requirements. For a project with both HOME and LIHTC funds, the rents for over-income tenants are not adjusted). (Note: Rent increases are subject to the terms of the lease and local rent stabilization laws).*

TENANT NOTIFICATION:

Owners must notify tenants when the Covenant's affordability period is scheduled to expire, and must provide LAHD with written evidence of such notice, at a minimum, on the following three occasions: (a) prior to initial rental; (b) one year prior to the expiration date; and (c) 90 days prior to the expiration date.

PROPERTY MAINTENANCE AND FILE MAINTENANCE:

All owners must complete a **Property Management Plan** describing how they will market and manage the property. The City reserves the right to make periodic on-site inspections of all units in the property in order to determine owner compliance with Housing Quality Standards and to verify the tenant information submitted by owners. Compliance documents must be kept current and available for inspection at any time. Owners must keep file copies of all compliance documents, including income source documents, for five years after Covenant expiration.