

KEY LEASE ADDENDUM

DHHS targeted households receiving KEY assistance must complete addendum any time a new Tenant Income Certification is signed.

Date: _____

Development Name: _____

Tenant Name: _____ Unit No: _____

This lease addendum adds the following paragraphs 1 through 7 to the Lease between the Tenant and Landlord for the above- referenced unit ("Lease").

- A. The Lease is being amended to include the provisions of this addendum because the North Carolina Housing Finance Agency ("Agency"), in partnership with the Department of Health and Human Services ("DHHS"), will provide the security deposit and make monthly payments to the Landlord on behalf of the Tenant under the Targeting Program.
- B. The Lease has been signed by the parties on the condition the Agency and Landlord either has or will promptly execute an Owner Agreement to Participate contract ("Contract"). This Addendum shall not become effective unless the Contract has been executed by both the Landlord and the Agency and is in effect as of the first day of the term of the Lease.
- C. In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.
 - 1. The security deposit and initial rent to Landlord may not exceed the amount maximum allowed under the relevant Agency program limitations.
 - 2. The Tenant is responsible for paying the Landlord an amount based upon a percentage of the household's gross monthly income, as calculated according to standard Program rules without consideration of utilities (depending on funding sources). The percentage varies by unit size. Management must give thirty (30) day written notice of increase if calculated incorrectly.

UNIT SIZE	HOUSEHOLD SIZE	PERCENT OF INCOME	
		RESIDENT PAYS ANY UTILITIES	OWNER PAYS ALL UTILITIES
SRO, Efficiency, One (1) Bedroom	1 person minimum	25%	30%
Two (2) Bedroom	2 people minimum*	20%	30%
Three (3) Bedroom	4 people minimum	15%	30%
Four (4) Bedroom	6 people minimum	10%	30%

**Single person households may rent two-bedroom units only at properties built without one-bedroom units. In these cases, the tenant rent share is 25% of income when the tenant pays utilities.*

Beginning on _____ (effective date), total rent is \$ _____. Tenant shall pay \$ _____ monthly and \$ _____ of subsidy will be paid on behalf of the Tenant. The subsidy will end effective _____ unless household completes the recertification process to support continued eligibility, as required by the program.

- 3. Each month, the Agency will make a Key subsidy payment to the Landlord on behalf of the Tenant in accordance with the Contract. Such amount is expected to be the difference between the rent and Tenant Share as calculated in Section 2 above.
- 4. The monthly Key subsidy payment shall be credited against the monthly rent to Landlord for the contract unit.
- 5. With the exception of circumstances described in Section 6 below, the Tenant is not responsible for paying the portion of rent to Landlord covered by the Key payment under the Contract. A failure by the Agency to make the Key subsidy payment to the Landlord is not a violation of the Lease. Under the contract, the Landlord may not terminate the tenancy for nonpayment of the Key subsidy payment.
- 6. DHHS may terminate Key subsidy payments due to the fault of the Key Program eligible Tenant, for reasons including but not limited to fraud or failure to comply with recertification requirements. DHHS will provide thirty day written notice of early termination.
- 7. DHHS may offer temporary rental subsidy to remaining non-Key-eligible household members should Key Program eligible Tenant move out prior to lease expiration. Should the remaining household members not meet program eligibility requirements, remaining household members will be responsible for the entire amount of contract rent as of the termination of assistance.

The tenant(s) and landlord understand and agree to be bound by the above stipulations.

TENANT SIGNATURE:

Tenant Printed Name

Signature

Date

LANDLORD SIGNATURES:

Landlord Representative Printed Name

Signature

Date

