

RESIDENT SELECTION PLAN (RSP)

POLICY ON NON-DISCRIMINATION

With respect to the treatment of applicants, the Management Agent will not discriminate against any individual or family because of race, color, creed, national or ethnic origin or ancestry, religion, sex, sexual preference, gender identity, age, disability, handicap, military status, source of income, marital status or presence of children in a household, acquired immune deficiency syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. No criteria will be applied, or information considered pertaining to attributes of behavior that may be imputed by some to a particular group or category. All criteria shall be applied equitable 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.

OCCUPANCY STANDARDS

A. Units will be occupied in accordance with the following standards:

<u>UNIT SIZE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
Studio	1	2
1 Bedroom	1	2

MAXIMUM ANNUAL INCOME LIMITS

	50%	60%
1 Person	\$31,200	\$37,440
2 People	\$35,650	\$42,780

1. An owner/manager may assign tenant households to units of sizes other than those indicated as appropriate in the table above if the owner / manager reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenant file
2. The head of household, spouse or sole member must be 18 years of age or older.
3. All household members are required to be a US Citizen or eligible non-citizen and provide social security numbers for federally assisted programs.
4. When reasonable accommodations are needed and verified to the satisfaction of the managing agent, persons who would generally share sleeping quarters may be assigned separate bedrooms.
5. Total household income cannot exceed 50% or 60% of area median income.
6. You must make at least 2.5 times the rent as established by the property as a Minimum.
7. All leases shall comply with the terms of any Regulatory Agreement(s) governing the unit being rented and, unless otherwise required by the applicable Regulatory Agreement, shall be for a period of one year unless upon mutual agreement between management and tenant for a shorter period of time.

INITIAL PROGRAM ELIGIBILITY

1. The family's annual income must not exceed program income limits
2. All adults in each applicant family must sign an Authorization for Release of Information prior to receiving assistance and annually thereafter
3. The unit for which the family is applying must be the family's only residence
4. An applicant must agree to pay the rent required by the program
5. All information reported by the family is subject to verification
6. All persons between the ages of 18 years to 54 years old are required to work 30 hours per week, unless the applicant meets one of the eligibility exceptions.

Taking Applications for Occupancy

- a. Method of Selection. The selection of residents will be based on order of application, or lottery, or other reasonable method approved.
- b. Selection Criteria. Selection of resident applications which shall not discriminate in violation of any federal, state or local law governing discrimination, or any other arbitrary factor.
- c. Application. Anyone who wishes to be admitted to an assisted property or placed on a property's wait list must complete an application. In addition to providing applicants the opportunity to complete applications at the project site, owners may also send out and receive applications by mail.
- d. Disabled Applicants. An accommodation to persons with disabilities who, as a result of their disabilities, cannot utilize the owner's preferred application process by providing alternative methods of taking applications.
- e. Applicant certification. The application must include a signature from the applicant certifying the accuracy and completeness of information provided.
- f. Data Collection. Each applicant household member will be requested to provide self-certification of their ethnicity and race for data collection by using form Supplemental Data Sheet. Completing this form is optional and there is no penalty for not completing it. The information on the form will be used for HUD-required annual reporting purposes and to evaluate marketing efforts and will not be used as part of the selection criteria for housing.

VERIFICATION PROCESS INCOME ELIBILITY AND INCOME LIMITS

The Owner/Manager will select only eligible households as tenants of vacant assisted units (meaning families whose annual incomes do not exceed **50% or 60%** of the area median income (AMI) as determined by HUD).

1. The owner/manager will determine whether a family is income eligible using the program-specific definition of "annual income"
2. HUD establishes and publishes income limits for each county or Metropolitan Statistical Area (MSA). The income limits are based on the median income of the geographic area for which the limit is established.
3. Income limits are based on family size and the annual gross income that the family receives.
4. All income sources disclosed on the Rental Application will be third-party verified thru the appropriate agencies, employers and/or institutions.
5. All households' assets, including bank accounts, will be third-party verified.
6. Upon initial occupancy, resident's income cannot exceed **50% or 60%** of the area median income as published annually by the U.S. Department of Housing and Urban Development.

7. To protect the property from rent charge loss or delinquency, households spending more than **40%** of their combined monthly income on rent will be evaluated to determine their ability to pay rent.
8. Third-party income verification will be required from all sources including, but not limited to:
 - a) Employment or wages
 - b) SSA/SSI/Pension/annuities
 - c) State Disability and EDD verification/Family contributions and gifts
 - d) Government assistance, Department of Social Services., unemployment, etc.
 - e) Social security and Supplemental Security Income
 - f) Rental Property income, etc.
 - g) Savings, checking, money market, IRA, 401K, Stocks, Bonds, CDs, IRA etc.
 - h) Income calculations are based on the applicant's gross annual (anticipated) income for the following 12 months. Annual gross income includes income from any and all assets.
 - i) History of Responsible Tenancy, Behavior and Conduct.
 - j) Current landlord references will be obtained. Previous landlords during the past five years may also be contacted. Landlord references will help determine rental history including but not limited to non-payment of rent, repeated disruptive behavior, and chronic late rent payments. A determination will be made regarding whether or not the applicant has demonstrated a record of conduct, which could constitute a material violation of Aurea E Martinez Apartments Occupancy Agreement provisions or applicable tenancy law. If such a record of violations is documented, that will be considered grounds for a determination of ineligibility. Eviction and Unlawful Detainer within the last five years will be grounds for ineligibility.
 - k) A credit reference will be required for all adult household members over the age of eighteen. Any outstanding collections, which exceed **\$2,500.00** within the last 5 years (medical expenses and deferred student loans exempt from this standard), might be basis for denial of applicant. Foreclosure, bankruptcies, and repossessions might be basis for denial. Applicant will be considered for residency if he/she can prove that he/she has paid for all debt recorded in the report.
 - l) Criminal background checks will be conducted on all adults, in the qualified household, who have satisfied all income, credit report, and previous landlord requirements. A felony charge may be basis for denial.

Applications may be rejected for any of the following:

1. Blatant disrespect, disruptive or anti-social behavior toward management, the property, or other residents exhibited by an applicant or family member any time prior to move-in (or demonstrable history of such behavior).
2. A negative landlord or other reference, encompassing failure to comply with the lease, poor payment history, poor housekeeping habits or eviction for cause.
3. A negative credit report.
4. A negative eviction report.
5. Rent exceeding **40%** of monthly income without a demonstrated ability to pay.
6. Falsification of any information on the application.
7. Family size that does not conform to the stated minimum and maximum size.
8. A negative criminal background check.
9. Other good cause, including, but not limited to, failure to meet any of the program qualification or other selection criteria in this document.
10. Exceeding the Maximum Income allowed for the family size
11. All rejected applicants will have the right to appeal the decision. The appeal must be received by the administrator or managing agent no later than ten (10) days after the date of the rejection letter. Appeal must be submitted in writing with copies of any documentation that proves our decision incorrect
12. Drug related-criminal activity

Rejection notices will be provided to the rejected applicant in writing. The rejection notice will include the reason(s) for the rejection and provide the applicant the right to respond to the Property in writing or request a meeting within 14 days to dispute the rejection.

UNIT TRANSFER POLICY

Owners are obligated to transfer tenants to different units as a reasonable accommodation to a household member's disability. For example, a tenant with a physical disability might need a transfer to an accessible unit, or a unit on the ground floor, or a larger unit to accommodate a live-in aide. Transfers which are needed as a reasonable accommodation should be made on a priority basis

Current residents that are in good standing shall be given priority for unit transfers over applicants. Unit transfers will be considered for the following reasons and are prioritized as follows:

1. A unit transfer based on the need for an accessible unit;
2. A unit transfer for a medical reason certified by a doctor;
3. A new unit because of changes in family composition;
4. A unit transfer because of family size;

Change in Need for Accessible Features

If a family is in an accessible unit but no longer needs the accessible features, the owner may request that the family move to another unit in the project.

Eviction for an overcrowded or underutilized unit

- The owner may require the family to move to a unit of appropriate size. If a unit of appropriate size is not available, the owner must not evict the family and must not increase the family's rent to the market rent.
- If a family refuses to move to the correct size unit, the family may stay in the current unit and pay the market rent. The owner must not evict the tenant for refusing to move but may evict the family if it fails to pay the market rent in accordance with the lease.

If there are no units readily available for the tenant to transfer to, the tenant will be added to the transfer waiting list. Furthermore, depending upon the circumstances of the transfer, a tenant may be obligated to pay all costs associated with the move; however, if a tenant is transferred as an accommodation to a household member's disability, the Property may be obligated to pay the costs associated with the transfer.

WAITING LIST

Applicants that meet the program and project eligibility requirements set forth by the Resident Selection Plan shall be added to the property's waiting list. The waiting list shall be maintained on a first-come, first-serve basis with preferences taken into consideration (if applicable). The initial application shall be timed and dated when received and maintained at the rental office. The following standards apply to waiting list management and applicant selection:

- A. Applicants will be added to a waiting list in chronological order.
- B. The community does not have any preferences at the current time.

- C. In the event that the volume of applications received exceeds the number of available apartments and more than one applicant qualifies for the unit; the application with the earliest date will be approved. The other will go on top of the list until the next unit is available.
- D. When management receives the next 30-day notice, it will be the responsibility of the site administrator to notify the applicant at the top of the waiting list. If that applicant turns down the unit, management will then proceed to the next person on the waiting list.
- E. If an applicant on the waiting list rejects two units offered to him/her, he/she may remain on the list but will then be assigned a new position on the waiting list based on the date the applicant rejected the second unit.

Updating the Waiting List

Applicants are responsible for contacting the Property if their household information changes. If the household composition or income level changes while the applicant is on the waiting list, the Property will update the waiting list information and decide whether the household needs the same or a different unit size, or if the household is still income eligible, or able to receive assistance. Changes in household information will not affect the applicant's position on the waiting list, unless the applicant is found to be ineligible based on the rejection criteria outlined herein.

Whenever a change is made in the waiting list, an action is taken, or an activity specific to an applicant occurs, a notation will be made on the waiting list. Furthermore, the Property will document the removal of any names from the waiting list with the time and date of the removal. Examples of such instances include:

1. The applicant no longer meets the eligibility or the program requirements, or is no longer interested in occupancy;
2. The applicant fails to respond to a written notice for an eligibility interview;
3. The applicant is offered and rejects two units;
4. Mail sent to the applicant's address is returned as undeliverable; or
5. The unit that is needed – using family size as the basis – changes, and no appropriate size unit exists.

All applicants must contact the development's resident manager every six months from the date their application is submitted either by written correspondence, or in person, to remain on the waiting list. If an applicant fails contact the Property, their application will be rejected and the applicant's name will be removed from the waiting list. The notice informing the applicant of the removal of their name from the waiting list will be sent to the applicant's last known address.

Opening and Closing the Waiting List

If a determination is made that the length of time an applicant is estimated to be on the waiting list is greater than two years, The Property may close the waiting list and cease accepting applications. The announcement of the closing of the waiting list will be advertised in accordance with HUD requirements. If after closing the waiting list a determination is made that the length of time an applicant is estimated to be on is less than two years, the Property may open the waiting list to applicants and resume accepting applications. The announcement of the opening of the waiting list will be advertised in accordance with HUD requirements.

Waiting List Management and Resident Selection

Applicants that meet the program and project eligibility requirements set forth by the Resident Selection Plan shall be added to the property's waiting list. The waiting list shall be maintained on a first-come, first-served basis with

preferences taken into consideration. The initial application shall be timed and dated when received and maintained at the rental office. The following standards apply to waiting list management and applicant selection:

GENERAL

- A. The site Administrator or a representative of the managing agent will initially interview all applicants.
- B. It will be the responsibility of the site administrator or management agent to inform the applicant in writing of their rejection or approval.
- C. Management will notify applicants who are rejected, in writing, and the applicants will be informed of their option to appeal this decision.

FAIR HOUSING

The property will comply with all federal, state and local fair housing and civil rights laws and with all equal opportunity requirements.

The grievant and/or his/her designee should submit the complaint as soon as possible, but no later than 60 calendar days after the alleged violation, to:

Capital Management Services Inc. (CMS)
8 South Michigan Avenue Suite 3100, Chicago, IL 60603
Telephone (312) 456-1840 or email at info@cmschicago.com.

By signing I acknowledge that I have read and understand the guidelines the Community I am applying for must follow and the application process.

Owner for Agent

Date

Applicant

Date



"This institution is an equal opportunity provider and employer"

