



WHITMORE CIRCLE APARTMENTS TENANT SELECTION CRITERIA

January 2007

This Tenant Selection Criteria has been prepared in accordance with 3560 requirements and in response to policies in the Asset Management Handbook.

This Tenant Selection Criteria shall be used for all Rural Development 515 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 Civil Rights legislation (1964, 1968, 1988) Section 504 of the Rehabilitation Act of 1973, ADA, 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. Hawaii State Law also includes age, marital status, and HIV infection.

Applicants must meet all Rural Development and Management Agent tenant selection requirements to gain admission to a Rural Development 515 property rented or managed by the Management Agent.

1. APPLICATION

This property is marketed at least once per year, if not more frequently, as required by Rural Development using all advertising and community contacts as set forth on the HUD 935.2 Affirmative Fair Housing Marketing Plan. All persons interested in any Rural Development 515 property rented or managed by the Management Agent may request an application either in person, or through a designated individual, at the site or Management Agent 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 or mailed to the site or Management Agent office. There is an application fee of \$50 to cover the cost of credit and criminal background checks. This must be paid in full to consider the application complete. The application must be used and contains requests for all information necessary for determining initial Rural Development 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 applications will be placed on a master waiting list by date and time. All applicants whose applications are not complete will be contacted within 10 days of receipt, in writing with a written list of items necessary to complete the application. If the application is not returned completed within 10 days of notification, it will be rejected. While the central office will track all applications and requests for additional information, no application will be



processed 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, on the sublist. 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 Rural Development certification and the Management Agent references for selection or rejection. The central office will keep detailed records regarding applications i.e. on waiting list, housed, rejected, cancelled.

The application contains a release form which must be signed to authorize the Management Agent 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, Rural Development 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 Rural Development income limits for eligibility based upon application information, or if ineligible during later processing, would be notified in writing that they are Rural Development ineligible. Similarly, any applicants who are not eligible due to eligibility requirements for an elderly project would also receive a notice of ineligibility. However, should the property have Rural Development permission (or will be seeking such permission) to rent to ineligibles, the income ineligible application would be maintained on the waiting list.

2. WAITING LIST

All applications are listed on the waiting list by date and time received. They will be processed based on when the completed application or subsequent information is received to make the application complete. The waiting list contains all Rural Development requested data inclusive of date and time, name, address and phone number of applicant, income, bedroom size requested, statistical data, (i.e. race, sex), eligibility for Rental Assistance (or Section 8), Low Income Housing Tax Credit (LIHTC) eligibility, if applicable, 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 (V,L,M,A). An applicant on the waiting list will appear on as many sublists, cross referenced, as appropriate. Any applicant on the waiting list with a Letter of Priority Entitlement (LOPE) would be placed at the top of the bedroom size and income level appropriate. Ineligibles will be kept on the waiting list and sublists if Rural Development waivers to rent to ineligibles has been requested or received. Any applicant may request information on current status by writing or calling the local or central office. Individual properties will reference any specific priorities or eligibility requirements such as elderly housing, LIHTC or congregate priorities.

3. SELECTION

Applicants will be selected chronologically by income level for all Rural Development properties according to the priorities set forth in the 3560 (Very Low, Low, Moderate or Ineligible). In



those units or properties with no subsidy from Rental Assistance, the applicant must have the demonstrated ability to afford and pay the Basic Rent. The policy of the Management Agent is to consider all income and assets, but that in most cases Applicants should not spend more than 40% of their resources on rent. Those who cannot afford Basic rent would be maintained on the Waiting List for subsidy. If there is no subsidy at the property, those who cannot afford the rent will be rejected. Even when there is subsidy, zero income households will be rejected unless all income is specifically exempt.

Those who have indicated the need for and requested the features of wheelchair adapted or other handicap unit has priority for those units. Any applicant who requests 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 Rural Development income eligibility based on per person income limits. In LIHTC properties, applicants must meet LIHTC eligibility first to be considered for selection. Those LIHTC ineligible but Rural Development eligible would remain on the waiting list. Applicants who meet Rural Development 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 Rural Development definitions of Disabled. 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 under utilize space. Different properties may have different occupancy standards depending on bedroom sizes, unit square footage and any local restrictions. Occupancy is based on number of persons in the household, and is based on counting all full time members of a household, dependent minors who are away at school but live with the applicant at recesses, unborn children or children in the process of being adopted or secured by custody action, foster children and live-in attendants. Children who live in a household 50% of the year or more are also counted towards the total household number; however, visitors, permanently confined/institutionalized household members and children on active military duty are not counted in this determination for occupancy eligibility.

A 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. When RD adopts citizenship and Social Security number requirements, all households will be required to follow these rules. In addition, once Limited English Proficiency (LEP) is enacted into federal law, LEP persons will receive documents in their language and translation free of charge.

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

Applicants in addition to Rural Development, 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 certify 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 a 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 Basic 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 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 and Rural Development regulations as each may change from time to time.

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 usable sleeping areas as defined



by codes and suggested Rural Development regulations. Appendix A (attached) 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 Rural Development and Company eligibility, references, etc. would be rejected. Applicants who do not meet Rural Development income limits for a property would be rejected unless permission to rent to income ineligibles is in process or been received from Rural Development. 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 who fail to come to a scheduled interview, unless there are extenuating circumstances, or who come to the interview on illegal drugs, intoxicated or whose conduct is unacceptable would also be rejected. Applicants with negative credit, personal, landlord or history of being a convicted felon 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. Hawaii State Law also includes age, marital status, and HIV infection. Any applicant who 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. Finally, Applicants who do not possess legal capacity to sign documents could not become tenants or co-tenants, (unless a change in Rural Development policy occurs).

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

