

(«mgmt_company»)

TENANT SELECTION CRITERIA

SECTION 42 LOW INCOME HOUSING TAX CREDIT PROPERTY

This tenant selection policy is a sample for use at LIHTC properties. The owner/manager should review all provisions carefully and, in the specific criteria to be adopted at your particular LIHTC property, incorporate and /or delete the applicable sections.

TENANT SELECTION CRITERIA

This tenant selection criteria shall be used for all Low-Income Housing Tax Credit (LIHTC) properties under rent-up and/or management by the Management Agent. The policy of the Management Agent is one of equal opportunity and non-discrimination in compliance with all Civic Rights legislation (1964, 1968, 1988) Section 504 of the Rehabilitation Act of 1973 (if applicable) 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 Section 42 and Management Agent tenant selection requirements to gain admission to this property rented or managed by the Management Agent.

1. APPLICATION

If this property is a federal property (i.e., FmHA or HUD) all advertising and community contacts as set forth in the HUD 935.2 Affirmative Fair Housing Marketing Plan shall be used. 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 sizeable 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 requests for all information necessary for determining initial LIHTC eligibility. 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 received subsequently to make it complete, the application will then be logged by date and time received.

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 LIHTC certification and the Management Agent references for selection or rejection.

The 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, LIHTC 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 LIHTC income limits for eligibility based upon application information, or if ineligible during later processing, would be notified in writing that they are LIHTC ineligible. While they may remain on the waiting list if FmHA or HUD eligible, selection is predicated on LIHTC eligibility. Similarly, any applicants who are not eligible due to eligibility requirements for an elderly project would also receive a notice of ineligibility. All applicants must be LIHTC eligible meaning gross income is equal to or less than the LIHTC income limit regulating this property.

Under Section 42, many students are not LIHTC eligible. Verification of student eligibility is required. All student issues can be explained in detail to prospective applicants.

2. WAITING LIST

All completed applications are listed on the waiting list by date and time received. This date/time is based on when the completed application or subsequent information is received to make the application complete. The waiting list contains requested data inclusive of date and time, name, address and phone number of applicant, income, bedroom size requested, statistical data, Low Income Housing Tax Credit (LIHTC) eligibility, request for congregate services if available, date contacted for an interview and final tracking status (i.e., selection, rejection, cancellation, etc.). Sublists to the master list are kept by bedroom size and handicapped adapted units with each sublist kept by income levels. An applicant on the waiting list will appear on as many sublists, cross-referenced, as appropriate. 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 housing or congregate priorities.

3. SELECTION

Applicants will be selected chronologically by LIHTC eligibility but once determined LIHTC eligible also by other program rules, i.e., HUD, FmHA, HOME. If more than LIHTC exists in this property, the applicant must meet LIHTC first, then the other program eligibility. All applicants must be certified by management even if they have other program subsidy. In those units or properties with no subsidy from Rental Assistance or Section 8, the applicant must have the demonstrated ability to afford and pay the rent. The policy of the Management Agent is to consider all income and assets, but that in most cases applicants should not spend more than 40% of their resources on rent. Those who cannot afford rent would be maintained on the waiting list for subsidy, if any exists. If not, rejection would occur.

Those who have indicated the need for and requested the features of wheelchair adapted or other

handicap unit have priority for those units. Any applicant who requests modifications or accommodations to non-adapted units will have consideration on those requests when selected, but with no priority for selection. In order to be eligible for selection, an applicant must meet LIHTC income eligibility based on per person income limits. In that LIHTC property, applicants must meet LIHTC eligibility first to be considered for selection. Those LIHTC ineligible but FmHA eligible would remain on the waiting list. Applicants who meet FmHA and/or LIHTC eligibility must then meet occupancy standards set for each individual property and bedroom size, and for elderly housing - the definition of an elderly household where the tenant or co-tenant must be 62 or older or meet FmHA or HUD definitions of Handicap or Disabled. In conventional elderly properties with LIHTC, applicants must be 62 or older or 55 or older as set forth by the owner. Income and elderly status eligibility must be verified as part of processing. For properties with congregate services, selection for # ____ units will be for those applicants who need and/or request supportive services.

In determining occupancy standards, the intent of project policy is to neither overcrowd nor underutilize space. Different properties may have different occupancy standards depending on the 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 a household, dependant 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 requests 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 larger 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 medical verification if larger bedroom size units are requested than the household would be eligible for if not pregnant; and adoption or other custody in process must have written documentation.

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

Applicants in addition to 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.

For non-Section 8 units, the security deposit equals one month's rent; for Section 8, the greater of one month's Total Tenant Payment (inclusive of the Utility Allowance) or \$50, whichever is greater. 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 an amount in monthly payments to complete full payment within three months. All other applicants must pay a full security deposit no later than at lease signing. In elderly projects, pet owners would be required to pay a pet deposit equal to \$_____ which would be paid in the same manner required for security deposits. Assistance animals (i.e., seeing eye dogs), with proof of training certification or likewise, would 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 forth by the Owner/Manager based upon local codes and ordinances.

Owner/Manager may change the occupancy limit during the lease term if changes in laws, ordinances or regulations make such change 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 useable sleeping areas as defined by codes and any other suggested 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 reasonable accommodation.

5. REJECTION

As previously stated, any application which is incomplete will not be processed. An applicant who refuses to sign releases to allow verification of LIHTC and Company eligibility, references, etc. would be rejected. Applicants who do not meet income limits for a property would be rejected unless it is also HUD/FmHA where they would be kept on the waiting list if FmHA or HUD eligible. Applicants who exceed the maximum allowable 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 also 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 the least on a yearly basis to establish continued eligibility, and to remove those not still eligible, or to reclassify those with changed status. All tenants and/or co-tenants must be of legal age or legally emancipated by state law.

Signed: _____
(Owner)

(or)

Signed: _____
(Manager)

Dated: _____

APPENDIX A

SECTION ONE

Property Data

Individual property listing and priorities for selection:

Property Name: «community»

Property Location: «community_address_line1»
«community_address_line2»
«community_address_line3»
«community_city», «community_state» «community_zip»

Number of Units:

Special Priorities: Section 8: _____ Yes _____ No
Rental Assistance _____ Yes _____ No

SECTION TWO

Specific Tenant Selection Issues

Detailed below are priorities based on: (Check if applicable.)

- _____ Section 8 Subsidy exists at listed property; priority will be given to any applicant household with one of the following:
 - Living in Substandard Housing
 - Involuntary Displacement
 - Paying 50% or More of Family Income for Rent
 - OR, No Preferences in Use
- _____ LIHTC has been assigned to this property; therefore, all applicants for tax credit units must meet tax credit eligibility first.
- _____ Rental Assistance is available; very low income applicants always have first priority. (Note: If property has LIHTC, rental assistance recipients must nonetheless be tax credit eligible first.)
- _____ Elderly Property; all applicants must meet the definition of an elderly, disabled or handicapped household to be eligible for occupancy. Verification of eligibility is required.
- _____ Congregate Services are available; applicants for # _____ units who need and/or request supportive services will receive priority.

_____ Handicapped adapted units; all applicants who require the design features of these units will receive priority for selection of these units.

_____ Other; units that have no deep subsidy. Applicants must demonstrate the ability to afford and pay the basic rent.

SECTION THREE

Income Limits

County/Area

	1	2	3	4	5	6	7	8
50%								
60%								

SECTION FOUR

Occupancy Policy

<i>BR's</i>	MIN	MAX
<i>0</i>		
<i>1</i>		
<i>2</i>		
<i>3</i>		
<i>4</i>		

SECTION FIVE

General Information

Applications may be requested by calling the local project phone number at «maintenance_phone»

The central office phone number for the Agent is «mgmt_company_phone»

Fax requests may be sent to «mgmt_company_fax»

The TDD phone number is .

Mailing address for all applications is «mgmt_company»
«mgmt_company_address1»
«mgmt_company_address2»
«mgmt_company_city», «mgmt_company_state»
«mgmt_company_zip»