

## INDEPENDENT MANAGEMENT SERVICES

For Section 8, PAC, PRAC, and 236

**Property No.:** 168E **Property Name:** Elmwood Towers

### **RESIDENT SELECTION CRITERIA** - Revision 1.10312017

Independent Management Services subscribes to the following procedures in selecting new residents for our Section 8, PAC, PRAC, Section 236, and Rental Assistance programs. The purpose of this Resident Selection Criteria is to implement the HUD regulations, including Quality Housing and Work Responsibility Act (QHWRA) for the Section 8 housing assistance payments program at this property.

### **I. EQUAL OPPORTUNITY HOUSING**

**The management of this elderly designated project** fully adheres to the Federal Fair Housing Law (Title VII of the Civil Rights Act of 1968, as amended by the Housing and Community Development Act of 1974), which stipulates that it is illegal to discriminate against any person because of race, color, religion, sex, national origin, marital status, handicap, or familial status; Admission and Occupancy Provisions of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) for Multifamily Housing Programs; including policies to comply with Section 504 of the Rehabilitation Act of 1973 and Title VI of the Civil Rights Act of 1964. Applicants should be a U.S. Citizen or have eligible immigration status and provide supporting documentation with the application.

#### **Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity**

Eligibility for housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and no owner or administrator of HUD-assisted housing may inquire about the sexual orientation or gender identity of an applicant or occupant for purposes of determining eligibility.

### **II. RESIDENT ELIGIBILITY**

#### **I. Rental Payments**

##### **a. Minimum Rent (Total Tenant Payment)**

i. For Section 8 project-based programs (other than moderate rehabilitation programs), the minimum rent or total tenant payment (TTP) is \$25.

ii. This minimum rent (TTP) will apply when the calculated total tenant payment for the family is less than \$25. The tenant must demonstrate an ability to pay monthly rent and security deposit or equity (if project is a cooperative).

1. The responsible entity (owner/agent) must grant an exemption from payment of minimum rent if the family is unable to pay the minimum rent because of financial hardship, as described in the owner/agent written policies. Financial hardship is described as follows and includes these situations:

- I. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
- II. When the family would be evicted because it is unable to pay the minimum rent;
- III. When the income of the family has decreased because of changed circumstances, including loss of employment;
- IV. When a death has occurred in the family, and
- V. Other circumstances determined by the owner/agent or HUD.

2. For II above (imminent eviction), management will start the process only if the family requests a financial hardship exemption after they received a "Notice to Vacate" for non-payment of rent. Management will verify and accept reasonable explanations. The Notice to Vacate for Delinquency form will include language informing residents to notify management in writing if there is a reason to request a hardship exemption to the minimum rent requirements and the family's TTP is less than \$25.

3. For III above (decrease in income), management will verify the change has occurred.

4. For both "IV" and "V" above (death in family and other circumstances), management will evaluate the request for exemption on a case-by-case basis.

5. When a family requests an exemption, management must suspend the minimum rent requirement the first of the following month, until verified whether it is long term or temporary.

6. Once status of exemption is determined:

I. Temporary: At the end of 90 days, minimum rent is reinstated retroactive to the initial suspension date. The tenant will be offered a reasonable repayment agreement for collection of the money owed. In this scenario, recertification is not required.

II. Long Term: Minimum rent is exempted so long as the hardship exists. In this scenario, management will process a HUD recertification retroactive to the initial suspension date. Management will require the resident to report the status of the exemption on a quarterly basis.

a. Determinations will be made in a timely manner on resident requests for a hardship exception, usually in one week. Documentation on all determinations will be maintained on file by management.

7. Utility Reimbursements

a. The owner will pay the utility reimbursement to the utility supplier on behalf of the family, with tenant consent.

b. Units Receiving Rental Assistance

i. Income

1. The applicant must demonstrate an ability to pay the monthly rent and still be able to meet other living expenses, if applying for a non-subsidized unit.

2. The applicant must have a dependable, steady source of income to lease Non-Section 8 units. Frequent job changes or part-time employment may disqualify the applicant for non-assisted units. Applicants/Residents reporting "Zero Income" shall be required to certify such status every 90 days.

3. The gross annual income of the applicant, adjusted for household size must be at or below the very low income limits set by the United State Department of Housing and Urban Development (HUD). The applicant may be eligible if the gross annual income of the applicant, adjusted for household size is less than low income limits in the event that the Low Limits are published on this document. IRS Section 42 Housing Tax Credit guidelines will supersede HUD income eligibility. The current income limits are found at the end of this document.

4. For minor variation, the resident must pay 30% of their total monthly adjusted income toward the rent of the unit. HUD pays the balance of the rent directly to the owner on behalf of the resident. The applicant must demonstrate a financial ability to pay his/her monthly contribution toward the rent of the unit.

5. The rental agent and/or manager will verify the amount and source of the applicant's income, medical and other expenses, as well as the size of the applicant's household. Credit reports on the applicant will be obtained through a credit bureau. In addition, the rental office before final approval of the prospective resident's application will schedule a personal interview.

6. For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40% shall be available for leasing only by families that are extremely low income families at the time of admission.

7. Any requests for exceptions to the income limits will be made in writing to HUD in accordance with HUD program requirements by management.

8. "Extremely low-income family" - A very low-income family whose annual income does not exceed the higher of:

a. The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved (except in the case of families living in Puerto Rico or any other territory or possession of the United States); or

b. Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

9. Applicants from the project's waiting list will be monitored to make sure that at least 40% of the units are rented to ELI families. In accordance the HUD 4350.3 REV-1, the methodology for income targeting is as follows:

a. Alternate between the first extremely low-income applicant on the waiting list and the applicant at the top of the waiting list. The first extremely low-income applicant on the waiting list (which may mean "skipping over" some applicants with higher incomes) for the available unit, and then select the next eligible applicant currently at the top of the waiting list (regardless of income level) for the next available unit. As subsequent units become available, tenant selection continues to alternate between the next extremely low-income applicant and the eligible applicant at the top of the waiting list until the 40% target is reached. It is possible that: Selection of the "next extremely low-income applicant" may result in selecting the applicant at the top of the waiting list; or selection of the "eligible applicant at the top of the waiting list" may result in the selection of an extremely low-income family.

10. If the waiting list does not include eligible applicants with annual incomes that meet the definition of Extremely Low Income, management will market and outreach to achieve the desired mix. If after actively marketing for at least 30 days, management is unable to fill vacant units with ELI families, management may lease to other eligible families. Documentation of marketing efforts will be maintained on file by management.

ii. Household Size

1. The unit applied for must have enough bedrooms to accommodate the applicant's household. Applicants may be placed on one or more waiting list depending on household/unit size, so long as the household is not over/under housed at move-in. This will be determined based on what unit size the applicant lists on the application. The unit applied for shall reflect the following occupancy standards where applicable:

**One Bedroom (1 to 2 persons)**

2. A handicapped/disabled person may occupy a two-bedroom apartment with a non-handicapped/disabled person who is essential for his/her well-being (determined by physician).

3. Should a current household become over-housed, then such household must be transferred to a smaller unit accordingly.

4. In some cases, it may be necessary to verify household size/composition for the purpose of determining the appropriate sized unit. If necessary, management will obtain one of the acceptable forms of verification listed in HUD Handbook 4350.3 REV-1 Change 4.

iii. Monthly Rental Payment

1. This property operates on a basis of receiving timely monthly rent payments. Rental payments are expected on the first of the month; each month. Therefore, vendored rental payments will not be accepted.

iv. Residency: The unit for which the family is applying must be the family's only residence.

### III. SELECTION CRITERIA

A. Credit Standing

CREDIT HISTORY: A credit report will be obtained (upon clearing all other screening criteria) for all applicants, co-applicants and occupants 18 years of age and older. An applicant's credit assessment will be determined by an appropriate credit agency. A Leasing Desk Score will be determined by an appropriate credit agency. "Poor Credit" will render the applicant ineligible. The following items will result in the rejection of an application:

1. Inadequate Leasing Desk Score (Under 550);

2. Any Judgments/court cases/ accounts in collection related to housing; and outstanding utility bills;
3. Account charged off to "written off";
4. Unpaid Judgments;
5. Debts 30 or more days delinquent (housing related); and
6. Accounts sent to collections as "Unsatisfied."

The following items will not be taken into consideration as part of the determination process:

1. Medical and education accounts are not taken into consideration; and
2. No credit, depending upon confirmation of identity verification, current address, and prior addresses. \*
3. A Leasing Desk Score of less than 550 when the applicant has a) No Credit History or b) No Negative Credit History
4. Foreclosure.

\* Screeners will verify applicants who received a "No Established Credit" determination. In order to verify identity, screeners will verify the multiple social security numbers, social security number, and/or multiple addresses listed.

In the event of marketing difficulties, management may lower the credit thresholds to increase the amount of applications at this property to increase occupancy. In such cases, the tenant file will be documented noting the above action and the resident selection criteria will be amended. Evidence of marketing efforts and resident selection criteria amendment will be maintained at the rental office.

Credit reports will be obtained for Applicants seeking approval as additional members to an existing household. Applicants will be denied if there are prior negative landlord accounts, non-medical or education civil suits, noted sex offender status, criminal history, false Social Security number, address(es) that conflict with information provided on the application, or negative utility accounts

CREDIT REPORTS ARE TO BE KEPT CONFIDENTIAL AND ARE NOT TO BE SHOWN TO APPLICANTS. DENIED APPLICANTS MAY OBTAIN A COPY OF THEIR OWN CREDIT REPORT FROM THE CREDIT REPORTING AGENCY. DIRECTIONS OF HOW TO OBTAIN THE CREDIT REPORT ARE NOTED ON THE ADVERSE ACTION NOTICE.

Live-in Aids will be subject to all screening except credit.

B. LANDLORD VERIFICATION: Eligible applicants must have a satisfactory history of meeting financial obligations, including timely payments of rent. Judgments, a history of late payments of bills and/or rent will be grounds for non-selection.

1. LANDLORD REFERENCES: Previous landlords will be contacted regarding the applicant's previous residency. A minimum of 5 (five) years prior residency or tenancy must be completed by the applicant and verified by management. Applicants with an unfavorable landlord reference will be denied. An unfavorable landlord reference is defined as any of the following:

- a. Notification of unsanitary or hazardous housekeeping.
- b. Notification of disruptive or dangerous behavior-including disturbance of neighbors, destruction of property, and/or criminal activities.
- c. Court action for non-compliance with rent/occupancy agreements (including non-payment of rent)
- d. One or more legal notices for non-payment of rent during any 12 month period.
- e. Outstanding balance due to any previous landlord.
- f. Eviction by a previous landlord (for any cause)
- g. Notification of any fraudulent information from any previous landlord.
- h. A history of untimely (late) rental payments.

If no previous independent landlord reference is available for the minimum time period, references, going back an additional 5 years may be verified.

c. In certain circumstances, our inability to verify sufficient credit references may be grounds for rejection of an application. Consideration will be given to special circumstances in which credit has not been established for some reason (income, lack of credit history, etc.)

d. Tenants- As of January 31, 2010, all individuals, **including those under the age of six**, must now disclose a valid SSN. The only exceptions to this requirement are for tenants age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun prior to January 31, 2010, and individuals who have not claimed eligible immigration status. **The exemption for persons 62 and older does not apply to new applicants coming into your property unless they were already receiving federal housing assistance somewhere else on January 31, 2010.** Individuals who have already disclosed a valid SSN do not have to redisclose their SSN. Affected tenants must provide verification of SSNs at the time of their next interim or annual recertification if the following criteria apply:

- They have not previously disclosed a SSN;
- They previously disclosed an SSN that HUD or the SSA determined was invalid;
- or
- They have been issued a new SSN

Please see the final rule for additional requirements that must be met when a tenant requests to add a new household member.

The penalty for affected tenants' non-disclosure of SSNs is the termination of tenancy of the household. Os/As may provide tenants with an additional 90 days past the recertification date to comply with the SSN requirements if the failure to comply is due to circumstances outside of the tenant's control and there is reasonable likelihood the tenant will be able to comply by the deadline date. After this 90-day deferral, if the tenant has not met the SSN disclosure verification requirements, the tenancy of the entire household must be terminated.

### C. Applicants

#### 1. Applicants currently on or applying to the waiting list:

Applicants do not need to disclose or provide verification of a SSN for all non-exempt household members at the time of application and for placement on the waiting list. However, applicants must disclose and provide verification of a SSN for all non-exempt household members before they can be housed, with the exception of children under 6 years of age as described in paragraphs 2 and 3 below.

#### 2. Housing applicants from the waiting list:

If all non-exempt household members have not disclosed and/or provided verification of their SSNs at the time a unit becomes available, the next eligible applicant must be offered the available unit.

The applicant who has not disclosed and/or provided verification of SSNs for all non-exempt household members has 90 days from the date they are first offered an available unit to disclose and/or verify the SSNs. During this 90-day period, the applicant may, at its discretion, retain its place on the waiting list. After 90 days, if the applicant is unable to disclose and/or verify the SSNs of all non-exempt household members, the applicant must be determined ineligible and removed from the waiting list.

If a child under the age of 6 years was added to the applicant household within the 6-month period prior to the household's date of admission, the applicant may become a participant, so long as the SSN of the child is disclosed and provided within 90 calendar days from the date of admission. The owner must grant an extension of one additional 90-day period if the owner determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the applicant.

#### 3. Adding a new household member:

When adding a new household member who is age six or older, or is under the age of six and has a SSN, the resident must disclose and provide verification of the SSN of the individual to be added to the household. When adding a new household member who is under the age of six without an assigned SSN, the resident must disclose and provide verification of the new household member's SSN within 90 calendar days of the child being added to the household. The owner must grant an extension of one additional 90-day period, if the owner, in its discretion, determines that the resident's failure to comply is due to circumstances that could not have been foreseen and were outside the control of the resident, e.g., delay in processing by SSA, natural disaster, fire, death in family, etc.

- During the period management is awaiting disclosure and verification of the SSN, the child will be included as part of the household and will be given the dependent deduction.

- A TRACS ID will be assigned until the time the SSN is provided, at which time an IR will be processed changing the child's TRACS ID to the child's verified SSN.
- If, upon expiration of the provided time period, the resident fails to disclose and provide verification of the SSN, management will terminate tenancy of the resident and the resident's household.

#### 4. Information on the Application:

If the application is not fully completed or contains false information, the applicant will not be accepted.

#### 5. All appropriate Sex Offender Registries are checked for all applicants and each adult household member.

#### 6. Personal Reputation:

An applicant will not be selected if he/she or any person living in the unit, has a history of criminal activity, or including sex offenses and particularly those involving physical violence to persons or property. Any criminal activity, which would affect the health or safety of the other residents, would also be a basis for the applicant's denial for residency or IMS staff.

7. Criminal Background: An applicant may be rejected on the grounds of character reference, if he/she has association with persons having a history of criminal activity or physical violence. Denials based on character references will be supported with factual documentation of the reason(s) for denying the application.

8. **VIOLENCE AGAINST WOMEN ACT:** For victims of violence as defined under VAWA (domestic violence, dating violence, sexual assault & stalking), incidents of abuse shall not be good cause for rejection of the victim's application, eviction or lease termination.

a. All applicants and residents have received a Notice of Occupancy Rights under VAWA as part of your application and as part of your lease signing.

b. Applicants can't be denied rental assistance solely because they were previously evicted from an assisted site for being victims of violence as defined under VAWA.

c. Applicants can't be denied assistance solely for criminal activity that is directly related to violence as defined under VAWA.

d. Residents can't be evicted solely because they were victims of violence as defined by VAWA. Being a victim of such violence does not qualify as a "serious or reported violation of the lease" or "other good cause" for eviction.

e. The authority to evict or terminate assistance is not limited with respect to a victim that commits unrelated criminal activity. Furthermore, if management can show an actual and imminent threat to other tenants or those employed at or providing service to the property if an unlawful tenant's residency is not terminated, then evicting a victim is an option, the VAWA notwithstanding. Ultimately, management may not subject victims to more demanding standards than other tenants.

f. Residents wishing to report an incident of violence as defined by VAWA must submit specific documentation as requested by site management, and all such documentation will remain confidential, unless required by law. Documentation may include the HUD approved Certification of Domestic Violence form, police report, protective order or restraining order, a signed statement, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection. Documentation must be submitted within 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. Management may, but does not have to, extend the deadline for the submission of documentation upon your request. Failure to supply appropriate documentation may result in the denial of protections under VAWA.

g. An emergency transfer plan is in place for residents feeling an immediate threat to your life or safety as a victim under VAWA. In general, Management will prioritize needs of existing tenants over external transfers, and opportunities to maximize use of accessible units. The order for priority of VAWA Emergency Transfers will be as follows: 1) First priority will go to Internal Emergency Transfers, including VAWA Emergency Transfers. Priority among VAWA Emergency Transfers and other non-VAWA Emergency Transfers will be evaluated on a case-by-case basis if such conflicts arise; 2) Second priority will go to other Internal Transfers that are not emergencies; and 3) Third priority will go to External VAWA Emergency Transfers. The emergency transfer plan is available upon request.

h. Management may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

i. The identity of the victim and all information provided to management of domestic violence will be retained in confidence and will not be entered into any shared database or provided to a related entity, except to the extent that the disclosure is a) requested or consented to by the individual in writing; b) required for the use in an eviction proceeding or termination of assistance; or c) otherwise required by applicable law.

9. CRIMINAL CHECKS/HISTORY/ACTIVITY/TERRORIST ALERTS:

a. Any "Unacceptable Conviction History" will be grounds for rejection of an application or termination of tenancy. "Unacceptable Conviction History" includes, but is not limited to:

i. Conviction, incarceration or probation for the following offense classifications by offense type and range depending on the severity:

Sex Lifetime Sex Offender	Any
Property Weapons Family Related	7-5 years
Violence Drug-Related Organized Crime Public Justice Public Order	7-3 years
Fraud Gambling Computer/Telephone Animal	5-3 years
Alcohol Transportation Victimless Traffic/Civil Court Unable to Classify	Not Considered

ii. Any criminal activity or pattern of alcohol abuse or illegal drug use that threatens the health, safety, and right to peaceful enjoyment of the property by other residents or the health and safety of the owner, employees, contractors, subcontractors, or agents of the owner.

iii. Any household member is currently engaging in illegal drug use or if management determines that there is reasonable cause to believe that a household member's illegal use or a pattern of illegal use of a drug may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

iv. Management determines that there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

v. Having been evicted from any federal assisted site for drug related activity by any household member in the past 3 years from the date of eviction, in accordance with HUD Handbook 4350.3 REV-1, paragraph 4-7 C.2.a.

b. For limited misdemeanor and lower severity offenses, Management will not consider offenses in the following classifications: Public Justice, Public Order, Gambling, Fraud, Animal, Computer/Telephone.

c. Unless permitted by applicable law or regulation, arrests and misdemeanor convictions greater than 5 years will not be considered when determining eligibility status for public housing.

d. Eligibility status for public housing will be based on an individualized assessment considering only the criteria noted above. Applicants may appeal and submit evidence of inaccuracies in the information or support of rehabilitation or other relevant mitigating factors.

i. If an adverse decision has been made, management will only reconsider its determination in light of the information submitted by the applicant in accordance with the appeals procedure stated herein.

ii. Applicant provided information must be submitted during the appeal process. Additional applicant provided information will not be accepted after an appeal decision is issued.

#### 10. SECTION 8 STUDENT ELIGIBILITY for APPLICANTS AND CURRENT RESIDENTS

1. Owners must determine a student's eligibility for Section 8 assistance at move in, annual recertification, initial certification (when an in-place tenant begins receiving Section 8), and at the time of an interim recertification if one of the family composition changes reported is that a household member is enrolled as a student.

2. Section 8 assistance shall not be provided to any individual who:

a. Is enrolled as either part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential; and

b. Is under the age of 24; and

c. Is not married; and

d. Is not a Veteran of the United States Military; and

e. Does not have a dependent child; and

f. Is not a person with disabilities, as such term is defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving Section 8 assistance as of November 30, 2005; and

g. Is not living with his or her parents who are receiving Section 8 assistance; and

h. Is not individually eligible to receive Section 8 assistance or has parents (individually or jointly) who are not income eligible to receive Section 8 assistance.

• **NOTE:** Unless the student can demonstrate his or her independence from parents, the student must be eligible to receive Section 8 assistance **and** the parents (individually or jointly) must be eligible to receive Section 8 assistance in order for the tenant to receive Section 8 assistance.

3. For a student to be eligible independent of his or her parents (where the income of the parents is not relevant), the student must demonstrate the absence of, of his or her independence from, parents. While owners may use additional criteria for determining the student's independence from parents, owners must use, and the student must meet, at a minimum **all** of the following criteria to be eligible for Section 8 assistance. The student must:

a. Be of legal contact age under state law;

b. Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy; **or**

c. Meet the U.S. Department of Education's definition of an independent student:

i. The individual is 24 years of age or older by December 31 of the award year;

ii. The individual is an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

iii. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;

iv. The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;

v. The individual is a graduate or professional student;



vi. The individual is married;

vii. The individual has legal dependents other than a spouse;

viii. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-supporting, by:

1. A local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

2. The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

3. The director of a program funded under subtitle B of the title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

4. A financial aid administrator; or

ix. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

d. Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and

e. Obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support. This certification is required even if no assistance will be provided.

4. Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition including other required fees and charges is included in annual income, except if the student is over the age of 23 with dependent children or if the student is living with his or her parents who are receiving Section 8 assistance.

5. If an ineligible student is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated in accordance with the guidance in paragraph 8-6A of HUD handbook 4350.3 REV-1.

- Upon notification of denial or termination of assistance, the household is entitled to request an informal hearing to discuss the reasons for denial or termination. The household must respond within 14 days after receiving such notification.

- **NOTE:** An owner cannot evict or require an ineligible student to move from a unit as long as the student is in compliance with the terms of the lease.

11. **At Section 42 LIHTC Properties**, Full-time students receiving assistance under Title IV of the Social Security Act; enrolled in a job training program receiving assistance under the Job Training Partnership Act or under similar, Federal, State, or Local Laws; receiving AFDC payments; single parents with dependents, none of whom is a dependent of a third party; or married filing a joint tax return are eligible for approval for occupancy in the development. An individual who 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 [foster care] Foster children and foster adults are not consider dependents. IMS Form 7.52 Student Eligibility Certification **MUST** be completed and is approved **ONLY** by an IMS Corporate Official.

12. Section 524 – Occupancy by Police Officers and Security Personnel

i. QHWRRA permits occupancy by police officer/security personnel who are otherwise ineligible to lease an available unit because of income.

ii. The owner will adhere to the following to receive authorization to house over-income personnel in an assisted unit.

iii. The police officer/security personnel must be employed full time (not less than 35 hours per week) by a governmental unit or a private employer and compensated expressly for providing police or security services. All police officers and security personnel are subject to all screenings.

iv. Owner/agent will submit a written plan to the contract administrator for authorization to lease an available unit to over-income police officers. The plan will include:

1. A statement detailing existing social and physical conditions of the property and the owners informed assessment of the need for crime deterrence for the property.

2. A statement of the anticipated benefits that the presence of police officers will create at the property and in the community.
3. Disclosure of any family relationship between the police officer, security personnel and owner.
4. A description of the proposed gross rent for the unit and any special conditions for occupancy, including the rent that would ordinarily be charged for the unit and the owner's annual maintenance cost for the unit. The amount of Housing Assistance Payments will be in conformance with HUD requirements.
5. The terms of the lease including a provision that states the police officer's right of occupancy is dependent on the continuation of employment that qualifies the officer for residence at the property.
6. Other information as may be requested by HUD or the contract administrator.
7. An owner may not offer a unit to a police officer if the officer would displace an income eligible tenant from leasing the available unit or would require an existing tenant to move to make the unit available to the officer.

### 13. For Properties Designated for Disabled Person

#### a. A Person With Disabilities

##### 1. This means a person who:

- i. Has a disability, as defined in 42 U.S.C. 423 (Social Security Disability Benefits). The term "disability" means;
  - ii. inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
  - iii. in the case of an individual who has attained the age of 55 and is blind, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

##### a. Is determined pursuant to HUD regulations, to have a physical, mental or emotional impairment that:

- I. Is expected to be of long-continued and indefinite duration;
- II. Substantially impedes his or her ability to live independently, and
- III. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

##### b. Has a developmental disability as defined in 42 U.S.C. 6001

##### c. 42 U.S.C. §6001:

##### d. The term "developmental disability" means a severe, chronic disability of a person 5 years of age or older that:

1. is attributable to a mental or physical impairment or combination of mental or physical impairments;
2. is manifested before the person attains age twenty-two;
3. is likely to continue indefinitely;
4. results in substantial functional limitations in three or more of the following areas of major life activity:
  - (i) self-care, (ii) receptive and expressive language, (iii)

learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic sufficiency, and

5. reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term when applied to infants and young children means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided. 42 U.S.C. 6001(5)

e. Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agent for acquired immunodeficiency syndrome

f. For the purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and

g. Means "individual with handicaps" as defined in the Code of Federal Regulations (Title 24 CFR, Part 8.3, Definitions, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of HUD), for purposes of reasonable accommodation and program accessibility for persons with disabilities.

h. The property will make reasonable accommodations, under Section 504, for individuals with handicaps or disabilities, be it an Applicant or Tenant. Such accommodations may include the following:

1. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
2. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
3. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
4. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements; and economic sufficiency, and
5. Performing a self-evaluation of the owner's program and policies to ensure that they do not discriminate based on disability.
6. Operating their programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

#### **IV. PROCEDURES**

##### **A. Application Process**

i. Pre-Applications and Applications will only be taken at the site by the rental agent or manager (between the hours of 8:00AM – 5:00PM, Monday - Friday) who will perform the following actions:

1. Management will record the date and time received on the application.
2. Persons with disabilities, who as a result of their disabilities, cannot utilize the preferred method of submitting applications, may use alternative methods such as mailing, email, etc.
3. It is required that the head of household, spouse or co-head and all other adults (age 18 and older) in each applicant family must sign an Authorization for Release of Information (form HUD

9887 and 9887-A) prior to occupancy and every year thereafter, including asset declaration forms.

4. Verification of income, bank accounts, employment, criminal history, etc., will be requested.

5. Other verification requests will be made, as appropriate (childcare, medical expenses, educational expenses, status as handicapped household, etc.)

6. Nationwide criminal histories will be obtained for all household members age 18 and older; and

#### 7. Reviewing a Family's Citizenship/Immigration Status

a. Management generally considers citizenship/immigration status once for each household and will be re-verified more frequently if immigration status or household composition is likely to change (e.g., when a family member applies for a change in immigration status).

b. Management will determine the applicant's citizenship or immigration status during the initial eligibility determination, prior to move-in.

c. As part of the annual or interim recertification process, management will determine the citizenship/immigration status of tenants from whom the management has not previously collected the proper documentation or whose documentation suggested that their status was likely to change.

d. If the status of a family member in a mixed household changes from ineligible to eligible, the household may request an interim recertification.

e. The required evidence of citizenship/immigration status for any new household member must be submitted at the first interim or regular recertification after the person moves in.

f. Acceptable documentation for proof of citizenship are U.S. Birth Certificate or permanent residence card.

g. The following documentation for each family member regardless of age:

1. From U.S. citizens, a signed declaration of citizenship. Owners will require verification of the declaration by requiring presentation of a U.S. birth certificate or U.S. passport.

2. From noncitizens 62 years and older, a signed declaration of eligible noncitizen status and proof of age;

3. From noncitizens under the age of 62 claiming eligible status:

i. A signed declaration of eligible immigration status;

ii. A signed consent form; and

iii. One of the DHS-approved documents (Form 1-94, 1-551, or Permanent Resident Card).

h. Noncitizens not claiming eligible immigration status may elect to sign a statement that they acknowledge their ineligibility for assistance.

#### B. Review of Rejected Applicants

i. Applicants who are rejected will receive a written disposition of their application, and will be given a fourteen (14) day period during which they may send a written appeal to the manager or rental agent.

ii. Disputed cases will automatically be reviewed by the management's rental agent, and the representative of the owner, taking into account any additional information supplied by the applicant. Extenuating circumstances (if applicable) will be taken into consideration when a final determination is made. Within five (5) business days of the owner response or meeting, the owner must advise the applicant in writing of the final decision on eligibility. Any meeting with the applicant to discuss the applicant's rejection will be conducted by a member of the Managing Agent's Staff who was not involved in the initial decision to deny admission or assistance.

iii. If cause for rejection is due to credit history, the correspondence will list the credit bureau used, their phone number and address, for direct contact with the service. Detailed information regarding applicant must be reported directly by the credit bureau.

iv. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

v. Any applicant who was denied or whose appeal was denied may re-apply after 6 (six) months from the date of denial.

vi. Once an application is denied, all household members listed in the application are considered to be denied.

#### C. Security Deposits

1. An amount up to, but not greater than, one month's Total Tenant Payment. Security deposit and first month's rent must be paid in full upon signing the lease for the unit..

### V. PREFERENCES

Statutory and HUD Regulatory Preferences for Displacement. Owners of Section 236, 221(d)(4),221(d)(3), and 221(d)(3) BMIR properties must give preference to applicants who have been displaced by government action or a presidentially declared disaster. Verification of displacement (under HUD guidance) must be obtained and the displaced household will be placed at the top of the waitlist for the next available unit. In the event that the displaced household is not reachable, then management will continue to the next person on the waitlist and the displaced household will remain at the top of the waitlist.

### VI. REVOLVING LIST OF INTERESTED PARTIES

In the event of full occupancy, a revolving list of interested parties will be established. All persons will be contacted according to the date they requested to be placed on the waiting list (i.e. the oldest dated application first). In the event management is unable to contact an applicant, the next person on the waiting list will be contacted. If applicant is not interested at that time, but wishes to remain on the list, applicant will be revolved to the bottom of the list. If the applicant is no longer interested and requests removal, then they will be removed from the waitlist. The date of revolving to the bottom of the list will replace the original date of application to the list. Applicants who fail to contact our office every 6 months shall be removed from the waitlist. If there are no applicants on the waiting list who require the features of an accessible unit, then the accessible unit may be occupied by a household that does not require the accessible feature.

### VII. UNIT TRANSFER REQUEST POLICY

Unit transfer policies, including procedures for selecting between applicants on the waiting list and current tenants who need:

1. A unit transfer because of family size;
2. A new unit because of changes in family composition;
3. A deeper subsidy (Rent Supplement, RAP, or Section 8 assistance);
4. A unit transfer for a medical reason certified by a doctor; or
5. A unit transfer based on the need for an accessible unit or as a reasonable accommodation under Section 504.
6. An emergency transfer under the Violence Againsts Women Act.

In the event of an approved transfer request, the current tenant will be placed at the top of the waiting list for the next available requested unit type. Following are items (a) through (l) detailing the Unit Transfer Request approval criteria. Section 504 and a change in family composition Transfer Requests are exempt from Items (a, b, c, d, e, f, g, or i) below.

- a. Resident must have no more than two (2) late payments within a 12-month period.
- b. Resident must not have more than one (1) violation or complaint on record within a 24-month period.
- c. Resident must have no police activity reported at their unit for noise, disturbing of peace, etc.
- d. Resident must live on the property for 1 year prior to transfer request.
- e. Resident will only be considered for a transfer earlier than 1 year if the unit is considered over occupied (more than two (2) people per bedroom).
- f. Resident's unit must be inspected, in good condition, and be subject to an unannounced inspection.
- g. Resident must pay for any and all damages prior to the transfer from current unit.
- h. The owner will transfer the security deposit to the new unit.
- i. Resident must have an interview to determine the needs of the household and review their tenant history.
- j. Once approved, resident must be prepared to move when the next unit becomes available.
- k. Resident must meet Low Income Housing Tax Credit eligibility criteria, if applicable.
- l. If a tenant household is being moved to a different unit as a result of a reasonable accommodation due to a disability, the owner must pay for the move unless doing so would constitute an undue financial and administrative burden.

### VIII. DRUG FREE HOUSING

a. "Drug-related criminal activity" means the illegal manufacture, sale, distribution or use, possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in Section 102 of the

Controlled Substance Act (21 U.S.C. 802.) Independent Management Services, together with residents, is dedicated to creating a Drug Free Housing environment and eliminating drug and criminal activity from the property.

- i. Management will conduct quarterly unit visits and inspections, with special attention to drug free housing and security related items.
- ii. In the event that this problem exists, regular meetings are conducted with residents and local authorities to coordinate a group effort to eradicate drug activity.

**b. Use of Marijuana in Multifamily Assisted Properties**

The use of "medical marijuana" is illegal under federal law even if it is permitted under state law and thus as required under the Quality Housing and Work Responsibility Act of 1998 (QHWRA) O/A's can deny admission or occupancy to any household with a member who the owner determines is using a controlled substance e.g., marijuana.

Any household with a member who is illegally using marijuana or whose use interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents will result in legal action to recover possession of the unit.

**c. SPECIAL RULES FOR DRUG ABUSE AND CRIMINAL ACTIVITY**

- i. The Landlord owns and operates a subsidized multi-family housing development and therefore is mandated to utilize final rules published in the Federal Register volume numbers 66 and 101 entitled "Screening and Eviction Drug Abuse and other Criminal Activities.

ii. DENYING ADMISSIONS - MANDATORY PROVISIONS

- 1. Applicants who fit into the following categories will be denied admission to this Federally Assisted Development if:

- a. Any household member has been evicted from federally assisted housing for drug-related criminal activity, for fifteen (15) years from the date of eviction. If the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program or circumstances leading to the eviction no longer exist, the Owner may, but is not required to, admit the household.

- b. Any household member is currently engaging in illegal drug use.

- c. The Owner determines that there is reasonable cause to believe that a household member's illegal use or a pattern of illegal use of a drug may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. (Examples of evidence of illegal activities may include a conviction record, former landlord references, etc.)

- d. Any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In accordance with Federal law, Owners shall establish standards that prohibit admission to any Federally-assisted property to sex offenders subject to a lifetime registration requirement under a state sex offender registration program. During the admissions screening process, the Owner must perform the necessary criminal history background checks in the state where the housing is located and in other states where the household members are known to have resided.

- e. The Owner determines that there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

- f. Drug-related criminal activity;

- g. Violent criminal activity;

- h. Other criminal activity that would threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or

- i. Other criminal activity that would threaten the health or safety of the PHA or Owner or any employee, contractor, subcontractor or agent of the PHA or Owner who is involved in the housing operations.

2. To the extent that an Owner's admissions policy includes any item above or any similar restriction that employs a standard regarding a household member's current or recent actions, the Owner has determined, as outlined in Section 3-k, the length of time prior to the admission decision during which the applicant must not have engaged in the criminal activity that the Owner will consider when making his/her determination.

3. Moreover, through the appeal process, the Owner may reconsider an applicant who was previously denied admission to Federally-assisted housing because of a determination concerning a member of the household who has been engaged in criminal activity. The Owner may admit the household if the household member is not currently engaged in, and has not engaged in, the criminal activity described above during a reasonable period, determined by the Owner, before the admission decision. However, to the extent that an Owner chooses to adopt this admission provision or a similar admissions authority that is based upon a household member's current or recent actions, the Owner must have sufficient evidence submitted by the household member which includes (1) a certification that states that she or he is not currently engaged in such criminal activity and has not engaged in such criminal activity during the specified period and (2) supporting information from such sources as a probation officer, a landlord, neighbors, social service agency workers or criminal records that were verified by the Owner.

## **IX. ADDITIONS AND/OR DELETIONS**

The managing agent reserves the right to alter these policies and procedures.

At least 40 percent of the assisted units that become available in each year of the projects fiscal year available for leasing to families whose income do not exceed 30 percent of the area median income ("extremely low-income") at the time of admission. According to HUD Notice H 00-18, Admission and Occupancy Provisions of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) for Multifamily Housing Programs – 24 CFR 5.655, applicants with higher incomes may be skipped on the waiting list in order to achieve 40 percent extremely low-income, lower-income tenants may not be skipped in favor of others who have higher incomes.

### **1) Closing waiting lists**

- a. The waiting list may be closed for one or more unit sizes when the average wait is excessive (e.g., one year or more).
- b. When the list is closed, potential applicants will be advised that the waiting list is closed and refuse to take additional applications.
- c. When applications are no longer accepted, a notice to that effect will be published in a publication likely to be read by potential applicants. The notice will state the reasons for the refusal to accept additional applications.

### **2) Opening waiting lists**

- a. When applications are accepted again, the notice of this action will be announced in a publication likely to be read by potential applicants, in the same manner as above, that the waiting list was closed. The notifications will be extensive, and the rules for applying and the order in which applications will be processed as noted in this criteria.

- a. Advertisements will include where and when to apply and will conform to the advertising and outreach activities described in the posted Affirmative Fair Housing Marketing Plan.

## **X. ENTERPRISE INCOME VERIFICATION (EIV)**

EIV may be used for all household members 18 years of age and older for the following purposes:

- Verification of Income
- Income Discrepancies
- No Income
- New Hires
- Existing Tenants Receiving Subsidy
- Multiple Subsidies
- Identity Verification Report

Existing Tenants Receiving Subsidy

Existing Tenant Search: Management will use this report at the time they are processing an application to determine if the applicant or any applicant household members are currently residing at another Multifamily Housing or Public and Indian Housing (PIH) location.

Any applicant found to be receiving subsidy at another property will be required to provide verification of move-out before they are allowed to move in. Telephone clarification may also be used for verification of move-out.

#### **XI. Occupancy Protection for HUD Assisted Households in Properties with Low-Income Housing Tax Credits**

Owner/Agents (O/A) who participate in both a HUD-assisted program (e.g. Project-Based Section 8 or Section 236) and Low-Income Housing Tax Credits that O/A's may not terminate HUD-assisted tenants who do not meet LIHTC eligibility guidelines. Owners may only terminate tenancy in limited circumstances as prescribed by HUD regulations and by the terms of the lease and must follow HUD and state/local procedures. Termination for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy which do not include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.

Should an assisted household become over-income and no longer eligible to receive HUD subsidy, i.e. it is determined at annual or interim recertification that the tenant has the ability to pay the full contract rent or market rent, the owner will terminate the housing assistance. However, in accordance with the lease agreement the tenant retains all other rights under the lease including the right to occupy the unit.

#### **HUD INCOME LIMITS EFFECTIVE 4/1/2020** Elmwood Towers, Wayne County, Detroit, MI PMSA **Median Income: 78500**

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 Person
Extremely Low 30%	16500	18850	21720	26200	30680	35160	0	0
Very Low 50%	27500	31400	35350	39250	42400	45550	0	0
Low 80%	0	0	0	0	0	0	0	0

**IMS Property No.:** 168E    **Property Name:** Elmwood Towers    **RESIDENT SELECTION CRITERIA** - Revision 1.10312017