

To: Owners and Managers of Low Income Housing Tax Credit Properties

From: Betsy Krieger, Director, and Office of Program Compliance

Date: September 24, 2015

RE: Revised Low Income Housing Tax Credit Lease Addendum

The Ohio Housing Finance Agency, Office of Program Compliance (PC), has received a significant increase in resident complaints regarding lease non-renewal, lack of good cause eviction and other termination of tenancy. As such, PC has revised the [LIHTC Lease Addendum](#) currently used at LIHTC projects (also known as Housing Tax Credit or HTC). **The revised lease addendum must be used by owners/property managers effective January 1, 2016.**

The IRS makes clear that termination/eviction in a LIHTC property can only be done on the basis of good cause. Non-renewal of the lease does not constitute good cause. IRS Revenue Rule 2004-82 provides in relevant part: Section 42(h)(6)(I) requires that an extended low-income housing commitment include a prohibition during the extended use period against (1) the eviction or the termination of tenancy (other than for good cause) of an existing tenant of any low-income unit (no-cause eviction protection).

In order to ensure protection for residents in LIHTC or HTC funded properties, OHFA is requiring owners/property managers to begin using the revised addendum effective January 1, 2016. The revised addendum should be used for all new move-ins beginning January 1, 2016 and moving forward. For residents that are in-place prior to January 1, 2016, owners/property managers should use the revised addendum at the time of annual recertification or verification of student status. Failure to use the revised addendum may result in the issuance of Form 8823 and/or placement on OHFA's Watch List which could limit an owner's ability to access OHFA program funding.

Owners/property managers should keep in mind the revised LIHTC Addendum is not to be used for properties federally subsidized (i.e. any project-based rental assistance, Section 8 or Rural Development 515.

Questions regarding the revised lease addendum should be directed to bkrieger@ohiohome.org.