

Rent Restriction Change Post Stabilization Matrix
Eff. Oct. 2016 (in all cases a LURC &/or LURA amendment may be required)

	During Credit Period	During Compliance Period, post Credit Period	During Extended Use or Post Qualified Contract Period, no Period of Affordability	During Statutory Period of Affordability **Refer to Credit requirements if layered property	During State Period of Affordability, beyond Statutory Period of Affordability
Number of LI units stays the same; restriction level reduced	Only considered when property is in jeopardy of losing its affordability for reasons beyond the control of the owner/investor, Reviewed on case-by-case basis only	Only considered when property is in jeopardy of losing its affordability for reasons beyond the control of the owner/investor, Reviewed on case-by-case basis only	LURC language must be reviewed carefully with regard to additional covenants for which the owner may have received points in the competitive round; generally, if GHFA rent restrictions were to remain in place for 5 years or more past the end of the compliance period, the request will not be considered for the initial 5 years subsequent to the close of the compliance period, and if denied, once per year thereafter; in extreme circumstances beyond the control of the owner, a request may be considered on a case-by-case basis; absent additional restrictions, Sec. 42 minimum restriction must remain in place; in all cases where the restriction level is reduced, the three (3) year decontrol applies to all impacted tenants	Only considered when property is in jeopardy of losing its affordability for reasons beyond the control of the owner/investor; a loan modification would generally be considered first; restrictions cannot be less than program minimums; reviewed on case-by-case basis only, may require HUD Headquarter's approval (see HOME rule 92.210) based on income/rent limits reported in recorded LURA; may require amended LURA.**	Refer to appropriate tax credit strategy, if applicable; if not, will be determined on a case-by-case basis based on, but not limited to, area need for affordable units, tenant safety, property financial viability; must provide exit strategy to pay off HOME loan balance
Reduction of LI units	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's/investor's control; reviewed on case-by-case basis only; reported to IRS on 8823	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's/investor's control; reviewed on case-by-case basis only; reported to IRS on 8823	LURC language must be reviewed carefully with regard to additional covenants for which the owner may have received points in the competitive round; generally, if GHFA rent restrictions were to remain in place for 5 years or more past the end of the compliance period, the request will not be considered for the initial 5 years subsequent to the close of the compliance period, and if denied, once per year thereafter; in extreme circumstances beyond the control of the owner, a request may be considered on a case-by-case basis; absent additional restrictions, Sec. 42 minimum restriction must remain in place; in all cases where the restriction level is reduced, the three (3) year decontrol applies to all impacted tenants	A loan modification would generally be considered first; requires circumstances as described in 92.210 for a troubled property; reviewed on case-by-case basis only; requires DCA Project Loan Committee approval prior to HUD Headquarter's approval (see HOME rule 92.210) based on income/rent limits in recorded LURA.**	Refer to appropriate tax credit strategy, if applicable; if not, will be determined on a case-by-case basis based on, but not limited to, area need for affordable units, tenant safety, property financial viability; must provide exit strategy to pay off HOME loan balance

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Reduction of LI units with reduction in restriction level	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's/investor's control; reviewed on case-by-case basis only; reported to IRS on 8823	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's/investor's control; reviewed on case-by-case basis only; reported to IRS on 8823	LURC language must be reviewed carefully with regard to additional covenants for which the owner may have received points in the competitive round; generally, if GHFA rent restrictions were to remain in place for 5 years or more past the end of the compliance period, the request will not be considered for the initial 5 years subsequent to the close of the compliance period, and if denied, once per year thereafter; in extreme circumstances beyond the control of the owner, a request may be considered on a case-by-case basis; absent additional restrictions, Sec. 42 minimum restriction must remain in place; in all cases where the restriction level is reduced, the three (3) year decontrol applies to all impacted tenants	A loan modification would generally be considered first; requires circumstances as described in 92.210 for a troubled property; reviewed on case-by-case basis only; requires DCA Project Loan Committee approval prior to HUD Headquarter's approval (see HOME rule 92.210) based on income/rent limits in recorded LURA. **	Refer to appropriate tax credit strategy, if applicable; if not, will be determined on a case-by-case basis based on, but not limited to, area need for affordable units, tenant safety, property financial viability; must provide exit strategy to pay off HOME loan balance
Eligibility to apply for a Qualified Contract	Not allowed	Allowed at the close of year 14 or later	LURC language must be reviewed carefully with regard to additional covenants for which the owner may have received points in the competitive round; generally, if GHFA rent restrictions were to remain in place for 5 years or more past the end of the compliance period, the request will not be considered for the initial 5 years subsequent to the close of the compliance period, and if denied, once per year thereafter; in extreme circumstances beyond the control of the owner, a request may be considered on a case-by-case basis; in all cases where the restriction level is reduced, the three (3) year decontrol applies to all impacted tenants	N/A- HOME restriction remain even if an Owner is permitted to opt out of the tax credit program	N/A- HOME restrictions would be addressed on a case by case basis if owner is permitted to opt out of the tax credit program; decontrol applies to tax credit units

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Reduction of LI units to minimum program level	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's control and significant strategic and financial commitment by the owner has been demonstrated; reviewed on case-by-case basis only; any change would require 8823s to report the change in the applicable fraction	Only considered when property is in jeopardy of losing its affordability for reasons beyond the owner's control and significant strategic and financial commitment by the owner has been demonstrated; reviewed on case-by-case basis only; any change would require 8823s to report the change in the applicable fraction	[Extended Use Period only] Only permitted if explicitly permitted in the LURC or overall affordability is in jeopardy due to circumstances beyond the owner's control as determined by DCA	A loan modification would generally be considered first; requires circumstances as described in 92.210 for a troubled property; reviewed on case-by-case basis only; requires DCA Project Loan Committee approval prior to HUD Headquarter's approval (see HOME rule 92.210) based on income/rent limits in recorded LURA.**	Refer to appropriate tax credit strategy, if applicable; if not, will be determined on a case-by-case basis based on, but not limited to, area need for affordable units, tenant safety, property financial viability; must provide exit strategy to pay off HOME loan balance
Add common space unit(s) from LI stock	Courtesy Officer, full time maintenance person or full time property manager- requires owner certification confirming that it meets the IRS requirements for 'common space', no point impact; evidence that investor and lender have been notified; LURC amendment may be required	Courtesy Officer, full time maintenance person or full time property manager- no point impact; evidence that investor and lender have been notified; LURC amendment may be required	[Extended Use Period Only] Notification from owner certifying that common space eligibility from Section 42 are met.	When a property consist of 100% HOME assisted units, one unit may be converted to an on-site manager's unit upon DCA's determination that the conversion will contribute to the stability or effectiveness of the housing and that, notwithstanding the loss of one HOME -assisted unit, the costs charged to the HOME program do not exceed the actual costs of the HOME-assisted units and do not exceed the subsidy limit (92.205(d)(2)); LURA may require amendment.**	Refer to appropriate tax credit strategy, if applicable; if not, Notification from the owner is required

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Add common space unit(s) from market stock	Courtesy Officer, full time maintenance person or full time property manager- LURC amendment may be required	Courtesy Officer, full time maintenance person or full time property manager- LURC amendment may be required	NA	Notification from owner certifying that common space meet all HOME eligibility requirements, review LURA to determine if amendment is required.**	Refer to appropriate tax credit strategy, if applicable; if not, Notification from Owner is required.
Decrease/eliminate common space unit(s)	Supported justification required including whether unit will be LI or market; no point impact; evidence that investor and lender have been notified; LURC amendment may be required; requires 8823 if unit will be converted to	Supported justification required including whether unit will be LI or market; no point impact; evidence that investor and lender have been notified; LURC amendment may be required; 8823 will be required if unit will be	NA	Supported justification required; evidence of investor and lender approval**	Supported justification required

All requirements are minimums and may require additional documentation; exceptions may be granted on a case by case basis only