

AFFORDABILITY OF UNITS

The Deed shall contain the following provisions:

Housing Assistance Payments (HAP) applicable when checked:

- As long as the HAP Contract is in effect, the HAP Contract will control the rent and eligibility requirements for the residents under the HAP Contract. If the HAP Contract expires, terminates, is not renewed, or funding expires within the affordability term as specified below, the Affordability of Units Rider ("Affordability Rider") will control future operations of the property. The Affordability Rider will also control future operation of the Property for those residential units not under the HAP Contract. No resident in place on the Closing date will be forced to vacate a unit.

Use Restriction:

1. The Purchaser **must maintain the property as affordable rental housing** for a period of twenty (25) years after the date of this Deed or such earlier time as the Secretary may specify in writing (the "Restricted Period").
2. Any change to the number or configuration of residential units required to be maintained as affordable housing must receive prior written approval from HUD.
3. The Purchaser will not unreasonably refuse to lease units to, or discriminate against, very low-income families.

Income Eligibility Limitation:

During the Restricted Period, the Purchaser must rent 100 dwelling units for affordable housing purposes, unless otherwise approved by HUD. The Purchaser may only rent the affordable units to families with adjusted gross annual incomes that do not exceed 80% percent of the area median income, adjusted for smaller and larger family size.

Maintenance of Rents at Affordable Levels:

1. For current tenants, affordable rents means **the lesser of:**
 - (a) For a unit occupied by a very-low income family, the unit rent does not exceed 30 percent (30%) of 50 percent (50%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger families, less a reasonable utility allowance for utilities paid by the tenant; or
 - (b) For a unit occupied by a low-income family that is not a very low-income family, the unit rent does not

- exceed 30 percent (30%) of 80 percent (80%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger family size, less a reasonable utility allowance for utilities paid by the tenant; or
- (c) The Section 8 Voucher Payment Standard less the utility allowance established by the voucher provider; or
- (d) Market Rent in the immediate area established by a Rent Comparability Study prepared, at the Purchaser's expense, in accordance with HUD requirements.
2. For new turnover tenants, affordable rent means **the lesser of:**
- (a) The unit rent does not exceed 30 percent (30%) of eighty percent (80%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger family size, less a reasonable utility allowance for utilities paid by the tenant; or
- (b) The Section 8 Voucher Payment Standard (less utility allowance established by the voucher provider; or
- (c) Market Rent in the immediate area established by a Rent Comparability Study prepared, at the Purchaser's expense, in accordance with HUD requirements.

Annual Certification

The Purchaser shall certify to HUD annually, in a manner acceptable to HUD, that the requirements in the above paragraphs have been fulfilled.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Deed.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____