



TENANT SELECTION PLAN NA LEI HULU KUPUNA

March 2018

INTRODUCTION: Na Lei Hulu Kupuna (Na Lei) is a rental housing property subject to IRS Low Income Housing Tax Credit Program (LIHTC) and Affordable Housing Fund (AHF) programs. The procedures used for selection of residents shall be implemented in compliance with the Department of Housing and Urban Development (HUD) Handbook 4350.3, as amended, and all other applicable federal statutes and regulations.

This property is operating as an elderly project (housing for older persons) as defined in Act 249, Session Laws of Hawaii 2007 and Fair Housing Act as Amended (Title 8), 42 United States Code Section 3607(b)(2), intended for, and solely occupied by, persons 62 years of age or older.

NON-DISCRIMINATION: The management agent shall comply with all federal, state and local fair housing and civil rights laws and with all equal opportunity requirements as required by law, including without limitation HUD administrative procedures. The Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, provides civil rights protection to applicants and tenants of rented or leased housing and purchasers of residential dwelling units. These rights are also included in Chapter 515, Hawaii Revised Statutes which further expands the protection provided by State law. Together, Federal and State laws prohibit housing discrimination based on a person's race, color, religion, ancestry/national origin, sex, familial status, physical or mental disability, marital status, age, or HIV infection. Discrimination against a particular social or economic class is also prohibited (for example: welfare recipients; single parent households, etc.). These requirements apply to all aspects of tenant relations including without limitation: accepting and processing applications, selecting residents from among eligible Applicants on the waiting list, assigning units, certifying and re-certifying eligibility for assistance and terminating tenancies.

GENERAL ELIGIBILITY CRITERIA: To apply for housing at Na Lei, applicants must be qualified under the income limits established by HUD. Being eligible, however, is not an entitlement to housing. In addition, every applicant must meet the tenant selection criteria. The tenant selection criteria are used to demonstrate the applicant's suitability as a tenant using verified information on past behavior to document the applicant's ability, either alone or with assistance, to comply with the rules governing tenancy. The applicant will be judged on current and past behavior and practices related to tenancy and not on any attribute or behavior that may be imputed to a particular group or category of persons of which an applicant may be a member. Applicants must also qualify in accordance with one or more of the following eligibility criteria.

NO SMOKING POLICY: Na Lei has implemented a smoke-free senior living facility. Research findings show that smoking and the breathing of secondhand smoke constitutes a significant health hazard. Consistent with these concerns and with the State of Hawaii ACT 295 regarding smoking, Na Lei has established a smoke-free policy to promote and maintain a healthy and safe environment for residents, visitors and staff.

ELIGIBILITY: Applicants seeking housing at Na Lei must meet the following eligibility factors:

1. Household must be 62 years of age or older.
2. The household's annual income may not exceed the project's income limits that are set according to 60% average median income (AMI) for the Honolulu area established by HUD.
3. The household's annual income must meet the minimum income requirement of \$1,893.00 per month. Section 8/VASH applicants are exempt from the minimum monthly income requirement.
4. Household must have satisfactory credit rating and demonstrated the ability to pay rent and make timely payments.
5. Household must pass criminal background checks in addition to acceptable landlord reference(s).
6. Full-time student households are ineligible unless the household meets the 5 exceptions under Tax Code 151 (D)(i) or (ii).

The student rule applies to all individuals enrolled as students who during each of 5 calendar months during the calendar year in which the taxable year of the taxpayer begins is full time at an educational organization described in section 170(b)(1)(A)(ii).

Five exceptions for full-time student households are:

1. An individual who is a student and receiving assistance under title IV of the Social Security Act,
2. A student who was previously under the care and placement of the State agency responsible for administering a plan under part B or part E of title IV of the Social Security Act,
3. Enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws,
4. Single parents and their children and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or
5. Married and file a joint return.

Financial assistance, in excess of amounts received for tuition that an individual receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education is considered income for that individual, except for persons over the age of 23 with dependent children.

A student under the age of 24 who meets the additional criteria of section 327 of the Act may be income eligible for assistance if the student can demonstrate independence from his or her parents. These practices and criteria include by are not limited to consideration of all the following:

- The individual must be of legal contract age under state law.
 - The individual must have established a household separate from parents or legal guardians for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of an independent student.
 - The individual must not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations.
 - The individual must obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support.
7. The head of household/spouse/co-head must disclose social security numbers (SSNs) for all members of the household.
 - a. Applicants must provide adequate documentation of SSN.
 - b. When an applicant has a SSN but does not have the required documentation, the applicant may submit the SSN and certify that the number is accurate but that acceptable documentation could not be provided which will allow the application process to continue, however, an applicant may not become a participant in the program unless the applicant submits the required SSN documentation within ninety (90) days from the date they are first offered an available unit.
 - c. If otherwise eligible except for the outstanding verification of the SSN, the applicant may retain their place on the waiting list for the 90-day period in which the applicant is trying to obtain documentation.
 8. Each member of the household provides a birth certificate.
 9. Adult household members must present a government-issued photo identification document as requested when application is being processed.
 10. Each household member must provide consents for verification of all sources of income or other information relating to occupancy.
 11. The Applicant agrees to pay the rent required by the LIHTC/AHF programs under which the Applicant will be admitted.
 12. Personal interview is required. Management may conduct an in-office appointment to go over the Applicant's application in person and answer Applicant's questions. All adults who will be living in the unit must attend this interview and present photo identification.
 13. The unit must be the household's only residence.

OCCUPANCY STANDARD: Studio Unit 1 person minimum – 2 persons maximum

APPLICATION REQUIREMENTS: Anyone who wishes to secure housing at Na Lei must thoroughly complete, sign and date the application form provided by management. Incomplete applications will not be accepted and returned to applicant for completion. Applications should be legible and not contain any unidentified markings such as white-out. Any changes/crossed-out information on the application should be properly initialed by the applicant. The information provided on the application must contain sufficient information for management to make an initial determination of the income eligibility of the household; the size of unit desired or needed, and sufficient information to screen Applicant's prior landlord history. Applicants must consent to management's requirement to secure a credit and criminal background history and must provide written waivers enabling management to secure such reports.

WAITING LIST:

1. Applications will be placed on the waiting list by date and time received. All applications which are not complete will be returned to the applicant for completion. Missing information will be outlined in writing and applicant will be given ten (10) days to complete and return their application. If the completed application is returned by the ten (10) day deadline, it will retain its place on the waiting list. If the application is returned after the deadline date, it will be placed at the bottom of the waitlist upon receipt and if the application is not returned at all, the application will be rejected.
2. Applicants are required to contact management in writing every six (6) months to verify continued interest in remaining on the waitlist.
3. Applicants are required to contact management as necessary to update current application information including but not limited to household members, income/asset information, household's full-time student status and current contact information.
4. The waiting list may be closed when the average wait is longer than three years. Inquiring applicants will be advised that the waiting list is closed and new applications will not be accepted until such time that the waiting list is re-opened. Notice of this action will be published in the local newspaper.
5. When the waiting list is re-opened, notice will be published in the local newspaper and new applications will again be accepted.

CHANGES IN INCOME FOR WAITING LIST APPLICANTS: If an Applicant's income changes to an amount which is no longer eligible under the program requirements of the LIHTC/AHF by the time the application reaches the top of the waiting list, a written notice will be issued to the Applicant that he/she is not income eligible. Income eligibility calculation shall be made at the time the application is at the top of the list.

DETERMINING UNIT SIZE AT MOVE-IN: The management agent shall not provide bedroom space for persons who are not members of the household such as: adult children on active military duty, permanently institutionalized family members, or visitors. No more than two (2) persons may occupy a bedroom. Household composition will be considered when applying this rule.

PREFERENCES: Management will observe preferences listed below, prioritized in the order of the list:

1. Chronically Elderly Homeless: Na Lei shall give preference to applicants referred by agencies from the City's Housing First Initiative program.
2. Section 8 Voucher/VASH Applicants: Applicants with a current housing choice voucher such as Section 8 vouchers and HUD-VASH vouchers will have preference on Na Lei's waitlist.
3. Accommodation for Existing Tenants: Requests for accommodation from existing tenants, with a disability, requiring unit transfers will take priority over all waiting list Applicants. Accommodation results when a verified disability requires a change or repairs which improves their ability to live independently by more suitable housing conditions. A disabled tenant must relocate to a handicap unit to receive the accommodation provided in the handicap units. If the disabled tenant refuses to relocate to a handicap unit, the Landlord shall not be required to provide the accommodation of a handicap unit.
4. Units Specifically Designed for Disabled or Handicapped Persons: The management agent shall give first preference to Disabled or Handicapped Persons for a unit specifically designed for Disabled or Handicapped Persons over other households who have no Handicapped or Disabled members. For units designed for accessibility to individuals with mobility, hearing or vision impairments, preference shall be given to Applicants

requiring such units. This preference will be granted upon proper notification by Applicant and medical verification of need by management.

5. **Transfers for Existing Tenants:** No waiting list preference shall be granted to households seeking transfers (for reasons other than No. 3 above) between apartment communities located within the same market area which are owned or managed by Mark Development, Inc.

PROCESSING STEPS: The units at Na Lei shall be rented and occupancy maintained on a first-come, first-served basis with preferences and eligibility taken into consideration. All persons wishing to be admitted to Na Lei as tenants or placed on the waiting list must complete an application. Applicants submitting incomplete applications will not be considered for occupancy. The fully completed initial application shall be date and time stamped when received and maintained by management in chronological list by date and time received of all applications. Preference households and existing residents requiring unit transfers because of accommodation will move ahead of Applicants. Applicants shall be offered housing (after meeting all selection criteria requirements and verification of program eligibility), placed on the waiting list, or declined. Applicants who fail to provide acceptable landlord references, credit history or who have a criminal background will be notified that they have been removed from the waiting list.

When an appropriate unit becomes available, the waiting list shall be reviewed to identify the Applicant who meets preference criteria or whose name is chronologically at the top of the list. The manager shall interview the Applicant; confirm and update all information provided on the application; obtain current information of income, expense and household composition as applicable and necessary to certify eligibility. The Applicant shall be informed that a final decision on eligibility cannot be made until all verifications are complete and current income has been verified. Applicants must also complete an interview with the property manager before a determination is made. If approved for move-in, a move-in date confirmation letter will be sent with applicable unit number; amount of monthly rent and security deposit; first month rent and security deposit payment instructions; and the appointment date, time and location for signing of the move-in documents.

Applicants, whose position on the waiting list enables application processing, will receive one notice of housing availability. If the Applicant is unable or decides not to complete the application process, the Applicant shall be removed from the waiting list 10 days after mailing the notice. If management is unable to contact the applicant due to out-of-date information, the application will be automatically removed from the waitlist. If any application is so removed, the Applicant must reapply.

SCREENING CRITERIA:

SCREENING FOR SUITABILITY OF TENANCY: Applicant must meet the following factors:

1. Demonstrated ability to meet financial obligations and to pay rent on time.
2. History as a good tenant.
3. No history of disturbing neighbors or destroying property.
4. No history of prior eviction.
5. Applicant's good credit history.
6. Ability to maintain (or with assistance would have the ability to maintain) the housing in a habitable and safe condition based on living or housekeeping habits. Landlord may conduct home visits.
7. Ability to meet all obligations of tenancy.
8. Income Limit qualifications.

SCREENING FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY: The applicant will be denied occupancy for any one of the following:

1. History of using illegal drugs or history of abusing alcohol which may interfere with the health, safety or right to peaceful enjoyment of others.
2. History of felony or misdemeanor convictions by any household member involving crimes of physical violence against persons or property or any other criminal activity including Drug-Related Criminal Activity.
3. Any household member has been evicted from federally assisted housing for drug related criminal activity.
4. Registered sex offender status.

5. Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents.
6. History of drug-related criminal activity, violent criminal activity, or other criminal activity that threatens the health, safety, and right to peaceful enjoyment of the property by other residents or the health and safety of the owner, employees, contractors, subcontractors, or agents of the owner.

REFERENCES, CRIMINAL AND CREDIT HISTORY: Management will require written consent of all adult household members for verification of references and a written and signed waiver for Management to obtain credit and criminal background history.

2. Landlord and Professional References: Previous landlord references will be required for the past five (5) years, including the present landlord. Applicants, who have been previous homeowners, must be able to demonstrate that they have made mortgage payments in a timely manner. Applicants who have had no previous rental or homeownership history must provide references from present and former employers, teachers or clergy. Further, such Applicants must agree to monthly inspections of their apartment to continue until management deems that the Applicant is maintaining the apartment in a clean, safe and sanitary condition. Unfavorable landlord or professional references may result in removal from the waiting list.
3. Credit History: Credit reports will be ordered for each Applicant. The credit report will be reviewed to determine the Applicant's history of meeting financial obligations including payments for rent, utilities, loans, revolving credit cards, and other obligations. Applicant's credit history must be acceptable to management before they will be approved to occupy a unit. The credit report will be reviewed to:
 - a. confirm current address;
 - b. confirm credit sources included on the application;
 - c. confirm current and past employment listed on the application; and
 - d. determine whether the Applicant has an acceptable credit history.

Applicants, whose credit histories are unacceptable, will be declined and removed from the waiting list. An unacceptable credit history is one that reflects consistent, past-due payments of more than 90 days; a history of repeated insufficient fund checks; derogatory credit (repossession, foreclosure, judgments, collections, charge-offs, liens, bankruptcy not yet discharged, etc.); delinquent or charge off debt due other apartment communities; or unpaid utility company collections which would prohibit applicant from obtaining services. The lack of credit history or past due payments or derogatory credit relating to medical expense or student loans will not be considered as grounds for declining an Applicant. Consideration will be granted when current credit history demonstrates a pattern of improvement; history of rent payment overshadows other debt issues or Applicant can demonstrate acceptable reasons for credit history. Applicants may wish to provide an explanation that reflects efforts to correct credit deficiencies through payment plans or other work out solutions. If such explanation is acceptable to management, further screening may be conducted and written confirmation of payment plans may be required from the creditor(s). In the event of the rejection of an application based upon credit, the Applicant has 14 days to provide an explanation and request further consideration. Management will provide a copy of Applicant's credit report upon request. It is the Applicant's responsibility to contact the credit reporting agency to resolve any items that have been incorrectly reported.

4. Criminal Activity Reports: A criminal history report shall be obtained for each Applicant's household member, and any member of the applicant's household with a history that includes felonious crimes, Drug-Related crimes, crimes including violence or sexual offences, the Applicant will be rejected and removed from the waiting list. Reports will be obtained from local and/or state records. Consideration may be granted to Applicants with past nonviolent criminal records occurring five or more years in the past with no further criminal record. If the Applicant has resided in a state other than Hawaii, Landlord shall obtain a criminal history report from a screening service organization. Applicants will be required to verify that they or members of their household are not Registered Sex Offenders. Registered Sex Offenders will not be considered as suitable tenants.

DECLINING APPLICANTS: Applicants may be rejected if any one of the following categories applies:

1. Failure to meet one or more of the screening criteria.
2. Information required by the application and income verification process is not provided.
3. Management unable to contact applicant (returned mail, non-working telephone number)
4. Failure to timely respond to written requests for information.
5. Failure to sign and submit the Authorization for Release of Information
6. Declaration by Applicant that they are no longer interested in housing.
7. Unacceptable credit history.
8. Failure to meet the minimum monthly income requirement of \$1,893.00.
9. The household's annual income exceeds the project's income limits that are set according to 60% average median income (AMI) for the Honolulu area established by HUD.
10. Inability to appropriately maintain housing in a habitable, safe and sanitary condition.
11. Household size exceeds capacity of available units.
12. History of chronic nonpayment of rent and financial obligations.
13. History of disturbing the quiet enjoyment of others.
14. A risk of intentional damage or destruction to the unit or surrounding premises by the Applicant or those under the Applicant's control.
15. History of violence and harassment of others.
16. History of violations of the terms of previous lease agreements such as destruction of a unit or failure to maintain a unit in a habitable, safe, and sanitary condition.
17. Criminal history including a felony conviction, Drug Related conviction, crimes involving violence, or sexual crime.
18. Illegally using a controlled substance or abusing alcohol which may interfere with the health, safety and well-being of other residents. Waiver of this requirement is subject to Applicant demonstrating they are no longer engaging in such activity and producing evidence of participation in or completion of a supervised rehabilitation program.
19. Applicant or a member of the household is a Registered Sex Offender under any state sex offender registration program.
20. Applicant or a household member has engaged in or threatened abusive or violent behavior towards any staff member of management or another resident.
21. Applicant or a member of household was evicted from housing as a result of Drug-Related Criminal Activity.
22. Application is incomplete, or is found to contain false information.

If an Applicant is a person with disabilities, we will consider extenuating circumstances where this would be required as a matter of reasonable accommodation.

If an Applicant is rejected, management shall promptly notify the Applicant in writing and explain the reasons for the rejection. The Applicant will be also notified that they have 14 days to respond in writing or to request a meeting to discuss the rejection. If the applicant is a person with a disability, they have the right to request reasonable accommodations to participate in the informal hearing process. All rejected applications and supportive documentation shall be maintained at the management agent's home office in a manner that insure confidentiality.

UNIT TRANSFERS: Unit transfers for the following reasons will be awarded to current tenants prior to applicants on the waiting list:

1. A unit transfer for a medical or health reason.
2. A unit transfer based on the need for an accessible unit.
3. A unit transfer as a reasonable accommodation to a household member's disability.

DEFINITIONS:

APPLICANT includes all adult members of the Family or household.

DISABLED PERSON. "Disabled Person" means a person who is under a disability as defined by Section 223 of the Social Security Act or in section 102(b)(5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970. 1980 24 CFR 812.2

DRUG RELATED ACTIVITY means the manufacture, sale, distribution, or use of a drug, or the possession with the intent to manufacture, sell, distribute, or use a controlled substance. Drug-Related Criminal Activity does not include the use or possession, if the household member can demonstrate that they:

1. have a State issued Certificate for the possession and/or use of a controlled substance for a chronic medical condition, or addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment for which the household member is undergoing treatment; or
2. have recovered from such addictions and do not currently use or possess controlled substances. The household member must submit evidence of participation in, or successful completion of, a treatment program as a condition to being allowed to reside in the unit.

ELDERLY PERSON is a person who is at least 62 years old.

ELDERLY FAMILY. "Elderly Family" means a family whose head or spouse or whose sole member is at least sixty-two years of age, or a Disabled as defined by HUD, or a Handicapped Person as defined by HUD, and may include two or more elderly, Disabled or Handicapped Persons living together, or one or more such persons living with another person who is determined to be essential to his or her care and well-being.

FAMILY is one or more persons in a household whose income and resources are available to meet the Family's needs.

HANDICAPPED PERSON. "Handicapped Person" means a person with a physical or mental impairment which (1) is expected to be of long-continued and indefinite duration, (2) substantially impedes his or her ability to live independently, and (3) is of such a nature that such ability could be improved by more suitable housing conditions.

INCOME LIMITS are defined as those income limitations published by organizations regulating the development.

LIVE-IN AIDE/ATTENDANT is a person who lives with an Elderly, Disabled or Handicapped individual(s), is essential to that individual's care and well-being, is not obligated for the support of the person, and would not be living in the unit except to provide the support services. While a relative may be considered to be a Live-in Aide/Attendant, the relative can reside in the unit as a Live-in Aide/Attendant only if the tenant requires special care. The Live-in Aide qualifies for occupancy only as long as the tenant requires supportive services and may not qualify for continued occupancy as a Remaining Family Member. A Live-In Aide may be evicted for violating any of the house rules.

SINGLE PERSON is a person who intends to live alone.