

## Use Resident Selection Plan to Communicate Important Program Requirements

The following sample resident selection plan includes low-income housing tax credit program eligibility requirements, applicant screening criteria, and waiting list information. Although the tax credit program doesn't require written resident selection plans, this type of document can help you process applications more effectively and educate your prospective residents about your site's requirements. If your tax credit site uses a resident selection plan, compare it with the following one to ensure yours covers key information regarding the tax credit program.

### RESIDENT SELECTION PLAN FOR LOW INCOME HOUSING TAX CREDIT UNITS

ABC Apartments is an equal opportunity housing provider. We fully comply with the federal Fair Housing Act. We do not discriminate against any person because of race, color, religion, sex, disability, familial status, or national origin. In addition, federal law prohibits us from rejecting prospects because they hold Section 8 vouchers. Such prospects are subject to the same eligibility requirements as other prospects and therefore may be rejected for any valid reason, as described in this plan. We also comply with all state and local fair housing laws.

#### THE FOUR ELIGIBILITY CRITERIA

Applicants for admittance to Low Income Housing Tax Credit Units must qualify under the following eligibility factors. All eligibility factors must be met to become a resident.

The factors are as follows:

- 1. Income Limits** are established by HUD and adjusted annually. To be eligible for a low-income housing tax credit apartment, households must earn no more than 50 percent of area median gross income. A household's annual income includes amounts derived from assets to which any member of the family has access.

For the one-bedroom apartments, maximum annual income may not exceed \$\_\_\_\_\_ for a one person household, and \$\_\_\_\_\_ for a two-person household.

For two-bedroom apartments, maximum annual income may not exceed \$\_\_\_\_\_ for a two-person household; \$\_\_\_\_\_ for a three-person household, and \$\_\_\_\_\_ for a four-person household. Per regulations, a one-person household is not permitted to occupy a tax credit two-bedroom apartment.

Verification of income and assets with third parties or through other appropriate means will be conducted on all income information that prospective residents provide.

- 2. Only Residence.** Each eligible, qualified applicant who accepts a Low-Income Tax Credit apartment will be required to sign a rental lease for a period of no less than

one year and that apartment must be the household's only residence.

- 3. Size Requirements.** To be eligible for occupancy, the family size must meet the following guidelines at initial occupancy:

# OF BEDROOMS	# OF PERSONS	
	MINIMUM	MAXIMUM
1	1	2
2	2*	4

\* Exception may be made for one person for reasonable accommodation.

- 4. Student Status.** According to low-income housing tax credit regulations, even when a household qualifies under the income limits, a household still may not qualify due to the student status of the residents. Verification of student eligibility is required. All student issues can be explained in detail to prospective applicants.

- 5. Social Security Cards/Numbers.** The applicant must disclose the Social Security numbers of all household members by providing their Social Security cards. If a household member does not have a Social Security number, the applicant must sign a certification to the fact.

#### APPLICANT SCREENING

The resident selection procedure applies to all applicants, including all adults (18 years of age or older) in the applicant's family who are expected to reside in the household. Acceptable screening criteria include demonstrated ability to pay rent, history as a good resident, credit history, and criminal history.

- 1. Credit Report.** Credit reports will be obtained for all adult members of the household. Information shall be requested on the form provided by the area credit bureau. The absence of a credit file shall not adversely affect the applicant. Each applicant's report will be reviewed to determine the history of his or her payment practices including utilities, outstanding loans, judgments, repossession, foreclosures, etc. The uniform review and objective determi-

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nation of credit history are not always possible; however, the following specifications will be used as a benchmark in reviewing credit reports:

- ❖ Address will be checked with application
- ❖ Place of employment will be checked with application
- ❖ Credit history to be reviewed

**2. Criminal Background Checks.** In the interest of the safety and welfare of all residents, Management will conduct a criminal history check including, but not limited to, a mandatory screening review of the lifetime registration list under the state's sex offender registration program on all adult members (age 18 and older) of the applicant's family. All such persons will be required to sign appropriate consent forms to obtain the information.

Consideration will be given to the facts of each person's criminal history, with the following guidelines applied consistently:

- ❖ No record of conviction for manufacturing drugs within the last 10 years;
- ❖ No record of conviction for distributing drugs within the last five years;
- ❖ No record of conviction for drug possession within the last 18 months;
- ❖ No record of a felony conviction for the last 10 years for a crime against a person;
- ❖ No record of a felony conviction for the last 10 years for a crime against property or for concealed weapons possession;
- ❖ No record of conviction for murder, attempted murder, rape, or attempted rape.

**3. Rental History.** During the screening process, we will ask for verification of successful, appropriate rental history for the three years prior to the application for all applicants. We will mail reference forms to each landlord. An applicant may be rejected if this report documents failure to make rental payments or making habitually late payments, poor housekeeping habits, or responsibility for disturbing the safety, security, and right to peaceful enjoyment of other residents.

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### **WAITING LIST**

Upon receipt of a complete application, ABC Apartments places the applicant's name on its Waiting List and sends the applicant a letter notifying him or her of this action. Applicants are placed on the site's waiting list in the order they are received. Sublists to the master list are kept by bedroom size and handicapped-adapted units with each sublist kept by income levels.

When a vacancy occurs ABC Apartments will refer to the appropriate sublist and contact the next person(s) on the list requesting that they come in to the office for an eligibility appointment.

If at the time of the eligibility appointment the applicant appears to be qualified for the apartment and wishes to lease the unit, the applicant must submit a holding deposit that will hold the unit for him or her until the applicant signs the lease and takes responsibility for the lease requirements.

If during the application processing it is determined that the applicant is not eligible for the apartment, the deposit will be returned to the applicant.

Applicants will also be removed from the Waiting List if the applicant no longer meets the eligibility requirements for the site, or if the applicant fails to respond to a written notice for an eligibility interview or mail sent to the applicant's address is returned as undeliverable, or if the family size changes the size of the unit needed and such size unit does not exist at the property. In all cases, those applicants who have been removed from the Waiting List must reapply in order to be considered for an apartment once again.