

## **Fair Housing and Tenant Selection Policy for Properties Monitored by the North Carolina Housing Finance Agency**

The North Carolina Housing Finance Agency (the Agency) has a responsibility to affirmatively further fair housing within its housing programs. Among the Agency's public policy objectives related to fair housing are the following:

- Ensure access to housing created through our programs by vulnerable, underserved, and at-risk populations through the application of reasonable tenant selection criteria by our landlord partners.
- Ensure access for vulnerable, underserved, and at-risk populations in the most integrated settings within the community.
- Ensure compliance with all applicable federal regulations related to fair housing. This includes but is not limited to:
  - Title VI of the Civil Rights Act of 1964
    - Prohibits discrimination on the basis of race, color and national origin in programs and activities receiving federal financial assistance.
  - The Fair Housing Act (Title VIII of the Civil Rights Act of 1968)
    - Prohibits discrimination in the sale, rental and financing of housing based on race, color, sex, religion, and national origin.
  - The 1988 Fair Housing Amendments Act
    - Expands the scope of the Fair Housing Act by adding disability status and familial status as protected categories. The legislation also strengthened federal enforcement provisions.
  - Title II of the Americans with Disabilities Act of 1990
    - Protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs and activities provided by state and local government entities regardless of whether these entities receive Federal financial assistance.
  - The Violence Against Women Act of 1994 (VAWA)
    - Requires that properties have emergency transfer plans and emergency transfer request procedures for victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity or sexual orientation. Applies to all federal programs.

NC Housing Finance Agency requires landlords who participate in Agency-administered rental programs to have a written property-specific Tenant Selection Plan. The criteria contained in a Tenant Selection Plan must not be so restrictive that it creates a disparate impact on groups protected by the federal Fair Housing Act. The criteria must align with HUD's requirement for housing entities to affirmatively further fair housing and conform to any applicable HUD guidance published on the subject.

Agency-administered properties that include financing from the **U.S. Department of Agriculture Rural Development (RD 515)** must prepare and maintain Tenant Selection Plans in accordance with Rural Development guidelines. To the extent such a Tenant Selection Plan does not address all the elements in the Agency policy, the property owner must either modify the RD plan or prepare an addendum that addresses all of the Agency-required elements. In the event Rural Development requires subsequent changes to the Tenant Selection Plan, the owner must submit any modifications to the Agency for review and approval.

Agency-administered properties that are regulated by the federal **Department of Housing and Urban Development (HUD) Multifamily or HUD Public and Indian Housing** must prepare and maintain Tenant Selection Plans in accordance with HUD guidelines. To the extent such a Tenant Selection Plan does not address all the elements in the Agency policy, the property owner must either modify the HUD plan or prepare an addendum that addresses all of the Agency-required elements. In the event HUD or the contract administrator requires subsequent changes to the Tenant Selection Plan, the owner must submit any modifications to the Agency for review and approval.

For all Agency-monitored properties, regardless of HUD or RD participation, a property's Tenant Selection Plan must:

- Specify how applicants are selected for tenancy. All criteria used in the decision-making process must be included in the plan. The plan must have enough specificity that the applicant can read it and reasonably determine their likelihood of acceptance to the property.
- Contain screening criteria that is no more restrictive than described in section 3 below.
- Be clearly posted in the property rental office as well as anywhere else applications are disseminated, including websites. Copies of the Tenant Selection Plan must be available to applicants upon request.

All properties subject to Agency monitoring must:

- Submit a Tenant Selection Plan for Agency review and approval:
  - New properties placing in service on or after **January 1, 2019** must submit a plan that meets the requirements enumerated below.
  - Properties receiving funding through the Integrated Supportive Housing Program (ISHP) must submit a plan that meets the requirements enumerated below **as a condition of ISHP loan closing**.
  - Existing properties which have an approved Tenant Selection Plan based on the Agency's Fair Housing and Tenant Selection policy published on July 5, 2016 are required to update the plan to comply with the requirements enumerated below no later than **January 1, 2021**.
- Implement any Agency required lease addenda addressing fair housing (see Appendix E - Mandatory Tax Credit Lease Addendum):
  - New leases executed on or after **January 1, 2019** must include the addenda.
  - Lease renewals that occur on or after **January 1, 2019** must include the addenda.

Failure to comply with either of these requirements, or failure to satisfactorily address concerns or deficiencies identified by the Agency, may result in the property owner and/or agent being considered not in good standing and result in a suspension from doing future business with the Agency until the issue is corrected.

Note: A sample Tenant Selection Plan accompanies this policy – see **APPENDIX D** – and may be adopted (with appropriate property-specific edits) in whole or in part, or used as guidance when developing a Tenant Selection Plan.

**Tenant Selection Plans at a minimum must:**

1. Describe the population for which the housing is intended. Include all regulatory restrictions.
  - a. Income Restrictions
    - i. Maximum, if applicable, stated as a number of units at % of median income. Specify how the specific income limit is available – website address, contacting the on-site office, or as an attachment to the written Tenant Selection Plan.
    - ii. Minimum, if any, must not be so restrictive as to create a barrier to housing for an applicant with a federal or state housing voucher/rent assistance. All minimum income requirements must take into account the rental subsidy/rental assistance. Landlords should either exempt households with rental assistance from the policy itself, or base the minimum income on the tenant’s out of pocket rental payment and utility allowance. *See Sample TSP (APPENDIX D) for suggested language.*
    - iii. Affirm that reliance on state and federal housing vouchers will not be grounds to deny an application.
  - b. Population Type (family or elderly)
    - i. The plan must state whether the property is intended to house families or the elderly.
    - ii. If elderly, cite the federal definition selected and address the number of units subject to which age restriction and describe the age restriction for the head of household and for the other household members, if any. If there are units with no age restriction, the number of such units must be stated. If the property is subject to Targeting Program requirements, regardless of the allocation year, the age restrictions must conform to **APPENDIX A – Definition of Elderly and Ensuring Access for Applicants Referred through the Targeting Program.**
  - c. Student Status
    - i. Include the student rules that govern the property, if any. Either clearly define an eligible student or clearly define an ineligible student. Properties with multiple funding sources must include all student requirements. *See APPENDIX B – Student Rules.*

2. Describe the occupancy policy, if any.
  - a. Minimum and maximum household size by number of bedrooms in the unit, if such a policy has been established.
  
3. Describe all screening criteria.
  - a. Credit Reports
    - i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the credit criteria.
    - ii. The Tenant Selection Plan must state that the credit screening criteria will be waived for applicants – including additional household members, if any – participating in programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to the tenancy (i.e. risk mitigation tools such as HUD Special Claims and Targeting Program Special Claims). *(Explanation: The benefit of risk mitigation applies to the household, not the applicant alone.)*
    - iii. If good standing with the local utility companies used by the unit (electric, gas, and/or water) is a requirement, this must be stated. Additionally, the screening criteria must state that this requirement is waived if the applicant is participating in a program that pays the utility deposit. Cable and internet cannot be included in the good standing requirement.
  - b. Criminal Record Checks
    - i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the criminal criteria. The criminal criteria must be no more restrictive than the **Model Policy on Screening Applicants with Criminal Records (APPENDIX C)**. *(Note: In order to not comply with this requirement, an owner must show evidence that doing so would violate another regulatory restriction, or that the property has some other unique and compelling circumstance agreed upon by the Agency.)*
    - ii. At a minimum, the screening criteria must not be so restrictive that the criteria creates a disparate impact on groups protected by the federal Fair Housing Act:
      - Race
      - Color
      - National Origin
      - Sex
      - Religion
      - Disabled Status
      - Familial Status

The criteria must align with HUD's requirement for housing entities to affirmatively further fair housing and conform to any applicable HUD guidance published on the subject.

c. Landlord References

- i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the landlord reference criteria.
- ii. To the extent that the landlord reference is negative due to unpaid rent or money owed, the screening criteria must state that this will not be held against applicants – including additional household members, if any – participating in programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to the impending tenancy (i.e. risk mitigation tools such as HUD Special Claims and Targeting Program Special Claims). *(Explanation: The benefit of risk mitigation applies to the household, not the applicant alone.)*

*Should the participating tenant – eligible for the assistance with the risk mitigation tools – move out of the unit, management may rescreen remaining tenants at the time of lease renewal using the screening criteria the tenants would have otherwise been subject to at move-in. Management may opt to not renew the lease for cause if the remaining tenants no longer meet eligibility criteria without the presence of the participating tenant.*

4. Describe all preferences or priorities established for the property.

- a. Include all local, state or federal preferences and how they impact selection from the property waiting list.
- b. Describe the documentation required to establish that an applicant is eligible to be considered under one of the preferences.
- c. For properties participating in the Targeting Program, the following disclosure should be used:

The property participates in a state program in which X *[insert the actual percentage]* percent of the units in the property are set aside as they become available to house eligible applicants (and their household members) receiving a referral from the North Carolina Department of Health and Human Services. Until the percent of units is reached, those applicants will be offered units ahead of anyone else on the waiting list.

5. Describe the application process used at the property.

- a. Specify how pre-applications (if applicable) and applications are taken. Any alternative methods for accepting applications should be clearly stated.
- b. Application fees may be charged to cover the actual cost of checking a non-Targeting Program applicant's program eligibility criteria such as credit history, if applicable, criminal background, and landlord references. The fee may not exceed the amount required to recover the average actual cost to process an application. The fees must be disclosed in the Tenant Selection Policy. A fee cannot be charged for verification of income (a free method may be utilized).

- c. Application fees may not be charged to Targeting Program applicants (or their household members), or to applicants from the Transition to Community Living Initiative (TCLI) program.
  - d. Reservation fees, or their equivalent, are prohibited -- regardless of whether they are applied toward the security deposit -- as an unacceptable barrier to access to affordable housing. Security deposits are allowed, and must comply with NC General Statute Chapter 42, Article 6 (Tenant Security Deposit Act). *(Explanation: Reservation fees are defined as any fee imposed by the owner to encumber the unit. Payments [called "hold fees"] offered by DHHS to extend the availability of a vacancy are allowed.)*
6. Describe the waiting list used for the property.
- a. Specify the number of written waiting lists used to select a tenant household for the property, their purposes, and the priority ranking between the lists.
  - b. Specify how applicants are selected from each waiting list – first come, first serve or other methodology.
  - c. Specify how preferences impact selection from the waiting list(s).
  - d. Specify how the waiting list is updated to maintain fairness and accuracy. Disclose the circumstances under which an applicant is removed from the waitlist.
  - e. Specify the methods of advertising used to announce opening and closing of the waiting list.
  - f. Specify the policies on opening and closing the waiting list.
7. For properties with multiple levels of income and rent targeting, address the following:
- a. Specify how applicants are selected for the various rent levels available at the property.
  - b. Specify the policy for assigning lower rent levels to in place tenants versus waitlisted applicants as they become available at the property.
8. Describe the procedure used to notify applicants of acceptance or rejection.
- a. Describe the process and timeline for notifying applicants of acceptance, what the applicant needs to do and in what timeframe to encumber the unit, and the period the unit will be held before moving to the next applicant.

- b. Describe the process and timeline for notifying applicants of rejection, the method of notification which must include a written form of notification, appeal rights and the process and requirements for filing an appeal. The specific reasons for the rejection must be included in all communications and must be based solely on the written criteria specified in the Tenant Selection Plan. If based on information received from a third party, contact information must be provided so the rejected applicant can investigate and challenge the adverse information.
  - c. Appeal rights, process and deadlines must be clearly specified in writing. The deadline must be no less than eight business days from the date of the denial notification letter.
  - d. The right to a Reasonable Accommodation by an applicant with a disability must be clearly stated in the policy and in all communications with an applicant regarding rejection of the application.
9. Contain a nondiscrimination statement that lists the federal, state and local protected classes.
10. The intent to comply with all applicable federal regulations related to fair housing.
- a. For all properties this includes, but is not limited to: the Fair Housing Act, the 1988 Fair Housing Amendments Act, Title VI of the Civil Rights Act of 1964, and the Violence Against Women Act (VAWA).
  - b. For properties receiving any federal funds:
    - i. In addition to complying with 10(a) above, Section 504 of the Rehabilitation Act of 1973.
    - ii. The landlord shall determine, as part of its obligations to take reasonable steps to ensure meaningful access to the property and its programs by persons with Limited English Proficiency (LEP), those Oral Language Services (i.e. Interpretation) and Written Language Services (i.e. Translation) that may be required in connection with the implementation of this Plan.
    - iii. Fair Housing and accessibility logos must appear on company documents.
11. Describe the process and timeline for a disabled applicant to request a reasonable accommodation and/or modification of an apartment, policy, or process and the timeline for the management agent to respond. If a reasonable accommodation request is submitted, the unit must be held until the request determination is finalized and communicated in writing to the applicant. In the event of a denial of a request for reasonable accommodation, the applicant must be afforded eight business days to challenge the decision before the unit can be rented to another qualified applicant.

12. Include Unit Transfer Policies.
- a. Procedures for selecting between applicants on the waiting list and current tenants who need a unit transfer for the reasons below should be included in the plan.
    - i. Family Size
    - ii. Change in Family Composition
    - iii. Medical Reason, inclusive of physical, behavioral, and mental health
    - iv. Need for Accessible Unit
    - v. Need for reasonable accommodation
    - vi. Households residing in an accessible unit that do not need the accessibility features
      - 1. If you have a transfer policy, describe it.
      - 2. If you have federal funding (HOME, Project Based Section 8, Rural Development), a transfer policy must be in place. Describe the policy.
  - b. Transfer and redecorating fees are prohibited if the reason for the transfer is any of those listed above.
13. Disclose Pet Policy, if any. If the property has a pet policy, it must include exception language addressing service and assistance animals.
14. Disclose Smoking Policy, if any.
15. Disclose any other mandatory policies or programs in place at the property that an applicant needs to be aware of before applying to the property (down payment assistance program, etc.).

This policy is not intended as legal advice and does not provide a legal opinion as to the matters stated. It is recommended that all property owners consult with an attorney that is well versed in fair housing law when making decisions regarding tenant selection criteria.



## APPENDIX A

### Definition of Elderly and Ensuring Access for Applicants Referred through the Targeting Program

The federal Fair Housing Act provides three choices of elderly definition that allow a property owner to exclude children from residency within a property without being liable for discrimination on the basis of familial status.

- 55 Years of Age and Older – This is housing intended and operated for households in which at least one person in the household is 55 years of age or older, per unit, in at least 80% of the property's units.
- 62 Years of Age and Older – This is housing intended for, and occupied solely by, persons age 62 and older. A property qualifies as 62 and Older housing if **all occupants of the household in all of the units in the property** are 62 years old or older.
- State and Federal Elderly Housing Program – This is housing operated under a federal or state housing program that the Secretary of HUD has determined is specifically designed and operated to assist elderly persons. The definition of elderly is defined in the rules of the housing program (an example is HUD 202).

Owners of properties financed by NC Housing Finance Agency that are designated as elderly should select the 55 and Older definition unless there is a compelling reason to select the 62 and Older definition, such as being a requirement for federal assistance. **In order to ensure access to targeted units by otherwise eligible households, it is the policy of the Agency to require that properties selecting the 55 and Older definition accept applicants referred through the Targeting Program who are 45 years of age and older in a commensurate percentage of the units allowed to house families under the age of 55. Therefore, properties with a Targeting requirement should not specify that 100% of the units must house someone age 55 or older. This requirement applies regardless of date of Agency funding or year of allocation of tax credits.**

The following language is suggested for incorporation into the Tenant Selection Plan for a property utilizing the 55 and Older definition:

- In \_\_\_ units [*at least 80%*], one household member must be at least 55 years of age.
- In \_\_\_ units [*up to 20%, but at a minimum, the number of units required in the property's Targeting Unit Agreement*], one household member must be at least 45 years of age.
- All additional household members in the units addressed above must be at least \_\_\_ years of age.

Owners may set the age restriction on targeted units in properties utilizing the 55 and Older definition lower than 45, but not higher. In order to not comply with this requirement, an owner must show evidence that doing so would violate another regulatory restriction, condition of local development approval or some other unique and compelling circumstance.

This appendix is not intended as legal advice. It is recommended that an owner consult with an attorney that is well versed in fair housing law when making decisions regarding age restrictions.

## APPENDIX B

### Student Rules

Source	Requirement
Federal Funding (HUD, including HOME and RD)	<p>Students who are enrolled as either a 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 are <b>NOT ELIGIBLE</b> if the individual:</p> <ul style="list-style-type: none"> <li>• is under the age of 24, or</li> <li>• is not married, or</li> <li>• is not a veteran of the United States Military, or</li> <li>• does not have a dependent child, or</li> <li>• 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), or</li> <li>• is not living with his or her parents who are receiving Section 8 assistance, and is not individually eligible to receive Section 8 assistance and has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance.</li> </ul> <p><u>Note:</u> Supplemental guidance on student eligibility may be found at 24 CFR 5.612.</p>
Federal Tax Credits within 15 years of Date Placed In Service	<p>A household where all members are full-time students is ineligible for residency unless the household falls in any one of these exceptions:</p> <ul style="list-style-type: none"> <li>• All members are married and entitled to file a joint tax return.</li> <li>• The household is comprised of a single parent(s) with minor children where neither the parent nor at least one child is claimed as dependents on someone else's tax return other than the absent parent of the children.</li> <li>• The household receives Temporary Assistance to Needy Families (TANF).</li> <li>• The student participates in a program receiving assistance under the Job Training Partnership Act, Workforce Investment Act, or similar federal, state or local program.</li> <li>• The student was previously in foster care.</li> </ul>
Federal Tax Credits beyond 15 years of Date Placed In Service; NC Housing Trust Fund; other non-Federal funding; SHDP	No applicable student rules.

Properties with multiple funding sources must include all student requirements. For tax credit properties, property owners may impose additional student rules.

## APPENDIX C

### Model Policy on Screening Applicants with Criminal Records

#### Screening Process

In an addendum to the application form, the management company will explain its policies and procedures on criminal records and will inform the applicant of his or her right to request a reasonable accommodation. The addendum will also inform the applicant of his or her opportunity to submit with the application evidence of mitigating circumstances if the individualized assessment is triggered.

The management company may conduct a criminal background check on each adult member of an applicant household. An adult means a person 18 or older.

If the criminal background report reveals negative information about a household member and the management company proposes to deny admission due to the negative information, the subject of the record (and the applicant, if different) will be provided notice of the proposed adverse action and an opportunity to dispute the accuracy of the record. The notice will include the name, address and telephone number of the agency that composed the criminal record report and inform the applicant of his or her right to dispute the accuracy of the criminal record report as well as his or her right to a free copy of the criminal record report.

If the applicant does not contact the management company to dispute the accuracy of the criminal record within eight business days, the management company will send a written notice of ineligibility to the applicant stating the specific reason for denial and advise the applicant of their appeal rights and – if disabled – their right to request a reasonable accommodation, if applicable.

#### Admissions Criteria

*(Note: The 'exclusion' and 'individualized assessment' periods specified below are from the date of conviction, not from the date of release from incarceration.)*

If a member of an applicant household has been convicted of a felony offense involving the sale or manufacture of a controlled substance, the management company:

- **Will** deny admission if the conviction occurred within 5 years of application;
- **May** deny admission if the conviction occurred more than 5 years but within 10 years of application; and
- **Will not** deny admission if the conviction occurred more than 10 years before application.

If a member of an applicant household has been convicted of a violent felony offense, the management company:

- **Will** deny admission if the conviction occurred within 5 years of application; and
- **May** deny admission if the conviction occurred more than 5 years before application.

If a member of an applicant household has been convicted of a nonviolent felony offense, the management company:

- **May** deny admission if the conviction occurred within 7 years of application; and
- **Will not** deny admission if the conviction occurred more than 7 years before application.

If a member of an applicant household has been convicted of a violent misdemeanor, the management company:

- **Will** deny admission if the conviction occurred within 2 years of application; and
- **May** deny admission if the conviction occurred more than 2 years before application.

If a member of an applicant household has been convicted of a nonviolent misdemeanor offense, the management company:

- **May** deny admission if the conviction occurred within 5 years of application; and
- **Will not** deny admission if the conviction occurred more than 5 years before application.

A violent felony is a Class A, B, C, D, E, F or G felony or any felony requiring registration on the sex offender registry. A nonviolent felony is a Class H or I felony.

A violent misdemeanor is a Class A1 misdemeanor or a misdemeanor requiring registration on the sex offender registry. A nonviolent misdemeanor is a Class 1, 2 or 3 misdemeanor.

The management company will not consider an arrest or charge that was resolved without conviction. In addition, the management company will not consider expunged or sealed convictions.

Where the management company “may deny” admission to a household based on a criminal conviction, the management company will conduct an individualized assessment of the criminal record and its impact on the household’s suitability for admission before making a determination.

If a person has an arrest with pending charges, the housing provider should consider this as part of an individualized assessment. If the housing provider is not able to determine the specifics of the pending charges, the housing provider may deny admission until the charges are resolved. If the housing provider can identify the specifics of the pending charges, they should house the person if a resulting conviction would not change the decision to house. Because a pending charge once adjudicated could be dismissed, reduced, or the accused found not guilty, the housing provider should either house the person or delay the determination until the charge is resolved if a resulting conviction of the initial charge would be grounds for denying the application for housing. If the person has a disability and requests a reasonable accommodation, the provider should determine whether the request is appropriate while criminal charges are pending.

This individualized assessment will include consideration of the following factors:

- (1) the seriousness of the criminal offense;
- (2) the relationship between the criminal offense and the safety and security of residents, staff or property;
- (3) the length of time since the offense, with particular weight being given to significant periods of good behavior;
- (4) the age of the household member at the time of the offense;
- (5) the number and nature of any other criminal convictions;
- (6) evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program or recommendations from a parole or probation officer, employer, teacher, social worker or community leader; and
- (7) tenancy supports or other risk mitigation services the applicant will be receiving or have access to during tenancy.

If the applicant’s criminal conviction was related to his or her disability, the management company will consider a reasonable accommodation.

# Exclusion and Individualized Assessment Periods Explained

Type of Conviction	<b>AUTOMATIC EXCLUSION PERIOD</b> Will not house during this period	<b>INDIVIDUALIZED ASSESSMENT PERIOD</b> Will consider extenuating circumstances during this period	<b>NO EXCLUSION</b> Will not hold criminal history against applicant if last conviction is greater than
Nonviolent Misdemeanor (Classes 1-3)	NOT APPLICABLE	0 - 5 years	> 5 years
Nonviolent Felony (Classes H-I)	NOT APPLICABLE	0 - 7 years	> 7 years
Violent Misdemeanor (Class A1 & sex offenses)	0 - 2 years	> 2 years	NOT APPLICABLE
Violent Felony (Classes A-G & sex offenses)	0 - 5 years	> 5 years	NOT APPLICABLE
Felony Involving Sale or Manufacture of a Controlled Substance	0 - 5 years	5 – 10 years	> 10 years

- Automatic Exclusion v. Individualized Assessment v. No Exclusion:
  - Automatic Exclusion Period** is the period of time after conviction that an applicant will not be considered for housing, regardless of extenuating circumstances
  - Individualized Assessment Period** is the period of time after conviction during which the applicant's extenuating circumstances regarding their criminal history will be considered - see following page
  - No Exclusion** is the period of time after conviction where the applicant's conviction will not be held against them during the screening process
- Distinct periods based on type of conviction
- Periods begin at date of conviction
- Note: violent misdemeanor convictions and violent felony convictions have automatic exclusion periods of 2 and 5 years, respectively, and may be considered indefinitely through an individualized assessment
- An arrest or charge not resulting in conviction will not be considered, nor will an expunged conviction. A pending charge may be the basis of denial upon completion of an individualized assessment.

# Individualized Assessment

When the management company conducts an individualized assessment of the criminal record and its impact on the household's suitability for admission, the assessment should include consideration of the following **factors in determining whether to admit or deny** the individual:

1. the seriousness of the criminal offense
2. the relationship between the criminal offense and the safety and security of residents, staff, or property
3. the length of time since the offense, with particular weight being given to significant periods of good behavior
4. the age of the household member at the time of the offense
5. the number and nature of any other criminal convictions
6. evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program or recommendations from a parole or probation officer, employer, teacher, social worker or community leader
7. tenancy supports or other risk mitigation services the applicant will be receiving or have access to during tenancy

**APPENDIX D**

**Sample Tenant Selection Plan**

<b><u>THIS COLUMN: the TSP Policy</u></b>	<b><u>THIS COLUMN: Sample TSP</u></b>
<p>1. Describe the population for which the housing is intended. Include all regulatory restrictions.</p> <p>a. Income Restrictions</p> <p>i. Maximum, if applicable, stated as a number of units at % of median income. Specify how the specific income limit is available – website address, contacting the on-site office, or as an attachment to the written Tenant Selection Plan.</p> <p>ii. Minimum, if any, must not be so restrictive as to create a barrier to housing for an applicant with a federal or state housing voucher/rent assistance. All minimum income requirements must take into account the rental subsidy/rental assistance. Landlords should either exempt households with rental assistance from the policy itself, or base the minimum income on the tenant’s out of pocket rental payment and utility allowance. <i>See Sample TSP (APPENDIX D) for suggested language.</i></p> <p>iii. Affirm that reliance on state and federal housing vouchers will not be grounds to deny an application.</p> <p>b. Population Type (family or elderly)</p> <p>i. The plan must state whether the property is intended to house families or the elderly.</p> <p>ii. If elderly, cite the federal definition selected and address the number of units subject to which age restriction and describe the age restriction for the head of household and for the other household members, if any. If there are units with no age restriction, the number of such units must be stated. If the property is subject to Targeting Program requirements, regardless of the allocation year, the age restrictions must conform to <b>APPENDIX A – Definition of Elderly and Ensuring Access for Applicants Referred through the Targeting Program.</b></p>	<p>PROPERTY NAME ADDRESS COUNTY</p> <p><u>Income Restrictions</u> Maximum This property consists of 50 units of which:</p> <ul style="list-style-type: none"> <li>• 40 must be rented to households at 60% of median income or below</li> <li>• 10 must be rented to households at 50% of median income or below</li> </ul> <p>The income limits are posted in the on-site office and are attached.</p> <p>Minimum The applicant must have monthly income that is 2.5 times the tenant paid portion of rent plus utility allowance.</p> <p>Housing Vouchers State or federal housing vouchers are accepted provided the voucher plus the tenant-paid portion of rent meets the current rent charged for the unit.</p> <p><u>Population Type</u> This property is not age restricted. <b>OR</b> This property is restricted to households that comply with the following elderly definition: <b>62 Years of Age and Older</b> – This is housing intended for, and occupied solely by, persons age 62 and older. All occupants of the household in all of the units in the property must be 62 years old or older.</p> <p><b>OR</b> This property is restricted to households that comply with the following elderly definition: <b>55 Years of Age and Older</b> – This is housing intended and operated for households in which at least one person in the household is 55 years of age or older, per unit, in at least 80% of the property’s units, as follows:</p> <ul style="list-style-type: none"> <li>• In __ units [<i>at least 80%</i>] one household member must be at least 55 years of age.</li> <li>• In __ units [<i>up to 20%, but at a minimum, the number of units required for DHHS Targeting, if applicable</i>] one household member must be at least 45 years of age.</li> <li>• All additional household members in the units addressed above must be at least __ years of age.</li> </ul>



<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
<p>c. Student Status</p> <p>i. Include the student rules that govern the property, if any. Either clearly define an eligible student or clearly define an ineligible student. Properties with multiple funding sources must include all student requirements. <b>See APPENDIX B – Student Rules.</b></p>	<p><b><u>Student Status</u></b></p> <p>A household where all members are full-time students is ineligible for residency unless the household falls in any one of these exceptions:</p> <ul style="list-style-type: none"> <li>• All members are married and entitled to file a joint tax return.</li> <li>• The household is comprised of a single parent(s) with minor children where neither the parent nor at least one child is claimed as dependents on someone else’s tax return other than the absent parent of the children.</li> <li>• The household receives Temporary Assistance to Needy Families (TANF).</li> <li>• The student participates in a program receiving assistance under the Job Training Partnership Act, Workforce Investment Act, or similar federal, state or local program.</li> <li>• The student was previously in foster care.</li> </ul> <p><i>These student rules apply to properties only awarded Federal Tax Credits in the IRS compliance period. This section may need to be modified or replaced depending on your funding sources.</i></p>
<p>2. Describe the occupancy policy, if any.</p> <p>a. Minimum and maximum household size by number of bedrooms in the unit, if such a policy has been established.</p>	<p><b><u>Occupancy Policy</u></b></p> <p>1BR – minimum of one person, maximum of three  2BR – minimum of one person, maximum of five  3BR – minimum of one person, maximum of seven</p> <p><i>This is just a suggestion. We recommend that you check local code as well as consult with a Fair Housing attorney when establishing occupancy policies, and comply with requirements, if any, of your funding sources.</i></p>
<p>3. Describe all screening criteria.</p> <p>a. Credit Reports</p> <p>i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the credit criteria.</p> <p>ii. The Tenant Selection Plan must state that the credit screening criteria will be waived for applicants – including additional household members, if any – participating in programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to the tenancy (i.e. risk mitigation tools such as HUD Special Claims and Targeting Program Special Claims). <i>(Explanation: The</i></p>	<p><b><u>Screening Criteria</u></b></p> <p><b><u>Credit Reports</u></b></p> <p>Credit reports will be obtained for all applicant household members who are 18 years of age or older. The credit report must demonstrate that the applicant has paid financial obligations as agreed. Monies owed for medical related expenses will be disregarded.</p> <p>A third-party screening company  <b>or</b> The management company  <i>[use the language that reflects the manner in which your company reviews credit records]</i>  retrieves credit records and independently assesses an applicant’s credit performance, assigning greater weight to activity reported over the most recent 24-month period. An applicant may be rejected if the report demonstrates a history of poor credit with little or no effort made to address the outstanding debts.</p> <p>An applicant will be denied if the credit report shows:</p>

<b><u>THIS COLUMN: the TSP Policy</u></b>	<b><u>THIS COLUMN: Sample TSP</u></b>
<p><i>benefit of risk mitigation applies to the household, not the applicant alone.)</i></p> <p>iii. If good standing with the local utility companies used by the unit (electric, gas, and/or water) is a requirement, this must be stated. Additionally, the screening criteria must state that this requirement is waived if the applicant is participating in a program that pays the utility deposit. Cable and internet cannot be included in the good standing requirement.</p> <p>b. Criminal Record Checks</p> <p>i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the criminal criteria. The criminal criteria must be no more restrictive than the <b>Model Policy on Screening Applicants with Criminal Records (APPENDIX C)</b>. <i>(Note: In order to not comply with this requirement, an owner must show evidence that doing so would violate another regulatory restriction, or that the property has some other unique and compelling circumstance agreed upon by the Agency.)</i></p> <p>ii. The screening criteria must not be so restrictive that the criteria creates a disparate</p>	<ul style="list-style-type: none"> <li>• Unpaid balance(s) owed to current or previous landlord(s).</li> <li>• Outstanding debt to a utility company that would prohibit the applicant from establishing utility service in his/her name prior to move-in. Applicants may be re-considered if they provide evidence the debt has been paid and the utility company will provide service.</li> <li>• A bankruptcy that has not been discharged.</li> </ul> <p>Should the applicant be rejected based on credit, the Landlord will provide the applicant with the name and contact information of the credit reporting agency. All applicants may appeal the rejection and if disabled, may request a reasonable accommodation. The Landlord will waive a rejection based solely on credit if the negative information can be mitigated to the satisfaction of the Landlord by substantially reducing the financial risk to the Landlord. Such examples of mitigation of risk include an applicant providing an acceptable third-party guarantor of the lease or paying an increased security deposit.</p> <p>Applicants who participate in a rent subsidy program that includes risk mitigation for the Landlord such as the Housing Choice Voucher program (if the local administering agency allows special claims) or the Key rent subsidy administered by DHHS will not be rejected based solely on credit history. Such programs provide risk mitigation tools which substantially reduce the likelihood that the Landlord will be financially damaged as a result of waiving the credit requirement.</p> <p><b><u>Criminal Record Checks</u></b> <b><u>Screening Process</u></b></p> <p>In an addendum to the application form, the management company will explain its policies and procedures on criminal activity and will inform the applicant of his or her right to request a reasonable accommodation. The addendum will also inform the applicant of his or her opportunity to submit with the application evidence of mitigating circumstances if the individualized assessment is triggered.</p> <p>The management company will conduct a criminal background check on each adult member of an applicant household. An adult means a person 18 or older.</p> <p>If the criminal background report reveals negative information about a household member and the management company proposes to deny admission due to the negative information, the subject of the record (and the applicant, if different) will be provided notice of the proposed adverse action and an opportunity to dispute the</p>

<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
<p>impact on groups protected by the federal Fair Housing Act:</p> <ul style="list-style-type: none"> <li>• Race</li> <li>• Color</li> <li>• National Origin</li> <li>• Sex</li> <li>• Religion</li> <li>• Disabled Status</li> <li>• Familial Status</li> </ul> <p>The criteria must align with HUD’s requirement for housing entities to affirmatively further fair housing and conform to any applicable HUD guidance published on the subject.</p>	<p>accuracy of the record. The notice will include the name, address, and telephone number of the agency that composed the criminal record report and inform the applicant of his or her right to dispute the accuracy of the criminal record report as well as his or her right to a free copy of the criminal record report.</p> <p>If the applicant does not contact the management company to dispute the accuracy of the criminal record within eight business days, the management company will send a written notice of ineligibility to the applicant stating the specific reason for denial and advise the applicant of their appeal rights and – if disabled – their right to request a reasonable accommodation, if applicable.</p> <p><b>Admissions Criteria</b></p> <p>If a member of an applicant household has been convicted of a <u>felony offense involving the sale or manufacture of a controlled substance</u>, the management company:</p> <ul style="list-style-type: none"> <li>• Will deny admission if the conviction occurred within 5 years of application;</li> <li>• May deny admission if the conviction occurred more than 5 years but within 10 years of application;</li> <li>• Will not deny admission if the conviction occurred more than 10 years before application.</li> </ul> <p>If a member of an applicant household has been convicted of a <u>violent felony offense</u>, the management company:</p> <ul style="list-style-type: none"> <li>• Will deny admission if the conviction occurred within 5 years of application; and</li> <li>• May deny admission if the conviction occurred more than 5 years before application.</li> </ul> <p>If a member of an applicant household has been convicted of a <u>nonviolent felony offense</u>, the management company:</p> <ul style="list-style-type: none"> <li>• May deny admission if the conviction occurred within 7 years of application;</li> <li>• Will not deny admission if the conviction occurred more than 7 years before application.</li> </ul> <p>If a member of an applicant household has been convicted of a <u>violent misdemeanor</u>, the management company:</p> <ul style="list-style-type: none"> <li>• Will deny admission if the conviction occurred within 2 years of application;</li> <li>• May deny admission if the conviction occurred more than 2 years before application.</li> </ul>

<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
	<p>If a member of an applicant household has been convicted of a <u>nonviolent misdemeanor offense</u>, the management company:</p> <ul style="list-style-type: none"> <li>● May deny admission if the conviction occurred within 5 years of application; and</li> <li>● Will not deny admission if the conviction occurred more than 5 years before application.</li> </ul> <p>A violent felony is a Class A, B, C, D, E, F, or G felony or any felony requiring registration on the sex offender registry. A nonviolent felony is a Class H or I felony.</p> <p>A violent misdemeanor is a Class A1 misdemeanor or a misdemeanor requiring registration on the sex offender registry. A nonviolent misdemeanor is a Class 1, 2, or 3 misdemeanor.</p> <p>The management company will not consider an arrest or charge that was resolved without conviction. In addition, the management company will not consider expunged or sealed convictions.</p> <p>Where the management company “may deny” admission to a household based on a criminal conviction, the management company will conduct an individualized assessment of the criminal record and its impact on the household’s suitability for admission before making a determination.</p> <p>If a person has an arrest with pending charges, the housing provider should consider this as part of an individualized assessment. If the housing provider is not able to determine the specifics of the pending charges, the housing provider may deny admission until the charges are resolved. If the housing provider can identify the specifics of the pending charges, they should house the person if a resulting conviction would not change the decision to house. Because a pending charge once adjudicated could be dismissed, reduced, or the accused found not guilty, the housing provider should either house the person or delay the determination until the charge is resolved if a resulting conviction of the initial charge would be grounds for denying the application for housing. If the person has a disability and requests a reasonable accommodation, the provider should determine whether the request is appropriate while criminal charges are pending.</p> <p>This individualized assessment will include consideration of the following factors: (1) the seriousness of the criminal offense; (2) the relationship between the criminal offense and the safety and security of residents, staff, or property; (3) the length of time since the offense, with particular weight being given to significant periods of good behavior; (4) the age of the household member at the</p>

**THIS COLUMN: the TSP Policy**

**THIS COLUMN: Sample TSP**

time of the offense; (5) the number and nature of any other criminal convictions; (6) evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program, or recommendations from a parole or probation officer, employer, teacher, social worker, or community leader; and (7) tenancy supports or other risk mitigation services the applicant will be receiving or have access to during tenancy.

If the applicant’s criminal conviction was related to his or her disability, the management company will consider a reasonable accommodation.

Type of Conviction	Automatic Exclusion Period	Individualized Assessment Period	No Exclusion
Nonviolent Misdemeanor (Classes 1-3)	<b>NOT APPLICABLE</b>	<b>0-5 years</b>	<b>&gt;5 years</b>
Nonviolent Felony (Classes H-I)	<b>NOT APPLICABLE</b>	<b>0-7 years</b>	<b>&gt;7 years</b>
Violent Misdemeanor (Class A1 & sex offenses)	<b>0-2 years</b>	<b>&gt;2 years</b>	<b>NOT APPLICABLE</b>
Violent Felony (Classes A-G & sex offenses)	<b>0-5 years</b>	<b>&gt;5 years</b>	<b>NOT APPLICABLE</b>
Felony Involving Sale or Manufacture of a Controlled Substance	<b>0-5 years</b>	<b>5-10 years</b>	<b>&gt;10 years</b>

**c. Landlord References**

i. Describe with enough specificity that an applicant can reasonably self-determine whether they meet the requirements of the landlord reference criteria.

ii. To the extent that the landlord reference is negative due to unpaid rent or money owed, the screening criteria must state that this will not be held against applicants – including additional household members, if any – participating in programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to the impending tenancy (i.e. risk mitigation tools such as HUD Special Claims and Targeting Program Special Claims). *(Explanation: The benefit of risk*

**Landlord References**

Applicants may not be rejected for lack of rental history, but may be rejected for unsatisfactory rental history. Any applicant who has been evicted for nonpayment of rent, damages, or material noncompliance will not be accepted. Any applicant who owes past due funds to a previous landlord will be rejected until all funds that are past due have been paid in full.

Should the applicant be rejected based on a negative landlord reference, the applicant may appeal the rejection and if disabled, may request a reasonable accommodation. The Landlord will waive a rejection based solely on landlord reference if the negative information is due to unpaid rent or money owed and can be mitigated to the satisfaction of the Landlord by substantially reducing the financial risk to the Landlord. Such examples of mitigation of risk include an applicant providing an

<b><u>THIS COLUMN: the TSP Policy</u></b>	<b><u>THIS COLUMN: Sample TSP</u></b>
<p><i>mitigation applies to the household, not the applicant alone.)</i></p> <p><i>Should the participating tenant – eligible for the assistance with the risk mitigation tools – move out of the unit, management may rescreen remaining tenants at the time of lease renewal using the screening criteria the tenants would have otherwise been subject to at move-in. Management may opt to <u>not</u> renew the lease for cause if the remaining tenants no longer meet eligibility criteria without the presence of the participating tenant.</i></p>	<p>acceptable third-party guarantor of the lease or paying an increased security deposit.</p> <p>Applicants who participate in a rent subsidy program that includes risk mitigation for the Landlord such as the Housing Choice Voucher program (if the local administering agency allows special claims) or the Key rent subsidy administered by DHHS will not be rejected based solely on negative landlord reference based on unpaid rent or money owed. Such programs provide risk mitigation tools which substantially reduce the likelihood that the Landlord will be financially damaged as a result of waiving the landlord reference requirement.</p>
<p>4. Describe all preferences or priorities established for the property.</p> <p>a. Include all local, state or federal preferences and how they impact selection from the property waiting list.</p> <p>b. Describe the documentation required to establish that an applicant is eligible to be considered under one of the preferences.</p> <p>c. For properties participating in the Targeting Program, the following disclosure should be used:</p> <p>The property participates in a state program in which X <i>[insert the actual percentage]</i> percent of the units in the property are set aside as they become available to house eligible applicants (and their household members) receiving a referral from the North Carolina Department of Health and Human Services. Until the percent of units is reached, those applicants will be offered units ahead of anyone else on the waiting list.</p>	<p>The property contains <i>[insert number of accessible units for the mobility impaired]</i> apartments which are specifically designed to accommodate persons with mobility impairments; <i>[insert number of accessible units for the hearing and/or visually impaired]</i> of these units has additional features for the hearing and/or visually impaired. Preference for occupancy of these units will be given to disabled individuals or families who require the accessibility features provided in the units. No non-disabled applicants or disabled applicants who do not require the accessibility features provided will be offered these units until all eligible disabled applicants or current residents have been considered. Existing residents approved for transfer to an accessible unit will be given preference over qualified applicants.</p> <p>Accessible units will be offered to and accepted by non-disabled applicants only with the understanding that such applicants must agree to transfer to a non-accessible unit at a later date if a person with a disability requiring the unit applies for housing and is determined eligible. <i>[This language should also be included in your lease and should include who pays for the transfer.]</i></p> <p><i>If property participates in the Targeting Program insert the following:</i></p> <p>The property participates in a state program in which X <i>[insert the actual percentage]</i> percent of the units in the property are set aside as they become available to house eligible applicants receiving a referral from the North Carolina Department of Health and Human Services. Until the percent of units is reached, those applicants will be offered units ahead of anyone else on the waiting list.</p> <p>Applicants are eligible for the Targeting Program preference if the property has received a Targeting Program Letter of Referral from DHHS for the applicant.</p>

<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
<p>5. Describe the application process used at the property.</p> <p>a. Specify how pre-applications (if applicable) and applications are taken. Any alternative methods for accepting applications should be clearly stated.</p> <p>b. Application fees may be charged to cover the actual cost of checking a non-Targeting Program applicant’s program eligibility criteria such as credit history, if applicable, criminal background, and landlord references. The fee may not exceed the amount required to recover the average actual cost to process an application. The fees must be disclosed in the Tenant Selection Policy. A fee cannot be charged for verification of income (a free method may be utilized).</p> <p>c. Application fees may not be charged to Targeting Program applicants (or their household members), or to applicants from the Transition to Community Living Initiative (TCLI) program.</p> <p>d. Reservation fees, or their equivalent, are prohibited -- regardless of whether they are applied toward the security deposit -- as an unacceptable barrier to access to affordable housing. Security deposits are allowed, and must comply with NC General Statute Chapter 42, Article 6 (Tenant Security Deposit Act). <i>(Explanation: Reservation fees are defined as any fee imposed by the owner to encumber the unit. Payments [called “hold fees”] offered by DHHS to extend the availability of a vacancy are allowed.)</i></p>	<p>Applications for occupancy are taken on a first come, first served basis subject to set-asides and preferences outlined above. All applications must be completed in full, dated, and signed by the applicant(s). The On-site Manager will note on the application the date and time the completed application is received. The application may be delivered in person or received via mail, fax, or email. A non-refundable application processing fee of <i>[insert fee amount, if any]</i> will be charged to each applicant who is 18 years of age or older to cover the actual cost of checking the applicant’s credit history, criminal background and landlord references.</p> <p>Note: Application fees will not be charged to Targeting Program applicants, including applicants from the Transition to Community Living Initiative Program.</p>
<p>6. Describe the waiting list used for the property.</p> <p>a. Specify the number of written waiting lists used to select a tenant household for the property, their purposes, and the priority ranking between the lists.</p> <p>b. Specify how applicants are selected from each waiting list – first come, first serve or other methodology.</p> <p>c. Specify how preferences impact selection from the waiting list(s).</p>	<p>One waiting list subdivided by bedroom size is maintained. Until <i>[insert number of Targeting units, if any]</i> applicant households referred by DHHS have been housed, DHHS referrals will be offered available units ahead of anyone else on the waiting list. Preference for occupancy of units designed to accommodate persons with physical impairments (mobility, visual, and/or hearing) will be given to disabled individuals or families who require the accessibility features provided in the units. Once these two preferences have been satisfied, applicants are selected from the waiting list based on the date and time their applications were submitted.</p> <p>Applicants are selected for various rent and income levels at the property (if applicable), based on income and the date and time their application was received. When a lower rent level becomes available, it will be assigned to</p>

<b><u>THIS COLUMN: the TSP Policy</u></b>	<b><u>THIS COLUMN: Sample TSP</u></b>
<p>d. Specify how the waiting list is updated to maintain fairness and accuracy. Disclose the circumstances under which an applicant is removed from the waitlist.</p> <p>e. Specify the methods of advertising used to announce opening and closing of the waiting list.</p> <p>f. Specify the policies on opening and closing the waiting list.</p>	<p>the current household who is paying the highest percentage of income towards rent. This determination will be based on the most recent completed certification.</p> <p>The waiting list is never closed. All applications are processed and approved applications are placed on the waiting list. As applicants get to the top of the waiting list and are contacted regarding their interest in an available unit, and state they are no longer interested or do not respond within eight business days, they are removed from the waitlist.</p>
<p>7. For properties with multiple levels of income and rent targeting, address the following:</p> <p>a. Specify how applicants are selected for the various rent levels available at the property.</p> <p>b. Specify the policy for assigning lower rent levels to in place tenants versus waitlisted applicants as they become available at the property.</p>	<p>See the 2<sup>nd</sup> paragraph in Section 6 above that describes selecting for various rent and income levels.</p>
<p>8. Describe the procedure used to notify applicants of acceptance or rejection.</p> <p>a. Describe the process and timeline for notifying applicants of acceptance, what the applicant needs to do and in what timeframe to encumber the unit, and the period the unit will be held before moving to the next applicant.</p> <p>b. Describe the process and timeline for notifying applicants of rejection, the method of notification which must include a written form of notification, appeal rights and the process and requirements for filing an appeal. The specific reasons for the rejection must be included in all communications and must be based solely on the written criteria specified in the Tenant Selection Plan. If based on information received from a third party, contact information must be provided so the rejected applicant can investigate and challenge the adverse information.</p> <p>c. Appeal rights, process and deadlines must be clearly specified in writing. The deadline must be no less than eight business days from the date of the denial notification letter.</p>	<p><b>Preliminary Determination</b>  Upon receipt of an application, the On-site Manager will review information provided by the applicant in their application as well as run the applicable credit and criminal screening to confirm initial and conditional eligibility. Upon completion of such review, the applicant will be notified of his/her status. If eligible, the applicant is notified that "based on the information provided" the applicant appears to be eligible for housing subject to verification of the information provided on the application. This notification also advises that the applicant is being placed on the waiting list. If determined ineligible, the applicant is notified of the reason(s) for such ineligibility.</p> <p><b>Final Determination</b>  Upon receipt of all verifications, the On-site Manager will determine if the applicant remains eligible. Management, at its discretion, may choose to re-run credit and criminal screening depending on the amount of time since the preliminary determination. If eligible, the applicant is notified in writing that they have been approved for occupancy and are asked to contact management to arrange for future occupancy. When a unit becomes available, the applicant is sent a unit offer letter which allows eight business days to contact the On-site Manager. If no response is received within eight business days of the date the letter was mailed, the unit will be offered to the next qualified applicant on the waiting list.</p>



<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
<p>d. The right to a Reasonable Accommodation by an applicant with a disability must be clearly stated in the policy and in all communications with an applicant regarding rejection of the application.</p>	<p>If verifications indicate the applicant is not eligible, the applicant will be notified in writing promptly. This written notification will:</p> <ul style="list-style-type: none"> <li>• Give specific reasons for the proposed action that is grounded in the Tenant Selection Plan and – if based on information received from a third party – will provide contact information for the third party;</li> <li>• Advise the applicant of the right to respond to the notice or request a meeting with Management within ten (10) business days of the notice;</li> <li>• Advise the applicant of the right to request a reasonable accommodation if the applicant is disabled and feels they have grounds to be granted a reasonable accommodation.</li> </ul>
<p>9. Contain a nondiscrimination statement that lists the federal, state and local protected classes.</p>	<p>The Owners and the Management Agent and their respective employees are committed to Equal Housing Opportunities for all eligible persons regardless of race, color, sex, religion, handicap, national origin, familial status, sexual orientation, gender identity or marital status.</p>
<p>10. The intent to comply with all applicable federal regulations related to fair housing.</p> <p>a. For all properties this includes, but is not limited to: the Fair Housing Act, the 1988 Fair Housing Amendments Act, Title VI of the Civil Rights Act of 1964, and the Violence Against Women Act (VAWA).</p> <p>b. For properties receiving any federal funds:</p> <p>i. In addition to complying with 10(a) above, Section 504 of the Rehabilitation Act of 1973.</p> <p>ii. The landlord shall determine, as part of its obligations to take reasonable steps to ensure meaningful access to the property and its programs by persons with Limited English Proficiency (LEP), those Oral Language Services (i.e. Interpretation) and Written Language Services (i.e. Translation) that may be required in connection with the implementation of this Plan.</p> <p>iii. Fair Housing and accessibility logos must appear on company documents.</p>	<p>The Owners and the Management Agent and their respective employees will comply with the Fair Housing Act, the 1988 Fair Housing Amendments Act, Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974), Executive Order 11063, the Violence Against Women Act (VAWA), the Age Discrimination Act of 1975, and any legislation protecting the individual rights of residents, applicants, or staff which may subsequently be enacted.</p> <p><i>For properties that receive federal funds such as RD or HOME the additional citations need to be included:</i></p> <ul style="list-style-type: none"> <li>• Section 504 of the Rehabilitation Act of 1973</li> <li>• Reasonable steps to ensure meaningful access to the property and its programs by persons with Limited English Proficiency (LEP), those Oral Language Services (i.e. Interpretation) and Written Language Services (i.e. Translation) that may be required in connection with the implementation of this Plan</li> <li>• Fair Housing and accessibility logos are on company documents</li> </ul>
<p>11. Describe the process and timeline for a disabled applicant to request a reasonable accommodation and/or modification of an apartment, policy, or process and the timeline for the management agent to respond. If a reasonable accommodation request is submitted, the unit must be held until the request determination is finalized and communicated in writing to the applicant.</p>	<p>Reasonable accommodations/modifications will be made when a disabled applicant can demonstrate a nexus between their disability and the requested accommodation/modification, that will allow the applicant to have an equal opportunity to use and enjoy their housing of choice.</p>

<b><u>THIS COLUMN: the TSP Policy</u></b>	<b><u>THIS COLUMN: Sample TSP</u></b>
<p>In the event of a denial of a request for reasonable accommodation, the applicant must be afforded eight business days to challenge the decision before the unit can be rented to another qualified applicant.</p>	<p>Upon request for a reasonable accommodation, Management will provide the applicant a Request for Accommodation form that they may use to make their request. However, a form cannot be required. Management will respond to the request within ten (10) business days of receipt. The available unit will be held for the applicant requesting the accommodation until Management decides whether to approve or deny the request. If the request is denied, the applicant will be notified in writing and given eight business days to appeal Management’s decision, during which time the available unit will not be rented to another qualified applicant.</p>
<p>12. Include Unit Transfer Policies.</p> <p>a. Procedures for selecting between applicants on the waiting list and current tenants who need a unit transfer for the reasons below should be included in the plan.</p> <p>i. Family Size</p> <p>ii. Change in Family Composition</p> <p>iii. Medical Reason, inclusive of physical, behavioral, and mental health</p> <p>iv. Need for Accessible Unit</p> <p>v. Need for reasonable accommodation</p> <p>vi. Households residing in an accessible unit that do not need the accessibility features</p> <p>1. If you have a transfer policy, describe it.</p> <p>2. If you have federal funding (HOME, Project Based Section 8, Rural Development), a transfer policy must be in place. Describe the policy.</p> <p>b. Transfer and redecorating fees are prohibited if the reason for the transfer is any of those listed above.</p>	<p>Unit transfers may occur for a variety of reasons and the cost of the transfer may be assessed to the tenant, unless the reason for the transfer is one of the following:</p> <ul style="list-style-type: none"> <li>• Change in family size or composition (over- or under-housed families)</li> <li>• A medical reason certified by a doctor, psychiatrist or psychologist</li> <li>• As a reasonable accommodation to a disability</li> <li>• The need for an accessible unit</li> <li>• Households residing in an accessible unit that do not need the accessibility features</li> </ul> <p>When management receives a request for a unit transfer, the household will be informed in writing that they have been added to the transfer list. Existing residents approved for a unit transfer are given priority over applicants when an appropriate unit becomes available.</p>
<p>13. Disclose Pet Policy, if any. If the property has a pet policy, it must include exception language addressing service and assistance animals.</p>	<p><i>Example for a property that allows pets:</i>  A tenant can have up to two pets. Dogs cannot weigh more than 40 pounds. A non-refundable pet fee of \$250 is charged. If a disabled applicant has documentation from a health professional certifying their need for a service or assistance animal, the animal is not a pet.</p>

<b><i>THIS COLUMN: the TSP Policy</i></b>	<b><i>THIS COLUMN: Sample TSP</i></b>
	<i>Example for a property that does not allow pets: Pets are not permitted.</i>
14. Disclose Smoking Policy, if any.	<i>Example for a property that prohibits smoking: In an effort to protect the health and wellness of all residents, guests, and employees, the Owners adopted a smoke-free policy at this community. Smoking is prohibited in residents' apartments, in common interior areas, and on property grounds.</i>
15. Disclose any other mandatory policies or programs in place at the property that an applicant needs to be aware of before applying to the property (down payment assistance program, etc.).	

**APPENDIX E**

**Mandatory Tax Credit Lease Addendum**

TENANT: \_\_\_\_\_ LANDLORD: \_\_\_\_\_ UNIT NO.: \_\_\_\_\_

## LIHTC LEASE ADDENDUM

This lease addendum adds the following paragraphs to the lease between the tenant and landlord referred to above.

**Conflict with Other Provisions of the Lease.** In case of any conflict between the provisions of this addendum and other sections of the lease, the provisions of this addendum shall prevail.

**Term of Lease.** Notwithstanding anything herein to the contrary, the initial lease term shall be for a period of not less than six months. In no event can the lease renewal term be less than 30 days.

**Nondiscrimination.** The landlord shall not discriminate against the tenant on the grounds of race, color, religion, sex, handicap, national origin or familial status.

**Termination of Tenancy or Nonrenewal of Lease.** Landlord may not terminate the tenancy or refuse to renew the lease or rental agreement of a tenant except for good cause, including a serious or repeated violation of the material terms and conditions of the lease or house rules, or a violation of applicable federal, state or local law. To terminate the tenancy or refuse to renew the lease, landlord must first provide the tenant with written notice of the lease or house rules violation and provide the tenant with a reasonable period to cure. If the tenant fails to cure the violation, the landlord must provide written notice to the tenant of the violation with sufficient specificity to enable the tenant to prepare a defense. The notice must be served at least thirty days before the termination of tenancy, and must comply with all requirements of North Carolina law and other applicable programs. Tenant has the right to enforce this requirement in state court, including presenting a defense to any eviction action brought by landlord.

**Reasonable Accommodation and Reasonable Modification.** In the event the tenant submits a request for reasonable accommodation or reasonable modification, the landlord will notify the tenant of approval or denial in writing within a reasonable timeframe. In the event of denial, the tenant must be afforded eight business days to challenge the decision, including responding by submitting additional information or verifications that support the request.

**Violence Against Women Act (VAWA).** Tenant acknowledges receipt of *Notice of Occupancy Rights under the Violence Against Women Act*. The landlord acknowledges responsibility to comply with VAWA.

**Prohibited Lease Provisions.** Any provision of the lease which falls within the classifications below shall not apply and not be enforced by the landlord:

*Confession of Judgment.* Consent by the tenant to be sued, to admit guilt, or to a judgment in favor of the landlord in a lawsuit brought in connection with the lease.

*Treatment of Property.* Agreement by the tenant that the landlord may take or hold the tenant's property, or may sell such property without notice to the tenant and a court decision on the rights of the parties. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out, which may be disposed of in accordance with state law.

*Excusing the Landlord from Responsibility.* Agreement by the tenant not to hold the landlord or landlord's agent legally responsible for any action or failure to act, whether intentional or negligent.

*Waiver of Legal Notice.* Agreement by the tenant that the landlord may institute a lawsuit without notice to the tenant.

*Waiver of Court Proceedings for Eviction.* Agreement by the tenant that the landlord may evict the tenant of household members (i) without instituting a civil court proceeding in which the family has the opportunity to present a defense, or (ii) before a decision by the court on the rights of the parties.

*Waiver of Jury Trial.* Authorization to the landlord to waive the tenant's right to a trial by jury.

*Waiver of Right to Appeal Court Decision.* Authorization to the landlord to waive the tenant's right to appeal a court decision or waive the tenant's right to sue to prevent a judgment from being put into effect.

*Tenant Chargeable with Cost of Legal Actions Regardless of Outcome of Lawsuit.* Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding by the landlord against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

**Agreement to Locate to an Appropriate Unit.** In the event the tenant occupies a unit with accessibility features and does not need those features, the tenant agrees, if requested by the landlord, to relocate to another comparable unit. The landlord will give the tenant 30 days written notice to accomplish the move. The cost of the move is the responsibility of the tenant, except during the initial lease term.

If the tenant receives Key rent assistance and occupies an inappropriately sized unit, the tenant agrees, if requested by the landlord, to relocate to an appropriately sized unit. The landlord will give the tenant 30 days written notice to accomplish the move. The cost of the move is the responsibility of the tenant, except during the initial lease term.

**Periodic Unit Inspections.** The landlord has the right to inspect and permit representative(s) of any entity with a regulatory interest in the property to periodically inspect the unit. Tenant will receive at least 48 hours' written notice that the unit will be inspected. This does not preclude the right of the landlord to enter with less than 48 hours' notice for emergency repairs.

**Eligibility.** The landlord has the right to recertify the tenant's eligibility, including household composition, income and assets, and student status, on a periodic basis to verify tenant's continuing eligibility to reside in the unit.

The tenant understands and agrees that the landlord will verify in writing, through a third party when necessary, the information provided on the recertification questionnaire in order to ensure and document eligibility compliance.

The tenant agrees to complete at any time when requested by landlord, the recertification questionnaire disclosing current household composition, household student status and all household income and assets. Further, the tenant agrees to promptly notify the landlord of all changes in household composition, income and assets, and changes in household student status.

Tenant agrees to cooperate fully during the recertification process, signing all third party verifications and providing all requested documentation and information. Tenant agrees to respond promptly to recertification notices. Tenant understands that failure to cooperate in the eligibility recertification process, including responding within 30 days of the initial recertification notice or omitting material information, or providing materially false, inaccurate or incomplete information, is considered material noncompliance with this lease and therefore grounds for termination of the lease and eviction.

The tenant(s) and landlord understand and agree to be bound by the above stipulations.

**TENANT SIGNATURE(S)**

Head of Household Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Print Name)

Co-Tenant Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Print Name)

**LANDLORD SIGNATURE**

Landlord Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Print Name)