

HOME PROGRAM LEASE AGREEMENT

The HOME Investment Partnership Program (hereafter known as the HOME Program) was first authorized in the National Affordable Housing Act of 1990 to expand the supply of long-term affordable housing for low income families. The South Dakota Housing Development Authority (SDHDA) was then designated as the agency to administer federal HOME Funds in South Dakota.

1. Parties and Dwelling Unit: The parties to this Agreement are _____, referred to as the Landlord, and _____, referred to as the Tenant. The Landlord leases to the tenant the unit numbered _____ and located at _____.
2. Length of Time (Term): The initial term of the Agreement shall be for one year unless by mutual agreement. This agreement shall begin on _____ and end on the last day of _____. After the initial term ends, the agreement will continue for successive terms of one month each unless automatically terminated as permitted by paragraph 18 of this agreement.
3. Rent: The tenant agrees to pay rent of \$ _____ per month. This amount is due on the first day of the month at the offices of _____ located at _____. The Tenant agrees to pay the Landlord the amount shown below, on the date the rent is due. The Landlord certifies that SDHDA has authorized the Landlord to collect the amount shown and that it is in accordance with the limits as required in the South Dakota HOME Program guidelines.
4. Changes in the Tenant's Rent: The Tenant agrees that the amount of rent the tenant pays may be changed during the term of this Agreement if:
 - a. new HOME rents are established by HUD;
 - b. changes in the Tenant's rent are required by annual recertification/or a change in family composition;
 - c. HOME procedures for computing the Tenant's rent change; or
 - d. the Tenant fails to provide information on family income, family composition, or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or any assistance payment only in accordance with the time frames and administrative procedures set forth by the HOME program. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in Paragraph 14. The Notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that the Tenant may meet with the Landlord to discuss the rent change.

5. Condition of Dwelling Unit: By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant also agrees that all appliances and equipment in the unit are in good working order.
6. Charges for Utilities and Services: The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services to be paid by the Landlord and those to be paid by the Tenant.
 - a. The Tenant must pay for the utilities listed in Column 1 below. Payments should be made directly to the appropriate utility company. The items in column 2 are included in the Tenant's rent.

Column 1		Column 2	
Put "X" by Utility Tenant Pays <u>Directly</u>	Type of Utility	Put "X" by Utility	Included in <u>Tenant's Rent</u>
_____	Heat	_____	
_____	Lights, Elec.	_____	
_____	Cooking	_____	
_____	Water	_____	
_____	Other (specify)	_____	

7. Security Deposits: The Tenant has deposited \$_____ with the Landlord. The Landlord will hold this security deposit for the period the Tenant occupies the unit. Prior to the tenant moving from the unit, the owner and tenant will complete a Move-Out Inspection. At that time, the Landlord will determine whether the Tenant is eligible for a refund of any or all the security deposit. The owner will let the tenant know at that time whether the tenant is eligible for a refund.

The amount of the refund will be determined in accordance with the following conditions and procedures;

- a. The Landlord will refund to the Tenant the amount of the security deposit less any money needed to pay the cost of:
 - (1) unpaid rent;

- (2) damages that are not due to normal wear and tear;
 - (3) charges for late payment of rent and returned checks;
 - b. The Landlord agrees to refund the amount computed or to provide a written statement showing the specific reason(s) for the failure to return it within two weeks after the Tenant has permanently moved out of the unit and the Landlord's receipt of the tenant's mailing address or delivery instructions.
 - c. If the unit is rented by more than one person, the tenants agree that they will work out the details of dividing any refund among themselves.
 - d. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with Paragraph 10.
- 8. Keys and Locks: The Tenant agrees not to install additional or different locks on any doors or window of the unit without the written permission of the Landlord. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord.
- 9. Maintenance:
 - a. The Landlord agrees to:
 - (1) _____
 - (2) _____
 - (3) _____
 - (4) _____
 - (5) _____
 - b. The Tenant agrees to:
 - (1) _____
 - (2) _____
 - (3) _____
 - (4) _____
 - (5) _____

10. Damages during tenancy: Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, the Tenant's family or visitors, the Tenant agrees to pay:
 - a. the cost of all repairs and to do so within a time frame established by the owner and tenant, to be not less than 30 days after receipt of the Landlord's demand for the repair charges; and
 - b. rent for the period the unit is damaged whether or not the unit is habitable.
11. Restrictions on Alterations: The Tenant agrees not to do any of the following without first obtaining the Landlord's written permission:
 - a. Change or remove any part of the appliances, fixtures, or equipment in the unit;
 - b. Paint or install wallpaper or contact paper in the unit;
 - c. attach awnings or window guards in the unit;
 - d. attach or place any fixtures, signs, or fences on building(s), or the project ground;
12. General Restrictions: The Tenant shall use the premises only as a private dwelling for the individuals listed on the certification and recertification of tenant eligibility. The Tenant shall notify the Landlord when family composition changes.

The Tenant agrees NOT to:

- a. sublet or assign the unit, or any part of the unit;
 - b. use the unit for unlawful purposes;
13. Regularly Scheduled Recertification: Every year on or about the _____ day of _____, the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by the HOME Program for determining the Tenant's rent. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent.
 - a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance and time frames specified in the SDHDA regulations, handbooks, and instructions related to the administration of the HOME Program.
 - (1) Require the Tenant to pay the higher, HUD-approved Home market rent for the unit.

- (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by Paragraph 4 of this Agreement.
 - b. The Tenant may request to meet with the Landlord to discuss any change in rent resulting from recertification processing.
14. **Tenant Obligation to Repay:** If the Tenant submits false information on any application, or recertification, and as a result, is charged a rent less than the amount required by the HOME Program, the Tenant agrees to reimburse the Landlord for the difference between the rent the Tenant should have paid and the rent the Tenant was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HOME procedures for computing rent or assistance.
15. **Access by Landlord:** The Landlord reserves the right to enter the unit at reasonable hours, except as prescribed in conjunction with the services provided, and to provide advance notice if reasonable, except when emergency situations make such notices impossible, and/or entry must be made in conjunction with services provided by Landlord.
- a. The Tenant agrees to permit the Landlord, the Landlord's agents, or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.
 - b. After the Tenant has been given notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective tenants during reasonable hours.
 - c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter, or otherwise prepare the unit for re-occupancy.
 - d. If the Tenant leaves any property in the rental unit after the end of the lease, the Landlord may dispose of the property according to the state abandoned property law.
16. **Discrimination Prohibited:** The Landlord agrees not to discriminate based upon race, color, religion, creed, national origin, sex, age, handicap, or familial status.
17. **Change in Rental Agreement:** The Landlord may, with the prior approval of SDHDA, change the terms and conditions of this Agreement other than changing the rent as provided for in Paragraph 4. Any changes will become effective at the end of the initial term or successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of change. If the Tenant does not accept the new terms and conditions of the Agreement, Tenant must notify the Landlord within 30 days of effective date of new agreement that Tenant intends to terminate the tenancy.
18. **Termination of Tenancy:**

- a. To terminate this Agreement, the Tenant must give the Landlord 30-days written notice, before moving from the unit. If the Tenant does not give the full 30-day notice, the Tenant shall be liable for rent up to the end of the 30 days for which notice was required or to the date the unit is re-rented, whichever date comes first.
- b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, state and local law, and the terms of this Agreement. No termination by an owner will be valid to the extent it is based solely upon expiration of an initial or subsequent renewal term of this Agreement. The Landlord may terminate this Agreement only for:
 - (1) the Tenant's material noncompliance* with the terms of this Agreement. The term "material noncompliance" within the terms of this Agreement includes:
 - (a) one or more substantial violations of the lease;
 - (b) repeated minor violations of the lease that:
 - disrupt the livability of the project,
 - *adversely affect* the health, or safety of any person or the right of any Tenant to the quiet enjoyment of the leased premises and related project facilities,
 - *interfere with the management* of the project, or
 - have an *adverse financial effect* on the project;
 - (c) failure of the Tenant to timely supply all required information on the income and composition, or eligibility factors, of the Tenant household constitutes a substantial violation of the lease. Such violations include, but are not limited to:
 - failure to meet the disclosure and verification requirements for Social Security Numbers, (as provided by 24 CFR part 5),
 - failure to submit required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5), or
 - failure to sign and submit consent forms (as provided by 24 CFR part 5), or
 - to knowingly provide incomplete or inaccurate financial information; and
 - (d) non-payment of rent payable by the Tenant or any other financial obligation due under the lease beyond any grace period permitted under state law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under state law constitutes a minor violation. *The Landlord's receipt of a tenant assistance payment on behalf of the Tenant shall not absolve the Tenant from the obligation to pay the Tenant Rent.*
 - (2) the Tenant's material failure to carry out obligations under any State Landlord and Tenant Act;

- (3) any criminal activity that:
 - (a) threatens the health, safety, or right to peaceful enjoyment of the premises *by other Tenants*,
 - (b) threatens the health, safety, or right to peaceful enjoyment of their residences *by persons residing in the immediate vicinity* of the premises; or,
 - (c) threatens the health, or safety of any *on-site property management staff* responsible for managing the premises; or
 - (d) any drug-related criminal activity on or near such premises, engaged in by a Tenant, any member of the Tenant's household, or any guest or other person under the Tenant's control; or

- (4) other good cause which includes, but is not limited to, the Tenant's refusal to accept the Landlord's proposed change to this Agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term, but in no case earlier than 30 days after receipt by the family of the termination notice. The conduct of a tenant cannot be deemed "other good cause" under this section unless the owner has given the family prior notice that the grounds constitute a basis for termination of tenancy. The notice must be served on the family in the same manner as that provided for termination notices under paragraph d. (below) of this section and state and local law.

- c. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice of the proposed termination of tenancy. If the Landlord is terminating this Agreement for "other good cause," the Tenant must receive the termination notice at least 30 days before the date the Tenant will be required to move from the unit. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in state and local law. Any HUD-required notice period may run concurrently with any notice period required by state or local law.

- d. *All termination notices must:*

- (1) specify the date this Agreement will be terminated;
- (2) state the grounds for termination with enough detail for the Tenant to prepare a defense;
- (3) advise the Tenant that the Tenant has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the Tenant or the day after the date the notice is mailed. If the Tenant requests a meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
- (4) advise the Tenant of the Tenant's right to defend the action in court.

19. Penalties for Submitting False Information: If the Tenant deliberately submits false information regarding income, family composition, or other data on which the Tenant's

eligibility or rent is determined, the Landlord may require the Tenant to pay the higher, HOME approved market rent for as long as the Tenant remains in the project. In addition, the Tenant could become subject to penalties available under Federal Law.

20. Contents of the Agreement: This Agreement and any approved attachments make up the entire Agreement between the Tenant and the Landlord regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect; and both the Landlord and Tenant will continue to be bound by them.

21. The Tenant certifies that the Landlord has provided, and the Tenant has received a copy of this Agreement.

22. TENANT

BY: _____ Date Signed _____

LANDLORD: _____

BY: _____ Date Signed _____

