

**OWNER'S ADMISSIONS POLICIES
HUD ASSISTED PROPERTY
MANAGED BY
FRANKLIN ASSET MANAGEMENT COMPANY, INC.
RESIDENT SELECTION PLAN**

It is the policy of this property and management company to provide housing on an equal basis. The property's policies as well as the management company's policies prohibit discrimination according to Federal civil rights laws, State, County and City civil rights laws and the Fair Housing Act based upon Race, Color, National Origin, Sex, Age, Disability, Religion and Familial Status. This is also to include prohibiting discrimination based upon Sexual Orientation and Gender Identity. It is also the policy of this property and management company to comply with HUD's Equal Access in Housing Final Rule (Rule), published 02/03/2012. The Rule is intended to ensure that housing across HUD programs is open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. For more detailed information and guidance, please see HUD Notice H 2015-06, issued 07/13/2015.

Actions prohibited include: Denying anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs; Provide anyone housing that is different from that provided to others; Subject anyone to segregation, even if by floor or wing; Restrict anyone's access to any benefit enjoyed by others in connection with the housing program; Treat anyone differently in determining eligibility or other requirements for admission, in use of housing amenities, facilities or programs, or in terms or conditions of a lease; Deny anyone access to the same level of services; Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program; Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; Discriminate in the provisions of brokerage services or in residential real estate transactions; Discriminate against someone because of that person's relation to or association with another individual; or Retaliate against, threaten or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act. There is also additional protection for individuals with disabilities. Specifics regarding reasonable accommodations can be found in the reasonable accommodation policy.

I. Pre-applications will be accepted on site and at the central office of Franklin Asset Management Company. Persons with disabilities who, as a result of their disability, cannot utilize the property's preferred application process shall be accommodated by the property by providing an alternative method of taking the application. Applicants will be placed on the waiting list on a first come, first serve basis and will adhere to the priority rules stated below.

II. WAITING LIST SELECTION PRIORITIES

It is likely that there will be more applicants for housing than can be assisted. In order to select those most in need of housing HUD has established the following priority and statutory categories that will be the basis of selecting residents from among all applicants:

A. Disabled eligible families when units are designated for their use.

- B. Forty percent (40%) of all available (moved-out) units will be set aside for those whose total gross income does not exceed 30% of the area median income as established by HUD. Method I of the 4350.3 (pg.4-8) will be used to accomplish this. Income targeting does not apply to Section 202 PRAC properties.
- C. Statutory preferences required by law for HUD programs Section 221d(4), 221d(3) and 221d(3) BMIR projects given to applicants who have been displaced by government action or the president declaring a disaster. Within each of the above listed groups, approved applicants will be housed based solely on the date and time of application.

III. **OTHER PRIORITIES (TRANSFER POLICY)**

- A. Preference will be given to in-house transfers in assigning vacant units. These in-house transfers may result from a change in family size, a change in family composition, or as a reasonable accommodation and will be given priority over applicants on the waiting list. See the Transfer Policy for specific criteria to be followed, including instructions for VAWA.

IV. **POLICY TO OPEN & CLOSE WAITING LIST**

- A. Property waiting lists will remain open at all times.

V. **ELIGIBILITY (PROGRAM) CRITERIA**

In the selection of applicants for admission, Eligibility Criteria have been established in accordance with HUD guidelines. All applicants will be screened and the following eligibility standards will be applied:

- A. ***Provide Information:*** All applicants must cooperate in completing the rental application and providing information necessary to determine their eligibility for HUD housing assistance, and be legally able to enter into a binding contract under State Law as well as legally comply with other screening criteria.
- B. ***Income Limits:*** Applicants must qualify under the income guidelines established by the U.S. Department of Housing and Urban Development. The current, applicable income limits will be posted in the management's office (Exhibit B).
- C. ***Occupancy Standards:*** Applicants must meet the established occupancy standards. As a general policy there should be a minimum of one person per bedroom and no more than two persons per bedroom. Management shall take into consideration mitigating circumstances in cases where applicants or residents have a verifiable need for a larger unit. Any family placed in a unit size different than that defined in these Occupancy Standards shall agree to transfer to an appropriate size unit when one becomes available (in accordance with the Transfer Policy and Lease Addendum).

Dwelling units will be assigned in accordance with the following standards:

| <u>Bedroom Size</u> | <u>Minimum</u> | <u>Maximum</u> |
|---------------------|----------------|----------------|
| 0 | 1 | 1 |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 4 | 8 |

D. ***Disclosure of Social Security Numbers:*** Applicants and tenants must disclose SSNs for all household members, except those who do not contend eligible immigration status, and tenants age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010, and provide verification of the complete and accurate SSN assigned to them. This paragraph explains the requirements and responsibilities of the applicants or tenants to supply owners with this information, the responsibility of owners to obtain this information, and the consequences for failure to provide the information.

1. ***Key Requirements***

Applicants and tenants must disclose and provide verification of the complete and accurate SSN assigned to each household member. Failure to disclose and provide documentation and verification of SSNs will result in an applicant not being admitted or a tenant household's tenancy being terminated.

a. Exceptions to disclosure of SSN:

i. Individuals who do not contend eligible immigration status.

(a) **Mixed Families:** For projects where the restriction on assistance to noncitizens applies and where individuals are required to declare their citizenship status, proration of assistance or screening for mixed families must continue to be followed. In these instances, the owner will have the tenant's Citizenship Declaration on file whereby the individual did not contend eligible immigration status to support the individual not being subject to the requirements to disclose and provide verification of a SSN.

(b) For Section 221(d)(3) BMIR, Section 202 PAC, Section 202 PRAC and Section 811 PRAC properties, the restriction on providing assistance to noncitizens does not apply. At these properties, individuals who do not contend eligible immigration status must sign a certification, containing the penalty of perjury clause, certifying to that effect. The certification will support the individual not being subject to the requirements to disclose or provide verification of a SSN. The certification must be retained in the tenant file.

b. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010.

i. The exception status for these individuals is retained even if there is a break in his or her participation in a HUD assisted program.

ii. When determining the eligibility of an individual who meets the exception requirements for SSN disclosure and verification, documentation must be obtained that verifies the

applicant's exemption status. A certification from the tenant is not acceptable verification of the exemption status. This documentation must be retained in the tenant file.

2. ***Required Documentation***

Applicants and tenants must provide adequate documentation to verify the complete and accurate SSNs assigned to all household members. Adequate documentation means a social security card issued by the Social Security Administration (SSA), an original document issued by a federal or state government agency, which contains the name and SSN of the individual along with identifying information of the individual, or other acceptable evidence of the SSN listed in Appendix 3.

3. ***Provisions for Applicants Disclosure and/or Documentation of Social Security Numbers***

An applicant may not be admitted until SSNs for all household members have been disclosed and verification provided.

- a. If all 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.
- b. The applicant who has not disclosed and provided verification of SSNs for all household members must disclose and provide verification of SSNs for all household members to the owner within 90 days from the date they are first offered an available unit.
- c. If the owner has determined that the applicant is otherwise eligible for admission into the property, and the only outstanding verification is that of disclosing and providing verification of the SSN, the applicant may retain his or her place on the waiting list for the 90-day period during which the applicant is trying to obtain documentation.
- d. After 90 days, if the applicant has been unable to supply the required SSN and verification documentation, the applicant should be determined ineligible and removed from the waiting list.

4. ***Circumstances When Tenants Must Provide SSNs***

- a. SSNs Not Previously Disclosed and/or Verified. SSNs must be disclosed and verification provided for any household member(s) who have not previously disclosed a SSN as of January 31, 2010, at the time of the next interim or annual recertification except for those individuals who do not contend eligible immigration status or tenants who are age 62 or older as of January 31, 2010, and whose initial determination of eligibility was begun before January 31, 2010.
- b. Invalid SSN Disclosed. The head of household must be notified when the EIV Pre-screening Report or the Failed Verification Report (Failed the SSA Identity Test) in EIV identifies that a household member has provided an invalid SSN. Discrepancies identified in the SSN disclosed must be resolved and the correct SSN disclosed, verified and transmitted to TRACS. See Chapter 9, Enterprise Income Verification (EIV).
- c. Assignment of a New SSN. If a tenant or any member of a tenant's household is or has been assigned a new SSN, the SSN must be disclosed and verification provided to the owner at:

- i. The time of receipt of the new SSN; or
 - ii. The next interim or regularly scheduled recertification; or
 - iii. Such earlier time as specified by the owner.
- d. Adding a New Household Member:
- i. Age Six or Older or Under the Age of Six With an Assigned SSN.
When adding a new household member who is age six or older, or is under the age of six and has a SSN, the tenant or applicant must disclose and provide verification of the SSN of the individual to be added to the household. This SSN must be provided to the owner at:
 - (a) The time of the request, or
 - (b) At the time the recertification that includes the new household member is processed.
- e. Under the Age of Six Without an Assigned SSN.
- i. The tenant or applicant must disclose and provide verification of the new household member's SSN within 90 calendar days of the child being added to the household.
 - ii. The owner must grant an extension of one additional 90-day period, if the owner, in its discretion, determines that the tenant or applicant's failure to comply is due to circumstances that could not have been foreseen and were outside the control of the tenant or applicant, e.g., delay in processing by SSA, natural disaster, fire, death in family, etc)
 - iii. During the period that the owner is awaiting disclosure and verification of the SSN, the child is included as part of the household and shall be entitled to all of the benefits of being a household member, including the dependent deduction.
 - iv. A TRACS ID will be assigned to the child until the time the SSN is provided. At the time of the disclosure of the SSN, an interim recertification must be processed changing the child's TRACS ID to the child's verified SSN.
 - v. If, upon expiration of the provided time period, the tenant or applicant fails to disclose and provide verification of the SSN, the tenant and the tenant's household are subject to termination of tenancy. The owner shall follow the guidance in Paragraph 8-13.A.6 to terminate the household's tenancy.

E. ***Mandatory Use of Enterprise Income Verification (EIV) System:*** The regulation at 24 CFR 5.233 requires O/A's to incorporate use of the EIV system.

1. As a third party source to verify tenant employment and income verification during mandatory recertifications of family composition and income, and
2. To reduce administrative and subsidy errors. HUD Notice H10-10, issued 07/01/10 can be used to clarify.
3. To identify applicants who may be receiving assistance at another multi-family or PIH location by reviewing the Existing Tenant Search Report.

F. ***Criminal Activity:*** Management has established a policy to reject all applications where the applicant or any household member has engaged in certain criminal activity. Specific criteria are found in the "Rejection" section of this document.

G. *Eligibility of Students for Section 8 Assistance*

(1) Student Eligibility

On September 21, 2016, HUD released additional guidance relative to the Section 8 Student Rule. [Docket No. FR-5969-N-01] Eligibility of Independent Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Additional Supplemental Guidance. Eligibility of Independent Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Additional Supplemental Guidance.

HUD has added two new eligibility criteria to previous criteria relative to students who are enrolled in an institute of higher education. Students are eligible when the individual is:

1. Classified as a Vulnerable Youth.
2. Is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Listed below is the now current list of eligibility criteria for a student for Section 8 Assistance.

Student eligibility is determined at move in/initial certification and at each annual certification. Student eligibility may also be reviewed at interim certification if student status has changed since the last certification. All students are required to report any change in their student status.

A student who is enrolled as either a part time or full time student at an institute of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential will be eligible for assistance if the student meets all other eligibility requirements, meets screening criteria requirements and:

- Is living with his or her parents/guardian or
- Is at least 24 years old or
- Is married or
- Is a veteran of the Armed Forces of the United States or is currently serving on active duty in the Armed Forces for other than training purposes or
- Has legal dependents other than a spouse or
- Is a person with disabilities who was receiving Section 8 assistance as of November 20, 2005 or
- Is a graduate or professional student or
- Is an independent student, defined as:
 - a) The individual is 24 years of age or older by December 31 of the award year;
 - b) The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care or a ward of the court at any time when the individual was 13 years of age or older;

- c) 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
- Or, is classified as a Vulnerable Youth. A student meets HUD's definition of vulnerable youth when:
 - i) 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), or as unaccompanied, at risk of homelessness and self-supporting, by
 - ii) A local educational agency homeless liaison, designated pursuant to the McKinney-Vento Homeless Assistance Act;
 - iii) The director of a program funded under the Runaway and Homeless Youth Act or designee of the director;
 - iv) The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director or
 - v) A financial aid administrator.
- Or, the individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances or
- Has parents who are income eligible for the Section 8 program

Any financial assistance a student receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education that is in excess of amounts received for tuition and other fees is included in annual income, except:

1. If the student is over the age of 23 with dependent children or
2. If the student is living with his or her parents who are receiving Section 8 assistance

Financial assistance that is provided by persons not living in the unit is not part of annual income if the student meets the Department of Education's definition of "vulnerable youth".

These newly added eligibility criteria may also require revision to the Student Status Certification that is used at move in, initial and annual certification.

HUD has also amended the Student's Independence Verification Requirements. Verification requirements to be used when a student does not meet general eligibility criteria but wishes to be eligible based on his or her status as an Independent Student are as follows:

Owner/agents providing Section 8 assistance will verify a student's independence from his or her parents to determine that the student's parents' income is not relevant for determining the student's eligibility for assistance by doing all of the following:

1. Reviewing and verifying previous address information to determine evidence of a separate household or verifying that the student meets

- the U.S. Department of Education's definition of "independent student";
2. Reviewing the student's prior year income tax returns to verify that the student is independent or verifying the student meets the U.S. Department of Education's definition of "independent student"; and
 3. Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student.
- H. **Consent Forms:** All adults in the household must sign HUD's Authorization to Release Information forms 9887 & 9887A prior to move-in and annually thereafter.
- I. **Waivers:** In some cases where vacancy has been very high, HUD will authorize from time to time deviations from property designations (lower required age limits) and/or income limits (may include higher incomes). When this occurs, a copy of HUD's waiver letter will be attached to these criteria.
- J. **Project Specific Requirements:** Properties are designated for a specific population type. Property specific information is attached (Exhibit D) and is posted on the bulletin board in the rental office. These property designations are described below:
- * **Elderly Designated Properties:** To qualify for occupancy on these properties - means a family who's head or spouse or sole member is 62 years of age or older.
 - * **Elderly and/or Disabled Designated Properties:** To qualify for occupancy on these properties - means a family whose head or spouse or sole member is 62 years of age or older, or any head or spouse or sole member over the age of 18, who is certified as disabled by a qualified third party.
 - **Family Properties:** To qualify for occupancy on these properties - means a family with or without children, an elderly family, a near - elderly family, a disabled family, a displaced family, a single person who is not elderly, disabled or displaced.

VI. SCREENING CRITERIA

- A. All applicants must cooperate in completing the rental application and providing information necessary to determine an acceptable, rental and criminal history. For acceptance the applicant and all members of the household must demonstrate:
1. **Acceptable Rental History:** A willingness and ability to pay rent in a timely manner, willingness and ability to take reasonable care of the property that might be offered for rent and not to do damage to such property, willingness to act in a manner that would not interfere with their neighbor's rights to a quiet and peaceful enjoyment of their apartment and property, and willingness to comply with the terms and conditions of any lease that might

be entered into including willingness to report changes in household income and composition and willingness to annually “recertify”.

2. ***Acceptable Housekeeping:*** Housekeeping habits at prior residences that did not adversely affect the health, safety, or welfare of other residents or cause damage to the premises.
3. ***Acceptable Criminal Record:*** A history of the applicant, or any household member, which does not include any criminal activity that would threaten the health, safety, or right to peaceful enjoyment of other residents; or any criminal activity that would threaten the health or safety of any property management staff. Specific criteria are found in the “Rejection” section of this document.

B. **REJECTION** - Management reserves the right to reject applicants for admission if it is determined that the applicant or any member of the household falls within any one or more of the following categories:

1. ***Misrepresentation:*** Willful or serious misrepresentation in the application procedure for the apartment or certification process at any government assisted dwelling unit.
2. ***Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior:*** Includes behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence or irresponsibility, which damages the equipment or premises in which the family resides, or which is disturbing or dangerous to neighbors or disrupts the quiet and peaceful enjoyment of their home and community life.
3. ***Violent Behavior:*** Includes evidence of acts of violence or of any other conduct, which would constitute a danger or disruption to the peaceful occupancy of neighbors or the ability of management staff to conduct their day-to-day duties.
4. ***Non-compliance with Rental Agreement:*** Includes evidence of any failure to comply with the terms of rental agreements at prior residences, such as failure to recertify as required, providing shelter to unauthorized persons, keeping pets, or other acts in violation of rules and regulations.
5. ***Owing Prior Landlords:*** Applicants who owe a balance to present or prior landlords will not be considered for admission.
6. ***Owing Utility Providers:*** Applicant must be able to obtain utility service to any apartment leased.
7. ***Unsanitary or Hazardous Housekeeping:*** Includes generally creating any health or safety hazard through acts of neglect and causing or permitting any damage to or misuse of premises and equipment, if family is responsible for such hazard, damage or misuse, including but not limited to, causing or permitting infestation, foul odors or other problems injurious to other persons'

health, welfare or enjoyment of the premises; depositing garbage improperly; failing to use in a reasonable and proper manner all utilities, facilities, services, appliances and equipment within the dwelling unit or failing to maintain them in a clean condition; or any other conduct or neglect which could result in health or safety problems or in damage to the premises.

8. ***Criminal Activity:*** A policy exists to reject all applications where the applicant or any household member has engaged in certain criminal activity. The activities that will be grounds for rejection of an application are as follows:

- a. Any conviction or adjudication other than acquittal which involved injury to a person or property, or that involved violent, threatening behavior, including threatening behavior that included any type of weapon directed toward any person or property.
- b. Any conviction or adjudication other than acquittal within the last 5 years involving the sale, distribution or manufacture, illegal use or possession of any controlled or illegal substance or paraphernalia.
- c. Any current illegal user or addict of a controlled or illegal substance.
- d. Any act which results in the person's tenancy constituting a threat to the health or safety of other individuals, result in substantial physical damage to the property of others, or interfere with the peaceful and quiet enjoyment of the premises.
- e. Any conviction or adjudication other than acquittal, for any sexual offense.
- f. Any conviction or adjudication for government fraud.
- g. Eviction for Drug Related Criminal Activity: If the applicant or any household member has been evicted from housing for drug related criminal activity, the application will be rejected. Exceptions will be made for the household member who has successfully completed an approved, supervised drug rehabilitation program or the circumstances leading to the eviction no longer exist.
- h. Alcohol Abuse: If a determination is made that the applicant or any 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, the application will be rejected.
- i. Repeated misdemeanor conviction or adjudication other than acquittal that evidence an ongoing pattern of behavior that disregards laws and legal authorities.
- j. Outstanding bench warrants will also be reason for rejection.

VII. **GRIEVANCE PROCEDURE:** Management will follow the grievance process in compliance with requirements set forth in the HUD Handbook 4350.3 when rejecting an application, management will:

1. provide notification in writing of reasons for rejection;
2. inform the applicant they have 14 days to request in writing a meeting to discuss the rejection;
3. participate through a representative in an informal meeting;
4. provide a written determination to the applicant within 5 days of meeting.

VIII. **REASONABLE ACCOMMODATION:** If the applicant requests an additional interview to determine whether mitigating circumstances or reasonable accommodations would make it possible to accept his/her application, Management will do so based on Section 504 of the Rehabilitation Act of 1973. In consideration of extenuating circumstances in the screening process the property may consider extenuating circumstances in evaluating information obtained during the screening process to assist in determining the acceptability of an applicant for tenancy. If the applicant is a person with disabilities, the property will consider extenuating circumstances where this would be required as a matter of reasonable accommodation.

IX. **VAWA POLICY:** Found under separate cover as an attachment to this plan.

Attachments to include:

1. 008 VAWA Notice H-2017-05 (June 20,2017)
2. 008-A-VAWA Notice of Occupancy Rights Under the Violence Against Women Act
3. 008-B-VAWA Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking and Alternative Documentation
4. 008-F-VAWA Violence Against Women and Justice Department Re-Authorization Act of 2005

X. **PRIVACY POLICY:**

It is our policy to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the Property.

Therefore, neither the Property nor its agents shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure.

This Privacy Policy in no way limits the Property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on disability will be treated in a confidential manner.