

HEATHER HIGHLANDS
TENANT SELECTION CRITERIA
HOME AND/OR LOW INCOME HOUSING TAX CREDIT (LIHTC) PROPERTIES

This tenant selection criterion shall be used for all HOME and/or LIHTC properties under rent-up and/or management by the Management Agent. The policy of the Management Agent is one of equal opportunity and nondiscrimination in compliance with all Civil Rights legislation (1964, 1968, 1988) Section 504 of the Rehabilitation Act of 1973 and Affirmative Fair Housing Marketing requirements as set forth individually for each property. No applicant would be denied on the basis of race, color, religion, sex, familial status, handicap status or national origin. Applicants must meet all applicable HOME, LIHTC, and Management Agent tenant selection requirements to gain admission to Home and/or LIHTC Management Agent.

1. APPLICATION

This property is marketed at lease once per year, if not more frequently, using all advertising and community contacts as set forth on the HUD 935.2 Affirmative Fair Housing Marketing Plan. All persons interested in any property rented or managed by the Management Agent may request an application either in person (or through a designated individual) at the local on-site or regional designated site office during posted office hours; or request an application to be mailed by calling the local phone number posted on the project sign at the central office. FAX requests for applications may be sent. TDD telecommunication is available by calling the TDD number. Applications are available even if a sizable waiting list exists.

An application must be completed in full by the applicant and submitted either in person to the local or regional site office or via mail to the local office or central office. The application must be used and contains request for all information necessary for determining initial eligibility. Additional documentation may be required for verification purposes. Applicants may request assistance in completing the application if necessary. The Management Agent's policy is to assist wherever possible especially in the accommodation requests by persons with disabilities or handicaps. All applicants whose application is not complete will be contacted within 10 days of receipt, in writing with a written list of items necessary to complete the application. While the central office will track all applications and requests for additional information, no application will be placed on the waiting list until it is complete. When a completed application is received or the requested information subsequently to make it complete, the application will then be logged by date and time received when determined eligible or notified of rejection. If a vacancy at the property exists, or is expected within the next 90 days, the verification selection process will begin immediately in regard to the income, assets, allowances for certification and the Management Agent references for selection or rejection.

This application contains a release form which must be signed to authorize the central office to verify all items inclusive of credit history and other references. For those properties with an existing waiting list and no current or known upcoming vacancies, preliminary eligibility will be satisfied by using information on the application. Placement of an application on the waiting list does not denote final tenant selection. That can and will occur only after complete processing. All applicants who submit a completed application (or when an application becomes complete) will be notified in writing of waiting list status or subsequent tenant selection or rejection. Any applicant who exceeds applicable income limits for eligibility based upon application

information, or if ineligible during later processing, would be notified in writing that they are ineligible. Similarly, any applications who are not eligible due to eligibility requirements for an elderly or senior housing project will also receive a notice of ineligibility. However, should the property have permission (or will be seeking such permission) to rent to ineligibles, the income ineligible application would be maintained on the waiting list.

2. WAITING LIST

All completed applications are listed on the waiting list by date and time received when determined eligible. This date/time is based on when the completed application or subsequent information is received to make the application complete to determine eligibility. The waiting list contains data inclusive of date and time, name, address and phone number of applicants, income, bedroom size requested statistical data, (i.e. race, sex), eligibility for Rental Assistance (or Section 8), Low Income Housing Tax Credit (LIHTC) eligibility if applicable, HOME eligibility if applicable, request for congregate services if available, date contacted for an interview and final tracking status (i.e. selection, rejection, cancellation, etc.) Sub lists to the master list can be kept by bedroom size and handicapped adapted units with each sub list kept by income levels (V,L,M,A). An applicant on the waiting list will appear on as many sub lists, cross referenced, as appropriate. Any applicant on the waiting list with a Letter of Priority Entitlement (LOPE) would be placed at the top of the bedroom size and income level appropriate. Ineligibles will be kept on the waiting list and sub list only if waivers to rent to ineligibles has been requested or received. Any applicant may request information on current status by writing or calling the local or central office. Individual properties will reference any specific priorities or eligibility requirements such as elderly or senior housing, LIHTC, HOME, or congregate priorities.

3. SELECTION

Applicants will be selected chronologically by income level for all HOME and/or properties according to priorities set forth in the HOME and/or LIHTC regulations. (50%, 60%, and very low, low moderate or ineligible). In those units or properties with no subsidy from Rental Assistance, the applicant must have the demonstrated ability to afford and pay the Basic rent. The policy of the Management Agent is to consider all income and assets. Those who cannot afford Basic rent would be referred to local Housing Authority for assistance.

Those who have indicated the need for and requested the features of wheelchair adapted or other handicap unit has priority for those units. Any applicant who requests modification or accommodations to non-adapted units will have consideration on these requests when selected, but with no priority for selection. In order to be eligible for selection, an applicant must meet income eligibility based on per person income limits. In HOME and/or LIHTC properties, applicants must meet HOME and/or LIHTC eligibility first to be considered for selection. Those HOME and/or LIHTC ineligible would be rejected. Applicants who meet HOME and/or LIHTC eligibility must then meet occupancy standards set forth for each individual property and bedroom size, senior housing, and elderly housing. Income and senior and elderly status eligibility must be verified as part of processing.

In determining occupancy standards, the intent of project policy is to neither overcrowd nor under utilize space. Different properties may have different occupancy standards depending on bedroom sizes, unit square footage and any local restrictions. Occupancy is based on number of persons in the household, and is based on counting all full time members of household,

dependent minors who are away at school but live with the applicant at recesses, unborn children or children in the process of being adopted or secured by custody action, foster children and live-in attendants. Children who live in a household 50% of the year or more are also counted towards the total household number; however, visitors, permanently confined/institutionalized household members and children on active military duty are not counted in this determination for occupancy eligibility.

A handicapped/disabled applicant who would need a larger unit due to accommodation request would be given such consideration. For specifically designed units (i.e. barrier free) applicants needing those features would be given priority. Should no one apply who would benefit from special unit features, another applicant selected based on income level and occupancy policy could occupy this unit with a written lease agreement to transfer to a different unit when available and should an applicant now exist on the waiting list for the special unit.

In the case of marketing problems with various sized units, applicants who meet the income limits and would qualify for another unit by the occupancy policy may occupy a large unit with the same agreement to transfer to the correct sized unit when one becomes available. In both situations the applicant would be responsible for payment of any moving costs.

All households must provide positive identifications of all persons who will be part of the household; pregnancy must have self-affidavit verification. Adoption or other custody in process must have written documentation.

NOTE: SPECIFIC INCOME, OCCUPANCY, LIHTC, HOME AND PROJECT ELIGIBILITY FOR EACH INDIVIDUALLY MANAGED PROPERTY APPEARS IN APPENDIX A.

Applicants in addition to HOME, LIHTC and occupancy policy requirements must also meet application, interview, and reference criteria. In completing the application, all applicants must sign a release form allowing the central office to verify all income, assets, and allowances along with credit, personal and landlord references. In addition the central office would be authorized to check with other agencies necessary to verify eligibility and police departments and wage matching as well. All applicants are required to have a personal interview. After processing and the interview have been completed, an eligible applicant would receive a notice of tenant selection. Applicants who wish to be a tenant or co-tenant must possess the legal capacity to sign all documents, (unless an accommodation determination for the handicapped to allow guardian signature if otherwise eligible is made), and would have to agree to complete the tenant certification process, enter into a one year lease agreement, pay a security deposit and participate in a unit inspection prior to physical occupancy of the unit.

The security deposit equals one months rent. Those applicants eligible for Section 8 or Rental Assistance, where a hardship exists, could request a payment plan which would require a down payment of at least 30% of income and amount in monthly payments to complete full payment within three months. In elderly or senior projects, pet owners would be required to pay a pet deposit which would be paid in the same manner required for security deposits. Assistance animals (i.e. seeing eye dogs, hearing animals) will always be admitted in any property with no charge for the animal.

4. NUMBER OF OCCUPANTS

The number of occupants listed above must be in accordance with occupancy standards as set for the Owner/Manager based upon local codes and ordinances and HOME and/or LIHTC regulations.

Owner/Manager may change the occupancy limit during the lease term if changes in laws, ordinances or regulations make such changes necessary. The minimum occupancy limit will correspond to the number of bedrooms. The maximum occupancy limit will depend on local ordinances and regulations and the square footage of usable sleeping areas as defined by codes and suggested HUD regulations. Appendix A lists individual property occupancy standards. Notwithstanding the above, Owner/Manager shall have the right to make reasonable accommodations for individuals with disabilities and may adjust occupancy limits to further the goal of accommodation.

5. STUDENT HOUSEHOLDS

Households made up entirely of full-time students are not eligible to live in units receiving housing credits. A full-time student is defined as any individual who has been or will be a full-time student during each of five calendar months during the calendar year in which the taxable year of the taxpayer begins at a regular educational organization with regular facilities. (The five months do not have to be consecutive.) Elementary schools, junior and senior high schools, colleges, universities, technical schools, trade schools and mechanical schools are defined as regular educational organizations. Also, the individual meets all the educational organization's requirements for full-time student status. There are five exceptions to the full-time student restriction (Section 42 (i) (3) (D)). Full-time student households that are income eligible and satisfy one or more of the following conditions can be considered eligible tenants: • Students of the household are married and have filed or are entitled to file a joint tax return (Note: Students of the household do not need to be married to each other); • The household consists of single parent(s) and their minor child (ren). The parent(s) and the child (ren) cannot be a dependent of a third party. However, the child(ren) can be a dependent of the other parent; • At least one member of the household receives assistance under Title IV of the Social Security Act (i.e., AFDC, TANF assistance); • At least one member of the household was previously under the care and placement responsibility of the State agency responsible for administering a plan under part B or part E of title IV of the Social Security Act (adults who were in the foster care system during childhood); • At least one member of the household is enrolled in a job training program receiving assistance under the Workforce Investment Act (formerly Job Training Partnership Act), or similar federal, state or local laws, and effective for households. Before owners can lease a housing credit unit to households of full-time students, they must obtain written documentation that one of the five exceptions applies.

6. REJECTION

As previously stated, any application which is incomplete will not be processed. An applicant who refuses to sign releases to allow verification of eligibility, references, etc., would be rejected. Applicants who do not meet income limits for a property would be rejected unless permission to rent to income ineligibles is in process or has been received. Applicants who exceed the maximum allowable to occupancy standards for a property would also be rejected. Applicants

found to have provided false answers on the application or at the interview would also be rejected. Applicants with negative credit, personal, landlord or police references would be rejected. Rejection may also occur should there be a chronic history of late payment or non payment of rent, history of eviction, non-payment of other financial obligations, intentional damage, violation of the terms of current or previous lease agreements inclusive of failure to maintain a unit in sanitary condition, current use of illegal drugs or a conviction for drug manufacture, sale or distribution or anyone who would pose a direct threat to the health and safety of others or property. Applicants would never be rejected arbitrarily such as on the basis of race, color, religion, sex, handicapped status, age, familial status, or national origin. Any applicant which is selected but does not accept tenancy for reasons other than medical, emergency, or need for subsidy that is currently not available would be removed from the waiting list. The waiting list is updated at least on a yearly basis to establish continued eligibility, and to remove those not still eligible, or to reclassify those with changed status. Finally, applicants who do not possess legal capacity to sign documents could not become tenants or co-tenants, (unless a change in HUD policy occurs).

Any rejection would be issued in a written statement to the applicant with notification of Grievance and Appeal rights, where applicable.