AFFORDABLE HOUSING REGULATORY AGREEMENT

AND

DECLARATION OF RESTRICTIVE COVENANTS

by and between

THE CITY OF PETALUMA

and

LANDS OF DECRISTO FAMILY TRUST

Density Bonus Housing Agreement
This Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (this “Agreement”) is entered into effective as of __________, 2019 (“Effective Date”) by and between the City of Petaluma, a California municipal corporation and charter city (“City”) and the Lands of DeCristo Family Trust (“Owner”). The City and the Owner are collectively referred to herein as the “Parties.”

RECITALS

A. Owner is the owner of the real property located at 109 Ellis Street in the City of Petaluma, California, known as Sonoma County Assessor’s Parcel No. 007-361-003, and more particularly described in Exhibit A attached hereto (the “Property”).

B. Owner intends to construct, own and operate a residential development on the Property consisting of thirteen (13) apartments (the “Project”).

C. On __________, 20__, the Planning Commission of the City of Petaluma (“Planning Commission”) considered Site Plan and Architectural Review and Density Bonus for the project and recommended approval of the Density Bonus to the City Council as outlined in Planning Commission Resolution No. 2019-XX.

D. On __________, 2019, the City Council of the City of Petaluma (“City Council”) considered the Planning Commission’s recommendation and the Density Bonus as requested by the Owner and approved the Density Bonus for the Project subject to subsequent Planning Commission approval of Site Plan and Architectural Review and the execution and recordation of this Agreement.

D. This Agreement implements California Government Code Section 65915 et seq. (the “Density Bonus Statute”) and Petaluma Implementing Zoning Ordinance Chapter 27 (the “Density Bonus Ordinance”). Pursuant to the Density Bonus Statute and the Density Bonus Ordinance, Owner has agreed to provide one (1) two-bedroom unit in the Project as a below market-rate unit that will be available to Very Low Income Households at Affordable Rent (the “BMR Unit”). Pursuant to the Density Bonus Ordinance, Owner is required to enter into and record this Agreement in the Official Records of the County of Sonoma for the benefit of City.

E. The purpose of this Agreement is to satisfy the requirements of the Density Bonus Ordinance and Condition No. ___ of Approval ________ granted for the Project by the Planning Commission on __________, 20__, and to regulate and restrict the rental of the BMR Unit. The Parties intend the covenants set forth in this Agreement to run with the land and to be binding on the Project, the Owner and Owner’s successors and assigns for the full term of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

2-1-2
1. Incorporation of Recitals; Definitions.

1.1 Incorporation of Recitals; Acknowledgement. The Parties acknowledge the truth of the foregoing Recitals which are hereby incorporated into this Agreement. Owner acknowledges and agrees that the City has granted incentives and concessions for the Project, including a reduction in required parking spaces and a density bonus, and that therefore, the City has the legal authority to impose rent and income eligibility requirements on the BMR Unit pursuant to the Density Bonus Statute and the Density Bonus Ordinance.

1.2 Definitions. The following terms shall have the meanings set forth in this Section wherever used in this Agreement or the attached exhibits.

“Actual Household Size” means the actual number of persons in the applicable household.

“Affordable Rent” means a monthly housing expenses, including a reasonable allowance for utilities, for Rental Restricted Affordable Units reserved for Very Low Income Households, shall not exceed the following calculations: 50 percent of the area median income for Sonoma County, adjusted for household size, multiplied by 30 percent and divided by 12.

“Area Median Income” or “AMI” means the area median income for Sonoma County, California, adjusted for Actual Household Size, as determined by the United States Department of Housing and Urban Development (“HUD”) and as published from time to time by the State of California Department of Housing and Community Development (“HCD”) in Section 6932 of Title 25 of the California Code of Regulations or successor provision published pursuant to California Health and Safety Code Section 50093(c).

“Assumed Household Size” means with respect to the BMR Unit, a two-bedroom unit would accommodate a household up to a maximum of 5 persons. (two people per bedroom plus 1).

“BMR Unit” means the two-bedroom unit in the Project of approximately 1,115 net square feet in size that is required to be rented to Eligible Households at Affordable Rent in accordance with the Density Bonus Ordinance and this Agreement.

“Claims” is defined in Section 11.

“Density Bonus Ordinance” means the City of Petaluma Implementing Zoning Ordinance Chapter 27.

“Density Bonus Statute” means California Government Code Section 65915 et seq.

“Effective Date” is the date set forth in the preamble to this Agreement.
“Eligible Household” means a household that qualifies as a Very Low-Income Household.

“Gross Income” shall have the meaning set forth in Section 6914 of Title 25 of the California Code of Regulations as such section may be revised from time to time.

“Indemnitees” is defined in Section 11.

“Marketing and Management Plan” is defined in Section 3.7.


“Project” is defined in Recital B.

“Property” is defined in Recital A.

“Very Low-Income Household” means a household whose Gross Income does not exceed the qualifying limit applicable to Sonoma County for very low-income households as determined by the U.S. Department of Housing & Urban Development pursuant to Section 8 of the United States Housing Act of 1937 and as published from time to time by the State of California Department of Housing and Community Development (“HCD”) in Section 6932 of Title 25 of the California Code of Regulations or successor provision published pursuant to California Health and Safety Code Section 50093(c).

2. Affordability Restrictions.

2.1 Affordability Requirements. For a term of fifty-five (55) years commencing upon the date of issuance of a final certificate of occupancy or equivalent for the Project, one of the residential units in the Project (the BMR Unit) shall be rented at Affordable Rent and occupied (or if vacant, available for occupancy) by Eligible Households. [Note City Ordinance §27.050.B and §27.090 D.4 refers to 30 year term; however, Govt Code §65915(c) requires 55 years for low- and very low-income density bonus rental units.] In the event that following initial occupancy of the BMR Unit, a tenant’s household Gross Income increases so that the tenant no longer qualifies as an Eligible Household, Owner may raise the tenant’s rent to an amount net of utilities, that is the lesser of the rent for a comparable market-rate unit in the Project or one-twelfth (1/12th) of thirty percent (30%) of the tenant’s household Gross Income; provided however, Owner must rent the next available unit in the Project to an Eligible Household at an Affordable Rent.

2.2 Rent for Restricted Unit. Rent for the BMR Unit shall be limited to Affordable Rent.

2.3 No Condominium Conversion; No Short-Term Rentals. Owner shall not convert the BMR Unit to condominium or cooperative ownership or sell condominium or cooperative rights to the BMR Unit during the term of this Agreement. The BMR Unit must be occupied as the tenant’s principal residence. Subleases and assignments are
not permitted except to Eligible Households at an Affordable Rent.

2.4 **Design; Amenities.** The design, appearance, and general quality of the BMR Unit shall be comparable to that of the unrestricted residential units in the Project. The BMR Unit may have different interior finishes and features than market-rate units in the Project so long as such finishes and features are durable, of good quality, compatible with market-rate units, and consistent with contemporary standards for new housing. The BMR Unit must contain a dishwasher, refrigerator, garbage disposal, cooking facilities and laundry facilities. The BMR Unit need not contain optional upgrades and luxury items, and Developer may install such optional upgrades and luxury items in market-rate units in the Project. The City shall have the right to inspect the BMR Unit to determine whether it has been constructed in accordance with this Section. Occupants of the BMR Unit shall have access to all Project amenities and recreational facilities available to occupants of the Project’s market-rate units.

3. **Tenant Selection.**

3.1 **Marketing BMR Unit; Use of City and County Lists of Prospective Tenants.** Owner shall offer the BMR Unit for rent at the same time or sooner than the market-rate units in the Project are offered for rent. If the City maintains a list of potential Eligible Households, Owner agrees to use such list in marketing the BMR Unit, and agrees to honor any priorities established by such list or otherwise specified in this Agreement; provided however, Owner shall retain responsibility to verify prospective tenants’ income and eligibility. If the City does not maintain a list of Eligible Households, then Owner agrees to use any similar list maintained by the Sonoma County Housing Authority for the Section 8 Housing Choice Voucher program or similar program.

3.2 **Preferences.** Subject to Section 3.4 below, Owner shall offer the BMR Unit for rent first to those Eligible Households that include at least one member who lives or works in the City of Petaluma or that works for a school district, fire district, or as a police officer or public safety officer serving residents living in the City of Petaluma.

3.3 **Income Verification.** Prior to entering into a commitment to rent or lease the BMR Unit, Owner shall provide a certification to City in form approved by City pursuant to which Owner shall certify that Owner has obtained and reviewed information provided by the prospective tenant regarding the prospective tenant’s household income and status as an Eligible Household, and that Owner has no knowledge that the prospective tenant does not qualify as an Eligible Household. In connection with such certification, prospective tenants shall be required to provide written certification of household income, including without limitation, such documents as income tax returns for the previous calendar year, W-2 statements, and pay stubs to Owner, and City shall have the right to inspect such documentation pursuant to Section 4.4 below. California Tax Credit Allocation Committee income verification forms will be used to verify tenants for the BMR Unit. (Attachment C)

3.4 **Compliance with Fair Housing Laws.** Owner shall comply with all state and federal fair housing laws, rules, regulations and guidelines in the marketing and
rental of the units in the Project. Owner shall accept as tenants of the BMR Unit, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing Section 8 program or any successor thereto. Owner may require prospective tenants to complete an application and credit and background check provided that the prospective tenants of market-rate units in the Project are subject to the same application and credit and background check.

3.5 Non-Discrimination. Owner shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Owner shall include such provision in all deeds, leases, contracts and other instruments executed by Owner, and shall enforce the same diligently and in good faith.

3.6 Marketing and Management Plan; Restrictions on Subleasing and Assignment. In marketing the BMR Unit, Owner shall comply with Section 3.1 above. Owner shall provide to City the form of rental agreement that Owner proposes to use in renting the BMR Unit for City’s review and approval prior to marketing the BMR Unit. The lease or rental agreement for the BMR Unit shall include a provision that prohibits subleasing or assignment of the lease or rental agreement other than to an Eligible Household at an Affordable Rent.

3.7 No Short-Term Rentals. Prospective tenants of the BMR Unit must sign a written statement acknowledging their agreement that the BMR Unit must be occupied as the tenant’s principal residence, that the unit may not be subleased except to an Eligible Household at an Affordable Rent, that the tenant may not make the unit available for short term rental, and that the tenant is required to annually sign a written statement certifying compliance with all of the foregoing requirements.

4. Reporting Requirements; Access to Information; Inspections.

4.1 Tenant Certification. Owner or Owner’s authorized agent shall obtain from each household prior to initial occupancy of the BMR Unit, and on every anniversary thereafter, a written certificate containing all of the following in such format and with such supporting documentation as City may reasonably require: (a) the
identity of each household member; (b) the tenant’s total household Gross Income; and (c) a certification that the tenant is occupying the BMR Unit as the tenant’s principal residence. Owner shall retain such certificates for not less than five (5) years, and upon City’s request, shall make the originals available for City inspection.

4.2 Annual Report; Inspections. Following completion of Project construction, by not later than April 30 of each year during the term of this Agreement, Owner shall submit an annual report ("Annual Report") to the City in form satisfactory to City, together with a certification that the Project is in compliance with the requirements of this Agreement. The Annual Report shall, at a minimum, include the following information for the BMR Unit: (i) unit number; (ii) current rent and other charges; (iii) dates of any vacancies during the previous year; (iv) the number of people residing in the unit; (v) total household Gross Income of the tenant; and (vi) documentation of source of household income. Owner shall include with the Annual Report, an income certification for each household based upon documentation verifying tenant eligibility as described in Section 4.1, and such additional information as City may reasonably request from time to time in order to demonstrate compliance with this Agreement.

4.3 Maintenance of Records.

(1) Owner shall maintain tenant leases, income certifications and other matters related to the leasing of the BMR Unit for a period of five (5) years after the final date of occupancy by the tenant.

(2) Records must be kept accurate and up-to-date. City shall notify Owner of any records it deems insufficient. Owner shall have fifteen (15) calendar days from such notice to correct any specified deficiency in the records, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Owner shall begin to correct the deficiency within fifteen (15) days and diligently pursue the correction of the deficiency as soon as reasonably possible.

4.4 Access to Records; Inspections.

(1) With at least 48 hours’ notice, during normal business hours, Owner shall provide City and its authorized agents and representatives access to any books, documents, papers and records of the Project relating to the BMR Unit for the purpose of making audits, examinations, excerpts and transcriptions.

(2) With at least 48 hours’ notice, during normal business hours and as often as may be deemed necessary, City and its authorized agents and representatives shall be permitted access to, and the right to examine, the Project and the Property, and to interview employees and tenants, of the Project, for the purpose of verifying compliance with applicable regulations and compliance with the conditions of this Agreement.

5. Term of Agreement.
5.1 Term of Restrictions. This Agreement shall remain in effect until the fifty-fifth (55th) anniversary of the issuance of the final certificate of occupancy or equivalent for the Project, unless the term is extended by written agreement of the Parties.

5.2 Effectiveness Succeeds Conveyance of Property. This Agreement shall remain effective and fully binding for the full term hereof regardless of any sale, assignment, transfer, or conveyance of the Property or the Project or any part thereof or interest therein.

5.3 Reconveyance. Upon the termination of this Agreement, the Parties agree to execute and record appropriate instruments to release and discharge this Agreement; provided, however, the execution and recordation of such instruments shall not be necessary or a prerequisite to the termination of this Agreement upon the expiration of the term.

6. Binding Upon Successors; Covenants to Run with the Land. The City and the Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall be binding upon all successors in title to the Property, regardless of any sale, assignment, conveyance or transfer of the Property, the Project or any part thereof or interest therein. Any successor-in-interest to Owner, including without limitation any purchaser, transferee or lessee of the Property or the Project (other than the tenants of the individual dwelling units or commercial space within the Project) shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, ground lease or other instrument affecting or conveying the Property or the Project or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, ground lease or other instrument; provided, however, that upon the expiration of the term of this Agreement, said covenants and restrictions shall expire. This Agreement shall bind any successor, heir or assign of the Owner, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise. Owner agrees for itself and its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall be enforced as equitable servitudes against the Property and the Project in favor of City.

Without limiting the generality of the foregoing, Owner and City hereby declares their understanding and intent that:

(a) The covenants and restrictions contained in this Agreement shall be construed as covenants running with the land pursuant to California Civil Code section 1468 and not as conditions which might result in forfeiture of title by Owner;
(b) The burden of the covenants and restrictions set forth in this Agreement touch and concern the Property in that the Owner’s legal interest in the Property and all improvements thereon are rendered less valuable thereby;

(c) The benefit of the covenants and restrictions set forth in this Agreement touch and concern the land by enhancing and increasing the enjoyment and use of the Property by the BMR Unit tenants; and

(d) All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner and its successors in interest for the benefit of the City, and such covenants and restrictions shall run in favor of the City for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the City is an owner of any land or interest therein to which such covenant and restrictions relate.

7. Property Management; Repair and Maintenance.

7.1 Management Responsibilities. Owner shall be responsible for all management functions with respect to the Property and the Project, including without limitation the selection of tenants, certification and recertification of household income and eligibility, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. City shall have no responsibility for management or maintenance of the Property or the Project.

7.2 Repair, Maintenance and Security. Throughout the term of this Agreement, Owner shall at its own expense, maintain the Property and the Project in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Owner agrees to maintain the Project and the Property (including without limitation, the residential units, common areas, meeting rooms, landscaping, driveways, parking areas and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Owner shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the improvements located thereon in good condition and repair. Owner shall provide adequate security measures for the Project, including without limitation, the installation of adequate lighting and deadbolt locks.

7.3 Fees, Taxes, and Other Levies. Owner shall be responsible for payment of all fees, assessments, taxes, charges, liens and levies applicable to the Property or the Project, including without limitation possessory interest taxes, if applicable, imposed by any public entity, and shall pay such charges prior to delinquency. However, Owner shall not be required to pay any such charge so long as (a) Owner is contesting such charge in good faith and by appropriate proceedings, (b) Owner maintains reserves.
adequate to pay any contested liabilities, and (c) on final determination of the proceeding or contest, Owner immediately pays or discharges any decision or judgment rendered against it, together with all costs, charges and interest.

7.4 Insurance Coverage. Throughout the term of this Agreement Owner shall comply with the insurance requirements set forth in Exhibit B, and shall, at Owner’s expense, maintain in full force and effect insurance coverage as specified in Exhibit B.

7.5 Property Damage or Destruction. If any part of the Project is damaged or destroyed, Owner shall repair or restore the same, consistent with the occupancy and rent restriction requirements set forth in this Agreement. Such work shall be commenced as soon as reasonably practicable after the damage or loss occurs and shall be completed within one year thereafter or as soon as reasonably practicable, provided that insurance proceeds are available to be applied to such repairs or restoration within such period and the repair or restoration is financially feasible. If this provision conflicts with the requirements of senior lenders, the requirements of such lenders shall prevail.

8. Recordation; No Subordination. This Agreement shall be recorded in the Official Records of Sonoma County. Owner hereby represents, warrants and covenants that with the exception of easements of record, absent the written consent of City, this Agreement shall not be subordinated in priority to any lien (other than those pertaining to taxes or assessments), encumbrance, or other interest in the Property or the Project. If at the time this Agreement is recorded, any interest, lien, or encumbrance has been recorded against the Project in position superior to this Agreement, upon the request of City, Owner hereby covenants and agrees to promptly undertake all action necessary to clear such matter from title or to subordinate such interest to this Agreement consistent with the intent of and in accordance with this Section 8, and to provide such evidence thereof as City may reasonably request.

9. Mortgagee Protection. No violation of any provision contained herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon all or any portion of the Project or the Property, and the purchaser at any trustee’s sale or foreclosure sale shall not be liable for any violation of any provision hereof occurring prior to the acquisition of title by such purchaser. Such purchaser shall be bound by and subject to this Agreement from and after such trustee’s sale or foreclosure sale. Promptly upon determining that a violation of this Agreement has occurred, City shall give written notice to the holders of record of any mortgages or deeds of trust encumbering the Project or the Property that such violation has occurred.
10. Default and Remedies.

10.1 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"): 

(a) Owner’s failure to maintain insurance on the Property and the Project as required hereunder, and the failure of Owner to cure such default within five (5) days;

(b) Subject to Owner’s right to contest the following charges, Owner’s failure to pay taxes or assessments due on the Property or the Project or failure to pay any other charge that may result in a lien on the Property or the Project, and Owner’s failure to cure such default within twenty (20) days of delinquency, but in all events prior to the imposition of any such tax or other lien;

(c) A default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(d) Owner’s default in the performance of any term, provision or covenant under this Agreement (other than an obligation enumerated in this Section 10.1), and unless such provision specifies a shorter cure period for such default, the continuation of such default for ten (10) days in the event of a monetary default or thirty (30) days in the event of a non-monetary default following the date upon which City shall have given written notice of the default to Owner, or if the nature of any such non-monetary default is such that it cannot be cured within thirty (30) days, Owner’s failure to commence to cure the default within thirty (30) days and thereafter prosecute the curing of such default with due diligence and in good faith, but in no event longer than sixty (60) days from the date of delivery of the notice of default.

10.2 Remedies. Upon the occurrence of an Event of Default and its continuation beyond any applicable cure period, City may proceed with any of the following remedies:

A. Bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking declaratory relief;

B. For violations of obligations with respect to rents for the BMR Unit, impose as liquidated damages a charge in an amount equal to the actual amount collected in excess of the Affordable Rent;

C. Bring an action for damages or pursue any other remedy allowed at law, or in equity;
D. Pursue any remedy available under the Density Bonus Ordinance.

Each of the remedies provided herein is cumulative and not exclusive. The City may exercise from time to time any rights and remedies available to it under applicable law or in equity, in addition to, and not in lieu of, any rights and remedies expressly provided in this Agreement.

11. Indemnity. To the greatest extent permitted by law, Owner shall indemnify, defend (with counsel approved by City) and hold the City and its elected and appointed officers, officials, employees, agents, consultants, contractors and representatives (collectively, the “Indemnitees”) harmless from and against all liability, loss, cost, expense (including without limitation attorneys’ fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively “Claims”) arising directly or indirectly, in whole or in part, as a result of or in connection with Owner’s construction, management, or operation of the Property and the Project or any failure to perform any obligation as and when required by this Agreement. Owner’s indemnification obligations under this Section 11 shall not extend to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 11 shall survive the expiration or earlier termination of this Agreement.

12. Miscellaneous.

12.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Parties.

12.2 No Waiver. Any waiver by City of any term or provision of this Agreement must be in writing. No waiver shall be implied from any delay or failure by City to take action on any breach or default hereunder or to pursue any remedy allowed under this Agreement or applicable law. No failure or delay by City at any time to require strict performance by Owner of any provision of this Agreement or to exercise any election contained herein or any right, power or remedy hereunder shall be construed as a waiver of any other provision or any succeeding breach of the same or any other provision hereof or a relinquishment for the future of such election.

12.3 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered upon receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender’s account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.
12.4 Further Assurances. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

12.5 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Owner and City shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Owner (except as expressly provided in this Agreement) or to any third party with respect to the Project. Owner and its employees are not employees of City but rather are, and shall always be considered independent contractors. Furthermore, Owner and its employees shall at no time pretend to be or hold themselves out as employees or agents of City. Except as City may specify in writing, Owner shall not have any authority to act as an agent of City or to bind City to any obligation.

12.6 Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City Manager of the City of Petaluma or by any person who shall have been designated by the City Manager, without further approval by the City Council.

12.7 Non-Liability of City and City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Owner or any successor in interest, in the event of any default or breach by the City, or for any amount of money which may become due to Owner or its successor or for any obligation of City under this Agreement.

12.8 Headings; Construction; Statutory References. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.
references in this Agreement to particular statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Petaluma shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

12.9 **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

12.10 **Governing Law; Venue.** This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Sonoma County, California or in the Federal District Court for the Northern District of California.

12.11 **Attorneys’ Fees and Costs.** If any legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys’ fees and costs incurred in such action.

12.12 **Severability.** If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

12.13 **Entire Agreement; Exhibits.** This Agreement, together with the Loan Agreement, the Note and the Deed of Trust contains the entire agreement of Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements between the Parties with respect thereto. Exhibits A and B attached hereto are incorporated herein by this reference.

12.14 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

*SIGNATURES ON FOLLOWING PAGES.*
IN WITNESS WHEREOF, the Parties have executed this Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants as of the date first written above.

OWNER:
________________________________, a ____________________
By: __________________________________________
Print Name:____________________________________
Title:__________________________________________

CITY:
City of Petaluma, a California municipal corporation and charter city
By:________________________________________
   City Manager

ATTEST:
_________________________________________
   Claire Cooper, City Clerk

APPROVED AS TO FORM:

_________________________________________
   Eric W. Danly, City Attorney

SIGNATURES MUST BE NOTARIZED.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____________________

On ______________ before me, ______________________ (here insert name and title of the officer), personally appeared ______________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____________________

On ___________ before me, ______________________ (here insert name and title of the officer), personally appeared ______________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
Exhibit A

PROPERTY

Real property situated in the City of Petaluma, County of Sonoma, State of California, State of California described as follows:

Insert legal description.

APN: ____________
Exhibit B

INSURANCE REQUIREMENTS
EXHIBIT C
Income Verification Form

TENANT INCOME CERTIFICATION
☐ Initial Certification ☐ Recertification ☐ Other

Effective Date: ____________________________
Move-In Date: ____________________________
(MM-DD-YYYY)

PART I - DEVELOPMENT DATA
Property Name: ____________________________
County: ____________________________
Address: ____________________________
TCAC#: ____________________________
BIN#: ____________________________
If applicable, CDLAC#: ____________________________
Unit Number: __________ # Bedrooms: __________ Square Footage: __________

PART II. HOUSEHOLD COMPOSITION
☐ Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

<table>
<thead>
<tr>
<th>HH Mbr #</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>Relationship to Head of Household</th>
<th>Date of Birth (MM/DD/YYYY)</th>
<th>F/T Student (Y or N)</th>
<th>Last 4 digits of Social Security #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

<table>
<thead>
<tr>
<th>HH Mbr #</th>
<th>(A) Employment or Wages</th>
<th>(B) Soc. Security/Pensions</th>
<th>(C) Public Assistance</th>
<th>(D) Other Income</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

TOTALS: $ (A) + $ (B) + $ (C) + $ (D)

Add totals from (A) through (D), above
TOTAL INCOME (E): $ __________

PART IV. INCOME FROM ASSETS

<table>
<thead>
<tr>
<th>HH Mbr #</th>
<th>(F) Type of Asset</th>
<th>(G) C/I</th>
<th>(H) Cash Value of Asset</th>
<th>(I) Annual Income from Asset</th>
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</table>

TOTALS: $ (H) C/I

If over $5000 $ __________ X 0.06% = (J) Imputed Income $ __________

Enter the greater of the total of column 1, or J: imputed income
TOTAL INCOME FROM ASSETS (K) $ __________

(I.) Total Annual Household Income from all Sources [Add (E) + (K)] $ __________

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature ____________________________ (Date) ____________________________

Signature ____________________________ (Date) ____________________________

Signature ____________________________ (Date) ____________________________

CTCAC Tenant Income Certification (May 2018) 2-1-20

1
PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: $ [From item (L) on page 1]

Current Federal LIHTC Income Limit per Family Size: $ [If Applicable, Current Federal Bond Income Limit per Family Size: $]

Household Income as of Move-in: $ [Household Size at Move-in:]

RECERTIFICATION ONLY:

Unit Meets Federal Income Restriction at: □ 60% □ 50%

Current Federal LIHTC Income Limit x 140%: $ [Unit Meets Deeper Targeting Income Restriction at: □ Other _____%]

Household Income exceeds 140% at recertification: □ Yes □ No

PART VI. RENT

Tenant Paid Monthly Rent: $ [Federal Rent Assistance: $ *Source: ____]

Monthly Utility Allowance: $ [Non-Federal Rent Assistance: $ (*0-8)]

Other Monthly Non-optional charges: $ [Total Monthly Rent Assistance: $]

GROSS MONTHLY RENT FOR UNIT:

(Tenant paid rent plus Utility Allowance & other non-optional charges) $ [*Source of Federal Assistance]

Maximum Federal LIHTC Rent Limit for this unit: $ [1 **HUD Multi-Family Project Based Rental Assistance (PBRA)]

If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit: $ [2 Section 8 Moderate Rehabilitation]

Unit Meets Federal Rent Restriction at: □ 60% □ 50% [3 Public Housing Operating Subsidy]

If Applicable, Unit Meets Bond Rent Restriction at: □ 60% □ 50% [4 HOME Rental Assistance]

Unit Meets Deeper Targeting Rent Restriction at: □ Other: _______% [5 HUD Housing Choice Voucher (HCV), tenant-based]

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? If yes, Enter student explanation* (also attach documentation)

□ yes □ no

Enter 1-5

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household’s unit will be counted toward the property’s occupancy requirements. Under each program marked, indicate the household’s income status as established by this certification/recertification.

a. Tax Credit □ [Income Status □ ≤ 50% AMGI □ ≤ 60% AMGI □ ≤ 80% AMGI □ OI**]

b. HOME □ [Income Status □ ≤ 50% AMGI □ ≤ 60% AMGI □ ≤ 80% AMGI □ OI**]

c. Tax Exempt Bond □ [Income Status □ 50% AMGI □ 60% AMGI □ 80% AMGI □ OI**]

d. AHDP □ [Income Status □ 50% AMGI □ 80% AMGI □ OI**]

e. (Name of Program) □ [Income Status □ OI**]

**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE DATE

CTCAC Tenant Income Certification (May 2018)

2-1-21
PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

<table>
<thead>
<tr>
<th>TENANT DEMOGRAPHIC PROFILE</th>
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<tbody>
<tr>
<td>HH Mbr #</td>
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<td>1</td>
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<td>4</td>
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<tr>
<td>6</td>
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<tr>
<td>7</td>
</tr>
</tbody>
</table>

The Following Race Codes should be used:
1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” apply to this category.
3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
   4a – Asian Indian
   4b – Chinese
   4c – Filipino
   4d – Japanese
5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
   5a – Native Hawaiian
   5b – Guamanian or Chamorro
   5d – Other Pacific Islander
6 – Other

7 – Did not respond. (Please initial below)

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 14b – White & Asian (Chinese), etc.

The Following Ethnicity Codes should be used:
1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
3 – Did not respond. (Please initial below)

Disability Status:
1 – Yes
   If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
   • A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions.
   • “Handicap” does not include current, illegal use of or addiction to a controlled substance.
   • An individual shall not be considered to have a handicap solely because that individual is transgender.
2 – No
3 – Did not respond (Please initial below)

☐ Resident/Applicant: I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) (HH#) 1. 2. 3. 4. 5. 6. 7.

3 CTCAC Tenant Income Certification (May 2018)

2-1-22
INSTRUCTIONS FOR COMPLETING
TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date
Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification’s, this effective date should be no later than one year from the effective date of the previous (re)certification.

Move-In Date
Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes.

Property Name
Enter the name of the development.

County
Enter the county (or equivalent) in which the building is located.

TCAC#
Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2016-123

BIN #
Enter the building number assigned to the building (from IRS Form 8609).

Address
Enter the physical address of the building, including street number and name, city, state, and zip code.

If applicable, CDLAC#
If project is awarded 4% bonds please enter the project number assigned to the property by CDLAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: 16-436

Unit Number
Enter the unit number.

# Bedrooms
Enter the number of bedrooms in the unit.

Square Footage
Enter the square footage for the entire unit.

Vacant Unit
Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011.

Part II - Household Composition

List all occupants of the unit. State each household member’s relationship to the head of household by using one of the following definitions:

<table>
<thead>
<tr>
<th>H</th>
<th>Head of Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Adult Co-Tenant</td>
</tr>
<tr>
<td>C</td>
<td>Child</td>
</tr>
<tr>
<td>L</td>
<td>Live-in Caretaker</td>
</tr>
<tr>
<td>S</td>
<td>Spouse</td>
</tr>
<tr>
<td>O</td>
<td>Other Family Member</td>
</tr>
<tr>
<td>F</td>
<td>Foster child(ren)/adult(s)</td>
</tr>
<tr>
<td>N</td>
<td>None of the above</td>
</tr>
<tr>
<td>U</td>
<td>Unborn Child/Anticipated</td>
</tr>
</tbody>
</table>

Adoption or Foster

Date of Birth
Enter each household member’s date of birth.

Student Status
Enter “Yes” if the household member is a full-time student or “NO” if the household member is not a full-time student.

Last Four Digits of Social Security Number
For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.
Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List each respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note “zero” in the columns of Part III.

Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.

Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.

Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).

Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.

Row (E) Add the totals from columns (A) through (D) above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. If individual household member income is provided, list the respective household member number from Part II and complete a separate line for each member.

Column (F) List the type of asset (i.e., checking account, savings account, etc.)

Column (G) Enter C (for current, if the family currently owns or holds the asset), or L (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).

Column (H) Enter the cash value of the respective asset.

Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).

TOTALS Add the total of Column (F) and Column (I), respectively.

If the total in Column (H) is greater than $5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

Row (K) Enter the greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 3 days prior to the effective date of the certification.

Part V - Determination of Income Eligibility

Total Annual Household Income from all Sources Enter the number from item (L).

Current LIHTC Income Limit per Family Size Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 50% or 60% set aside.

Current Bond Income Limit per Family Size Enter the Current most restrictive Move-in Income Limit for the household size – specifically, the max income limit incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.
Household Income at Move-in
For recertifications only. Enter the household income from the move-in certification.

Household Size at Move-in
Enter the number of household members from the move-in certification.

Current Federal LIHTC Income Limit x 140%
For recertifications only. Multiply the current LIHTC Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the LIHTC Income Limit per Family Size at Move-in date (above), then the available unit rule must be followed.

Unit Meets Federal Income Restriction at
Check the appropriate box for the income restriction that the household meets according to what is required by the federal set-aside(s) for the project.

Unit Meets Deeper Targeting Income Restriction
If your agency requires an income restriction lower than the federal limit, enter the percent required.

Part VI - Rent

Tenant Paid Monthly Rent
Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).

Federal Rent Assistance
Enter the amount of rent assistance received from a federal program, if any.

Non-Federal Rent Assistance
Enter the amount of non-federal rent assistance received, if any.

Total Monthly Rent Assistance
Enter the amount of total rent assistance received, if any.

Source of Federal Rent Assistance
If federal rent assistance is received, indicate the single program source.

Monthly Utility Allowance
Enter the utility allowance. If the owner pays all utilities, enter zero.

Other Monthly Non-Optional Charges
Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.

Gross Monthly Rent for Unit
Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount.

Maximum LIHTC Rent Limit for this unit
Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50% or 60% set aside.

Maximum LIHTC Bond Rent Limit for this unit
Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.

Unit Meets Federal Rent Restriction at
Indicate the appropriate rent restriction that the unit meets according to what is required by the federal set-aside(s) for the project.

Unit Meets Bond Rent Restriction at
Indicate the appropriate rent restriction that the unit meets according to what is required by the federal and state law for the project.

Unit Meets Deeper Targeting Rent Restriction at
If your agency requires a rent restriction lower than the federal limit, enter the percent required.

Part VII - Student Status

If all household members are full-time students, check "yes". Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check "no."

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

CTCAC Tenant Income Certification (May 2018)
Part VIII – Program Type

Mark the program(s) for which this household’s unit will be counted toward the property’s occupancy requirements. Under each program marked, indicate the household’s income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit
- See Part V above.

HOME
- If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household’s designation.

Tax Exempt Bond
- If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household’s designation.

AIDP
- If the property participates in the Affordable Housing Disposition Program (AIDP), and this household’s unit will count towards the set-aside requirements, select the appropriate box to indicate if the household is a VLI, LI or OI (at recertification) household.

Other
- If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Complete this portion of the form at move-in and at recertification’s (only if household composition has changed from the previous year’s certification).

Tenant Demographic Profile
- Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.

Resident/Applicant Initials
- All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).