

RINCON DE LOS ESTEROS

RESIDENT SELECTION CRITERIA

Introduction

The purpose of this policy is to establish fair and equitable practices for selecting applicants to occupy housing units at Rincon de Los Esteros.

I. POLICY ON NON-DISCRIMINATION

With respect to the treatment of applicants, the Owner and Managing Agent will not discriminate against any individual or family because of race, color, creed, ancestry, age, religion, national origin, sex, sexual orientation, marital status, pregnancy, children, disability, handicap, Acquired Immune Deficiency Syndrome (AIDS), AIDS-related conditions (ARC), receipt of or eligibility for housing assistance under any government housing assistance program, or other arbitrary factors. No criteria will be applied or information considered pertaining to attributes of behavior that might be imputed by some to a particular group or category. All criteria shall be applied equitably and all information considered on an applicant shall be related solely to the attributes and behavior of individual members of the household as they may affect residency at Rincon de los Esteros.

II. ELIGIBILITY FOR SELECTION

To become eligible for selection, an applicant must meet and document the following conditions:

A. Income Eligibility

1. Very low-income households

The project has 38 units assigned to households whose combined annual income is less than 40% of the area median income as determined by the United States Department of Housing and Urban Development.

2. Very low-income households

The project has 30 units assigned to households whose combined annual income is less than 50% of the area median income as determined by the United States Department of Housing and Urban Development

3. Low-income households

The project has 7 units assigned to households whose combined annual income is less than 60% of the area median income as determined by the United States Department of Housing and Urban Development.

B. Household Eligibility

A household is defined as: one person, or two or more persons sharing residency whose income and resources are available to meet the household needs, and who are either related by blood, marriage or operation of law, or who evidence a stable household relationship.

III. OCCUPANCY STANDARDS

The applicant household composition must be appropriate for the unit sizes available in accordance with the following occupancy standards:

<u>Unit Size</u>	<u>Preferred Minimum</u>	<u>Preferred Maximum</u>
One Bedroom	One (1)	Two (2)
Two Bedroom	Two (2)	Four (4)
Three Bedroom	Three (3)	Six (6)
Four Bedroom	Four (4)	Eight (8)

IV. PROCEDURES FOR MARKETING

A. Marketing

Outreach will include a "for rent" sign displayed on a sidewalk in front of the property, advertising in the local newspaper, specialized publications, and advertising to specialized audiences as needed. All written outreach notification will display the Equal Opportunity Housing logo and Accessibility logo.

V. VERIFICATION PROCEDURE

A. Applicant Interviewing

The Managing Agent will interview applicants in the order that their name appears on the waiting list. Applicants are required to pay \$32 by Money Order for credit, landlord, unlawful detainer, and criminal background checks. At the time of initial interview, all adult (age 18 or older) members of the household must be in attendance. Documents or identification to determine household membership such as Drivers License, Social Security number, picture I.D., of all members of the household age 18 or older will be requested. During the interview, the Managing Agent will clarify any information provided by the applicant household and answer questions regarding admission procedures.

B. Criterion for Selection

1. Income Eligibility

The applicant household must be able to afford the financial responsibility of meeting each month's rent. To protect the Development from rent loss or delinquency, households, which will pay more than 40 percent of their monthly income for rent, will not be accepted. Exceptions will be made if the applicant can demonstrate a one-year history of paying a rent higher than 40 percent of their household income.

Third party income verification will be required from all income and asset sources, including but not limited to:

- Employment
- Savings and checking
- Pension
- Disability income
- Assets such as property, stocks, bonds, annuities, IRA, etc.
- Public assistance
- Child support

Prior years' income tax returns may be required as supporting documentation.

Income is calculated based on the applicant's expected annual gross income (including overtime and bonuses, etc.). Annual gross income includes income from assets.

For purposes of determining income eligibility, the income of personal care attendants will not be counted as household income, if applicable.

2. History of Responsible Tenancy, Behavior and Conduct

The Management Agent will contact current and prior landlords for the past five years. In addition, the Management Agent will research unlawful detainer records to determine the applicant's prior history as a tenant. Each household will be provided an opportunity to respond to any reports, especially those that indicate unlawful detainer actions due to material non-compliance with a lease.

Based on these verifications, the Managing Agent will determine if the applicant has demonstrated an ability and willingness to live peacefully with neighbors and refrain from behavior that jeopardizes the safety and security of the housing community.

Prior lease violations that include, but are not necessarily limited to criminal offenses such as physical violence to persons or property, domestic violence, sales, use, manufacturing, or trafficking of narcotics or other drugs, illegal weapons possession, any form of assault, breaking and entering or burglary are considered serious and grounds for a determination of ineligibility.

3. Rent Paying Habits and Credit History

The Managing Agent will request credit histories on each adult member of each applicant. Based upon verifications, the Managing Agent will determine if the applicant was chronically late or had other legal action initiated against him/her for debts owed or if he/she left owing rent. Any one of these circumstances shall be grounds for an ineligibility determination.

Applicants will not be considered to have a poor credit history when they were occasionally late paying bills or rent in the past (fewer than three times per year); were delinquent in rent because they were withholding rent due to substandard housing conditions in a manner consistent with the local ordinance; or had a poor rent-paying history clearly related to rent excessive relative to their income, and responsible efforts were made to resolve the non-payment problem.

4. Criminal Background Checks

A check will be made of criminal records for the past five years for all adult members applicants. Criminal offenses may be grounds for rejection if such offenses involve physical violence to persons or property, domestic violence, sexual abuse, sales, use, manufacturing, or trafficking narcotics, illegal weapons possession, assault, breaking and entering or burglary. Applicants who are deemed ineligible because of past criminal records will be provided the background record and provided an opportunity to respond, provide evidence of mitigating factors, and supporting evidence of rehabilitation.

In determining eligibility on the basis of these criteria, the Managing Agent will give fair and equitable consideration to factors such as:

- Nature of the crime
- Length of time since the objectionable incident(s)
- Evidence of rehabilitation
- Other evidence which may indicate a reasonable probability of responsible future tenancy.

Applicants who are deemed ineligible based upon resident selection criteria have the right to request an informal review of the Managing Agent's determination and may present additional facts and evidence for consideration during this review.

6. Utility Services

Keys will not be issued until applicant produces a copy of utility "request for service" for the designated unit from PG&E.

C. Rejected Applicants

1. Applicants may be rejected for any of the following:

- Failure to present all members of the applicant's household at the full family interview (or some other time acceptable to Managing Agent);
 - Blatant disrespect, disruptive, or antisocial behavior toward the Managing Agent, the Development or other residents exhibited by an applicant or family member any time prior to move-in (or a demonstrable history of such behavior);
 - Termination for cause from any government assisted program;
 - Criminal record of felony committed within the previous five years;
 - A negative landlord or other reference, encompassing failure to comply with the lease, poor payment history, poor housekeeping habits, or eviction for cause;
 - A negative credit report;
 - Over-extension of monthly obligations, i.e., monthly payments/credit leaving insufficient income for rent payments;
 - Falsification of any information on the application;
 - Household income exceeding the maximum amount allowed by Rincon de Los Esteros as published by HUD according to household size;
 - Insufficient income: i.e., rent exceeding more than 40 percent of annual gross income;
 - Household composition not appropriate for unit size;
 - Other good cause: including but not limited to, failure to meet any of the selection criteria in this document.
2. If the applicant household is rejected, the Managing Agent will notify the rejected household of the reason for their ineligibility and offer them an opportunity to discuss the ineligibility with project staff.

VI. APARTMENT ASSIGNMENTS

After all members of the applicant household been interviewed and all income/asset verifications, landlord references, criminal background checks, and credit reports have been received, a decision will be made as to the applicant household's eligibility as stated above. If the applicant household is eligible, the household will be notified by telephone or by mail of their eligibility and of the availability of a unit in accordance with the Waiting List Procedure.

VII. WAITING LIST PROCEDURE

The Waiting List Procedure will be used to fill vacant apartments. When the Administrator estimates that a unit may be available within the next several months, the top three applicants from the waiting list will be invited to attend an interview and submit updated information to determine eligibility (additional applicants may need to be contacted in the event of multiple vacancies). In order to maintain the lowest possible vacancy rate, the Managing Agent will attempt at all times to have a pool of applicants whose eligibility is verified and who are prepared to accept a unit.

There will be ongoing marketing efforts to continually provide new applicants from the general public. However, if there are not sufficient eligible names on the Waiting List, marketing efforts will be increased until there is a sufficient number of new applicants on the Waiting List.

The following procedures were developed to establish fair and consistent policies and to maintain the integrity of the waiting lists.

It is the responsibility of the building's Administrator and Property Supervisor to monitor compliance with these procedures and insure the integrity of the waiting lists. It will be the Director of Property Management's responsibility to review the waiting lists at each site on a quarterly basis and oversee that the procedures contained herein are followed.

Establishing a New Waiting List

When a new property is developed or purchased, the marketing efforts should provide a quantity of applicants that are interested. These applicants will be placed on the waiting list according to the procedures set forth below.

Each applicant will be required to complete an "Application - Part I", and will be given a welcome letter detailing the applicants waiting list number, unit size applied for, and instructions to remain eligible to remain on the list.

Applicants will be placed on a "Daily Waiting List Log" which will contain the following information for at-a-glance maintenance and updating purposes.

Property:				Date:				Unit Size:
Name	Phone #	W/L #	Date Applied	1 st Q	2 nd Q	3 rd Q	4 th Q	Comments

Once the initial applicants are placed on the waiting list, the list is officially closed. New applicants may only be added to the list in accordance with the following procedures.

Opening a Waiting List

It is the responsibility of the building's administrator and property supervisor to determine when a waiting list must be opened. This decision will be made when the quantity of applicants on the waiting list reaches a level less than 10 times the average monthly turnover per unit size.

Example: If a property maintains an average of 5 vacancies each month (two 3-bedrooms and three 2-bedrooms), there should be at least 50 applicants:

20 – three bedroom 30 – two bedroom

When the waiting list for each individual unit size falls below the minimums listed in the example above, the waiting list will be opened according to the following procedures:

1. Notify First Community Housing in writing of the need to open a waiting list. The written notification shall include the items defined in #2 below.
2. Advertising will be placed in the local newspaper specifying the following:

City

Property Name

Unit Size

Date & Time

Building Address

Income restrictions and eligibility requirements apply

Equal Opportunity Housing.

3. On the day the waiting list is opened, the building's Administrator will provide each applicant with the following items:
 - A building information sheet, which specifies the property's income and eligibility restrictions
 - A numbered application "Application - Part I" according to the order in which the applicants are waiting in line.
 - Applications are to be completed at that time and submitted for quick review and processing
 - The applicant will submit the "Application - Part I" and be assigned a Waiting List # and information and instruction sheet outlining their responsibilities to remain on the list.
4. The administrator will add the new applicants to the Daily Waiting List Log in numeric order at the bottom of the log.

Maintaining and Processing the Waiting List

Processing an Applicant:

The process of determining applicant eligibility is time consuming; criminal, credit and landlord references can take up to two weeks or longer to obtain. Therefore, in order to minimize vacancy losses, the property is to maintain a sufficient number of "pre-approved" applicants. These applicants must be selected from the waiting list (oldest applicant first) and processed according to the property's Policy on Resident Selection.

Selecting applicants from the waiting list for the purpose of "pre-approval" must be completed as follows:

- The oldest applicants are contacted by phone or mail to insure contact is made.
- The number of applicants selected for pre-approval processing is dependent upon the building's average turnover, unit size and availability.

This will vary from property to property and will require property supervisor direction

- Applicants are provided with an "Information Sheet for Interview", which lists the items each applicant is required to bring for the interview.
- Appointments are scheduled with each of the selected applicants. All adult members of the household must be present during the processing interview.

- The property's Policy on Resident Selection and Program Regulations are explained to the household.
- The \$32 credit and criminal background check fee is collected for each adult member of the household.
- Copies of Driver's License & Social Security Cards are taken from each adult household member; copies of Birth Certificates are take for each minor dependent of the household.
- The application is processed and signatures are obtained on applicable verification forms. It is at this time that the application is carefully reviewed for completeness and accuracy.
- The Income Certification and Asset Certification forms are completed and signed by the Head of Household.
- The applicant is informed of the anticipated processing time and advised that additional materials may be requested if necessary.
- Income and Assets are verified according to HUD Handbook 4350.3 guidelines.
- Verifications are obtained through third party, or first party if impossible to obtain or at least two separate attempts for third party verification have failed.
- Verifications are date stamped when received – the 90-day clock commences.
- When all verifications are obtained, the file is processed and income calculations are completed. **The Property Supervisor must review the file and sign off that it is complete and accurate.**
- The applicant is now a "pre-approved" household.
- The file remains "fresh" for 90-days from the date of the oldest verification. If the applicant does not take possession of a vacant unit prior to the end of the 90-day period, the expired verifications must be sent out again for third party completion and the steps above are completed again.
- The credit/criminal and landlord references are good for the life of the applicant*.

(*For the purposes of verifying these items, management has done its due diligence in adhering to the Policy on Resident Selection. Additionally, the cost to process these items can only be passed to the applicant once.)

Denying an Applicant & Removal from the Waiting List:

The applicant must fulfill his/her obligations to remain an active waiting list applicant. These obligations are spelled out in the instruction and information sheet as follows:

- Applicants must call, fax or mail the office with updated information; i.e. telephone number, new address, additions to household, etc. every three months.
- Failure to contact the office every three months will result in a letter being sent to applicant indicating that he/she has been removed from the waiting list.
- If the building's administrator attempts contact with applicant for processing or updating purposes and said applicant cannot be reached, a letter will be sent to applicant indicating that he/she has been removed from the waiting list.
- If the applicant contacts the office within one week from the date of mailing the denial letter, the applicant may be reinstated.

- If the applicant does not contact the office within that time, he/she is removed from the list.
- If the applicant contacts the office, but does not want the available unit(s) he/she is removed from the waiting list.
- An applicant may be denied once and reinstated. A second failure by applicant to contact the office every three months, or management's inability to reach the applicant, will result in removal from the waiting list.
- Applicants who are removed from the waiting list may re-apply by completing a new Application – Part I. They will then be placed on the bottom of the waiting list and will be contacted as indicated in the above process.

VIII. GENERAL

The Owner specifies that applicant households be made aware of admission and eligibility requirements as well as the following:

- A. In families where both parents or single heads of household are employed or going to school full-time, child care arrangements should be made for children under age 14 while parents are not at home.
- B. No animals will be allowed. An animal required for physical assistance are not considered pets, but will be subject to reasonable conduct as noted in the Service Animal Agreement.

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