

Name: Lexington Ridge
MHFA No. 92-006-N

REGULATORY AGREEMENT

Date: November 17, 1994

Owner's Name and Address: Lexington Ridge-Avalon, Inc.
c/o Trammell Crow Residential
11 Burtis Avenue
New Canaan, CT 06840 (the "Owner")

Name and Location of Project: Lexington Ridge
Waltham Street
Lexington, MA (the "Project")

Number of Units: 198

Initial Replacement Reserve Requirement: \$4,785 per month
\$57,420 per year

Owner's Equity: \$ 5,540,000

REGULATORY AGREEMENT between Owner and Massachusetts Housing Finance Agency (the "Agency"), a body politic and corporate, organized and operated under the provisions of Chapter 708 of the Acts of 1966 of the Commonwealth of Massachusetts as amended (the "Act").

IN CONSIDERATION of the first mortgage loan which the Agency has agreed to advance the Owner for the permanent financing of a residential housing project which is more fully described in the Mortgage of even date herewith, the Owner covenants and agrees that in connection with ownership and operation of the Project it will comply, and will require any purchaser of the Property to comply, with the following:

1. Rentals in the Project shall be in accordance with the Rental Schedule previously approved by the Agency, which is attached hereto as Appendix A and is hereby made a part hereof. Any change in said schedule shall require the Agency's prior written approval, and if necessary, the prior written approval pursuant to the Subsidy Documents. Upon written request by the Owner for a rent increase accompanied by submission of supporting documentation, the Agency agrees to set rents for the market rate units at no less than the rents justified by market conditions as reasonably projected over the succeeding two years. The Agency staff will utilize documentation provided by the Owner as well as its own information when doing its rental analysis. Notwithstanding any rental increases pursuant to the preceding sentences, not less than

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28% of the units shall be rented at all times to low and moderate income persons (with at least 20% being rented at all times to low income persons), at or below the adjusted rentals shown on said schedule or, if lower, and in the event that the Project shall receive the low income housing tax credit, the gross allowable rent permitted under the low income housing tax credit program. In setting the low income rent levels, the Agency agrees to allow the Owner to set rents at the allowable tax credit rate except if general market conditions are such that there is no significant difference between market rate rents and the allowable tax credit rent, in which case the Agency may require that the low income rents be reduced to insure the marketability of the low income units. In fulfilling the low-income requirement, the Owner will accept referrals of tenants from the Public Housing Authority in the city or town in which the Project is located, and will not unreasonably refuse occupancy to any prospective tenants so referred. As used in this Agreement the term "low-income persons" shall mean persons or families eligible at any given time for occupancy in public housing in the city or town in which the Project is located. As used in this Agreement the term "moderate income persons" shall mean persons or families earning less than 80% of the median household income in the Boston Standard Metropolitan Statistical Area.

2. Any and all other definitions of "rents" or "rentals" that may be applicable because of Federal or state subsidy programs shall be determined by the rules and regulations of such subsidy programs. The terms "adjusted rentals," "below market rental" and "market rate rental" shall have the same meaning as set forth in Section 1(e) of the MHFA Enabling Act.
3. This Agreement, the Multifamily Note, the Multifamily Mortgage, Assignment of Rents and Security Agreement (the "Mortgage"), the Land Use Restriction Agreement and Development Fund Agreement executed by the parties, all of even date and relating to the Project, and all agreements between the Owner and the Agency, or either of them, and the United States Department of Housing and Urban Development and/or the Commonwealth of Massachusetts relating to the provision of mortgage or rental subsidies for the project (the "Subsidy Documents") shall be construed as a single agreement, and default by the Owner under the provisions of any one shall be deemed a default under each of the others. Said documents collectively shall be known as the "Contract Documents." The terms "Property" and "Project" are defined in the Mortgage.
4. The Resident Selection Plan which has been approved by the Agency will be complied with. Said plan is hereby made a part of this Agreement, and is attached hereto as Appendix B. As

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structural elements or mechanical equipment, may be made only after receiving the prior consent in writing of the Agency, which consent will not be withheld unreasonably. In the event of a default in the terms of the Mortgage whereby repayment of the loan is accelerated, the Agency may apply or authorize the application of the balance in such fund to the amount due on the Mortgage Debt as accelerated. The Agency agrees that, at such time as the Mortgage has been paid in full, all Project reserves, escrows and accounts will be returned to the Owner, but until such time, all reserves, escrows and accounts shall be subject to Agency rules, regulations, controls and escrow arrangements. In the event of prepayment of the loan pursuant to the provisions of the Mortgage, all Agency controls on the fund shall terminate and the balance in such fund shall belong to the Owner.

8. Owner shall establish a Distribution Account, in accordance with the following requirements:
 - (a) Only such Project income from rents or other sources may be allocated to the Distribution Account as may remain after, and any amounts in the Distribution Account shall always be available for, in the following order of priority: (i) payment of or adequate reserve for all sums due or currently required to be paid under the terms of the Mortgage and the Mortgage Note; and (ii) payment of or adequate reserve for all current obligations of the Project other than the mortgage loan, including escrows for real estate taxes and insurance; and (iii) deposit of all amounts required to be deposited in the reserve fund for replacements; and (iv) payments of expense loans from the Distribution Account by principals of the Owner for Project expenses, provided that the Owner shall have obtained prior Agency approval for such loans and shall have supplied the Agency with such evidence as the Agency may reasonably request as to the application of the proceeds of such operating expense loans to Project expenses. Distribution may be made from the Distribution Account only when all currently payable obligations of the Owner as identified in paragraphs (i), (ii), (iii) and (iv) above are paid as evidenced by a certificate provided by an independent accountant indicating that no such obligations are more than thirty days past due. If, following distributions to the Owner from the Distribution Account, there remain excess available funds, such excess funds may be used for payment of debt service (including principal and interest) on that certain \$300,000 purchase-money promissory note, which payment shall be considered a project cost for purposes hereof.

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- (b) No additional amount shall be allocated to the Distribution Account, and no amount shall be paid out of said Account when a default for which notice has been issued exists under the Contract Documents, or when there has been failure to comply with the Agency's notice of any reasonable requirement for proper maintenance of the Project, or when there is outstanding against all or any part of the Project any lien or security interest on the Project assets other than the Mortgage unless provided for to the Agency's reasonable satisfaction by a bond, insurance, reserve, or in a similar manner. No amount shall be allocated to the Distribution Account or distributed to the Owner which constitutes or is derived from the borrowed funds or from the sale of capital assets, except with the prior written authorization of the Agency and except as otherwise approved in the Development Fund Agreement.
- (c) Distributions to the Owner may be made from the Distribution Account, provided that no distribution for any fiscal year may exceed that percentage of the Owner's Equity in the Project which from time to time is permitted under the Act, and which, at the time of execution hereof, is ten percent (10%). The ten percent (10%) standard shall apply throughout the term of the mortgage loan, except that if the Agency establishes a higher rate at a later date, the Agency will consider the Owner's request for a higher distribution. Distributions shall be permitted with respect to each fiscal year of the Project commencing on the closing date of the construction loan, but not before all current and owed-to-date project expenses have been paid and reserves, then due or owing, have been funded. In the event cash is available, all allowable distributions shall be made in the year in which they are earned or as soon as possible thereafter. In the event that distributions are not made in any year to the maximum percentage permitted by law at the time with respect to such year, then in that event, but subject to the provisions of subsections (a) through (c), such deficiency shall accrue with interest at a rate of ten percent (10%) simple interest per annum and the cumulative deficiencies may be made up out of amounts in the Distribution Account which have been accumulated or which will accumulate in succeeding years. Distributions may in no case be made from the Excess Rental Account. All distributions shall apply first to the principal amount of unpaid distributions and then to accrued and unpaid interest. Distributions may be made only after

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all deposits required pursuant to Paragraph 8(a) have been made.

- (d) The Owner's Equity shall be adjusted only upon the Owner's request as set forth in this subsection. The Agency agrees to re-evaluate at the Owner's written request the Owner's Equity in the Project (i) within the first six months after the date hereof, and (ii) every five years (or at such shorter interval as may be permitted under the Act). The first five-year period shall commence with the construction loan closing. The revalued Owner's Equity will be established by Agency staff or an outside appraiser selected or approved by the Agency. In the event the Owner disputes the Agency's appraisal, (i) the Owner shall have the right to withdraw the re-evaluation of equity request, or (ii) the Owner may contract a second appraisal. If the initial appraisals are less than ten percent (10%) apart on Project value (i.e., the higher appraisal is less than 110% of the lower appraisal), the value shall be the average of the two appraisals. In the event the appraisals are ten percent (10%) or more apart and the parties are not able to reconcile the differences and agree upon a value, the initial appraisers shall select a third appraiser whose value determination shall be binding. The appraisers shall follow the Agency's standard appraisal policies and shall be instructed to take into account (x) the Project's favorable financing rate and (y) the low income use restrictions pursuant to the MHFA financing and the Town of Lexington's zoning restrictions on the Project. All costs for appraisals shall be borne by the Owner as a capital expense (which shall not be funded from the reserve fund for replacements).
9. All rentals, if any, received by the Owner in excess of the below-market rentals established for each unit and not necessary for Project operations shall be applied pursuant to Agency direction to reduce rentals so as to make more units available to low income persons and families.
10. Occupancy shall be permitted only upon execution of a lease in form satisfactory to the Agency. All leases shall be expressly subordinated to the Mortgage, and shall contain clauses, among others (though in the event such clauses are inconsistent with the Subsidy Documents, the Subsidy Documents will apply to those units for which there is a subsidy) wherein each individual Lessee:

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- (a) certifies the accuracy of the statements made in the application and income survey;
 - (b) agrees that the tenant income and other eligibility requirements, shall be deemed substantial and material obligations of his tenancy; that he will comply promptly with all requests for information with respect thereto from the Owner or the Agency, and that his failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his tenancy;
 - (c) agrees that at such time as the Owner or Agency may direct, he will furnish to the Owner certification of then current tenant income, with such documentation as the Agency shall require.
 - (d) agrees to such charges as the Agency has previously approved for any facilities and/or services which may be furnished by the Owner or others to such tenant upon his request, in addition to the facilities and services included in the approved Rental Schedule.
11. Owner shall not without the prior written approval of the Agency, which approval will not unreasonably be withheld, and any other governmental authority whose jurisdiction includes regulation of Owner, nor contrary to Agency law effective at the time in question:
- (a) convey, transfer, or encumber any of the mortgaged property including the grant of commercial leases, or permit the conveyance, transfer or encumbrance of such property (except for apartment leases).
 - (b) assign, transfer, dispose of, or encumber any personal property of the Property, including rents, or pay out any funds other than: distributions with respect to equity expressly permitted hereunder, reasonable operating expenses and necessary repairs, proceeds of the sale of ownership shares of the Owner, subject to the terms of the Development Fund Agreement, and repayment of loans which the Owner makes to the Project at such rates and upon such conditions as the Agency reasonably agrees are fair and reasonable to the Project, provided, however, that Owner is expressly permitted to assign, transfer, dispose of or encumber any tangible personal property to be replaced by or with other items of personal property of like quality and value, and free of superior title, liens and claims.

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- (c) convey, assign, transfer, or permit the transfer, conveyance or assignment of greater than twenty-five percent (25%) of the corporate stock of the Owner, all of which is currently held by Avalon Properties, Inc., or any right to manage or receive the rents and profits of the Project, except with the Agency's prior written approval, which approval shall not be unreasonably withheld or delayed, and unless the transferees or assignees of the general partners assume the obligations of the Contract Documents by an instrument in writing satisfactory to the Agency;
 - (d) substantially remodel, add to, reconstruct, or demolish any part of the mortgaged property or substantially subtract from any real or personal property of the Project;
 - (e) permit the use of the dwelling accommodations of the Project for any purpose except residences or permit commercial use greater than that originally approved by the Agency, if any;
 - (f) incur any liability, direct or contingent, out of the ordinary course of business in developing and operating a low, middle income and market rate residential housing Project;
 - (g) except as stated expressly in the Contract Documents or otherwise approved by the Agency in writing, pay any compensation or make any distribution of income or other assets to any of the owners of shares of stock or of beneficial interest;
 - (h) enter into any management contract;
 - (i) modify or amend the Owner's charter, by-laws, Articles of Organization, or other governing instrument or instruments, except as permitted by the Contract Documents;
 - (j) if any Key Principal (as that term is defined in the Mortgage) is a privately-held corporation, modify or amend the Key Principal's, articles of organization, by-laws, or other governing instrument or instruments; nor shall any interest in stock be transferred.
12. Owner shall provide for the management of the Project in a manner reasonably satisfactory to the Agency. Any management contract entered into by Owner shall contain a provision that it shall be subject to termination, without penalty and with

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or without cause, upon thirty days notice by the Owner if such termination is requested by the Agency and be terminable immediately by the Agency if Owner fails to implement such request by the Agency. Upon receipt of such request or notice of termination, Owner shall immediately make arrangements reasonably satisfactory to the Agency for continuing proper management of the Project. Any event of default under the Contract Documents shall be cause for termination of the management contract by the Agency. Owner, with the approval of the Agency, may retain the terminated management company for up to thirty days while a replacement management company is being selected. In the event that, subsequent to thirty days after the termination of the management contract by the Owner (whether or not such termination is pursuant to the provisions of this section), Owner has not made arrangements reasonably satisfactory to the Agency for continuing proper management of the Project, the Agency shall have the right to designate a management agent for the Project.

13. Payment for services, supplies, or materials shall not exceed the amount ordinarily and reasonably paid for such services, supplies, or materials in the area where the services are rendered or the supplies or materials furnished.
14. Within the ninety (90) days following the end of each fiscal year of the Project, the Agency shall be furnished with a complete annual financial report for the Project based upon an examination of the books and records of the Owner containing a detailed, itemized statement of all income and expenditures, prepared and certified by a Certified Public Accountant in accordance with the reasonable requirements of the Agency which include (i) the income statement submitted on an Agency format, and (ii) the financial report on an accrual basis and in conformity with generally accepted accounting principles applied on a consistent basis. A duly authorized agent of the Owner must approve in writing such submission.
15. At the request of the Agency, the Owner shall furnish quarterly financial statements and occupancy reports and shall give specific answers to questions upon which information is reasonably desired from time to time relative to the ownership and operation of the Project.
16. All rents and other receipts of the Project shall be deposited in the name of the Owner or a nominee for the Owner in a bank or banks, whose deposits are insured by the F.D.I.C. The Agency shall at all times be advised of the names of the accounts and names of the banks. Such funds shall be withdrawn only in accordance with the provisions of this Agreement. Any person receiving funds of the Project other

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than as permitted by the Contract Documents shall immediately deposit such funds in a Project bank account, and failing to do so in violation of this Agreement, shall hold such funds in trust for the Project.

Any such letters of credit, cash accounts or investments provided to the Agency as security shall be monitored by the Agency and if, in the sole discretion of the Agency, the financial institution issuing or holding such letters of credit, cash accounts or investments should be in danger of insolvency, bankruptcy or takeover by a financial institution unacceptable to the Agency, the Agency will give the Owner fifteen (15) days' notice in which to transfer such letters of credit, cash accounts or investments to a financial institution acceptable to the Agency (provided that, in the case of time deposit instruments, the Owner need not transfer the same until maturity if a penalty would result from transfer within such 15-day period), or the Agency will have the right, pursuant to this Regulatory Agreement, to call, in part or in full, such letters of credit, cash accounts or investments and invest the proceeds, on the terms and conditions herein set forth, in any investment allowed by the Banking Commissioner of the Commonwealth of Massachusetts for investments by public agencies.

The Owner, the Key Principal and the Managing Agent shall (subject to the limitations of liability set forth in the Mortgage) be responsible and account for any and all disbursements made from rents and receipts from the operation of the Project, and failure to account for any cash disbursements used for any purpose not permitted by the Contract Documents shall make the Owner, the Key Principal and the Managing Agent personally liable to the extent of such unaccounted for disbursements (subject to the limitations of liability set forth in the Mortgage). Project income may be used only for the purposes specified in Section 8(a)(i)-(iv) and 8(c).

17. There shall be full compliance with the provisions of all state or local laws prohibiting discrimination in housing on the basis of race, sex, handicap, religion, color, national origin, age, marital status or ancestry, and providing for nondiscrimination and equal opportunity in housing. Failure or refusal to comply with any such provisions shall be a proper basis for the Agency to take any corrective action it may deem necessary including, but not limited to, the rejection of future applications for mortgage loans and the refusal to enter into future contracts of any kind with which the Owner or its shareholders, trustees, or beneficiaries are identified.

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18. This Agreement shall bind, and the benefits shall inure to, respectively, the Owner and its successors and assigns, and the Agency and its successors and assigns, so long as the Mortgage continues in effect, whether or not the Agency shall continue to be the Owner of the Mortgage, provided, however, that this Agreement shall become a nullity upon payment and discharge of the Mortgage.
19. Owner warrants that it has not, and will not, execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict therewith.
20. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
21. Notices shall be deemed delivered when mailed registered mail, return receipt requested, to the Owner at the above referred-to address and to the Agency at 50 Milk Street, Boston, Massachusetts 02109, with copies sent to Howard E. Cohen, Esquire, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 or to such other place as a party may designate in writing. Notice will be deemed legally sufficient when given only to the Owner.

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IN WITNESS WHEREOF, the parties have caused this Regulatory Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

**MASSACHUSETTS HOUSING FINANCE
AGENCY**

By:



Edward T. Pollack, General Counsel

OWNER:

LEXINGTON RIDGE-AVALON, INC

By:



Name: Bryce Blair

Title: Vice President

Blair

Attachments:

- Appendix A - Rent Schedule
- Appendix B - Resident Selection

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COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

November 21, 1994

Then personally appeared the above-named Edward T. Pollack, General Counsel of Massachusetts Housing Finance Agency, and he acknowledged the foregoing instrument to be his free act and deed and the free act and deed of said Agency.

Before me,

Stephen M. Brady
Notary Public
My Commission Expires: 2/5/99

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

November 17, 1994

Then personally appeared before me the above-named Wayne Blair, as Senior Vice President of Lexington Ridge-Avalon, Inc. and acknowledged the foregoing to be his free act and deed and the free act and deed of Lexington Ridge-Avalon, Inc.

Carol Weiss
Notary Public
My Commission expires: _____

APPENDIX A

PROPOSED PROJECT: Lexington Ridge Apartments

PROJECT NO. 92-006-N

RENT SCHEDULE

	<u>LOW INCOME</u>			<u>MODERATE</u>		<u>MARKET</u>		
	<u>Certificates</u>		<u>Tax Credit</u>					
NO. OF BEDROOMS	2	3	2	1	2	1	2	3
NO. OF UNITS (198 TOTAL)	12	17	11	10	6	18	85	39
NET SF/UNIT	968	1218	968	868	968	868	1081	1218
ELEV/NONELEV	N	N	N	N	N	N	N	N
MARKET RATE RENT	805	996	585	740	878	1013	1152	1235
<u>8.75% RATE 30yr TERM</u>								
MHFA BELOW MKT RENT (Cost Based Rent)	729	920	509	664	802	937	1076	1159
MHFA RENT ADJUSTED				25-30% OF INCOME				
ATTAINABLE RENT-LOW	729	920	509					
ATTAINABLE RENT-MOD				664	802			
ATTAINABLE RENT-MKT						937	1076	1159
UTILITY ESTIMATE	67	75	67	60	67			

APPENDIX B

MHFA TENANT SELECTION PLANIntroduction

The Massachusetts Housing Finance Agency (MHFA) Tenant Selection Plan has been adopted to consolidate policies and procedures for tenant selection in MHFA housing. The major revised policy areas are contained in the section on post-occupancy selection and waiting list procedures. The creation of uniform tenant selection standards helps ensure socially and economically integrated housing. The revised Plan also takes into consideration the applicants' relative housing needs.

The post-occupancy selection procedure establishes a preference system to achieve:

1. Access by minority applicants
When a development fails to meet minority goals, MHFA may institute a remedial affirmative action process, requiring the developer to alternate selection between minority and non-minority households on a one-for-one basis until the affirmative action goal is met. The minority list is an extract from the entire applicant pool.
2. Timely internal transfers for existing tenants in serious need
The Plan requires that existing tenants in financial hardship be given preference for subsidized units as they become available in the development. The Agency is implementing preference for existing tenants to avoid the displacement of tenants who cannot afford moderate or market rents.

Additionally, the Plan establishes a transfer system for existing tenants in overhoused or overcrowded situations. It requires that overhoused subsidized tenants be expeditiously transferred to smaller units to ensure that the subsidy serves the intended household size. Further, the Plan gives existing families in overcrowded conditions preference for larger units in the development, thereby alleviating unhealthy conditions which might lead to eventual displacement. On the other hand, it prohibits preferential treatment in the assignment of larger units to existing households which are not in dire need. In this way, the Plan guards against a transfer system which could

effectively preclude access to larger units by external applicants with greater relative housing needs.

3. Recognition of need priorities among external applicants

Through a priority ranking system the Plan requires on-going tenant selection of applicants demonstrating the greatest need.

Besides the very important objectives achieved by the preference system outlined above, the procedures also ensure proper waiting list maintenance and regular communication with applicants. The procedures safeguard against abusive waiting list practices and, equally important, serve to lessen any erroneous public perception that there is abuse where it does not exist. These procedures address the applicants' desire to know their status on the waiting list.

The Plan applies to all MHFA-financed developments which participate in the subsidy programs listed below.

Section 13A Program
 Section 236 Program
 Section 8 New Construction Program
 Section 8 Substantial Rehabilitation Program
 Rent Supplement Program
 Rental Assistance Payments Program (RAP)
 Chapter 707 Program (excluding Chapter 707 assistance provided to SHARP-assisted developments)

For selection of certificate holders in SHARP developments see SHARP rent-up guidelines.

I. Occupancy Goals.

The guiding concept of the MHFA financing program is a clear policy of providing housing with a varied income and racial mixture. MHFA has a legislative mandate to increase the supply of affordable housing for low income citizens of the Commonwealth and to ensure that tenants in the developments it finances represent varied economic means. Since its inception the Agency has advocated affirmative action to aggressively recruit minority applicants and to provide them access to MHFA housing.

The Agency's loan documents set forth specific marketing goals for a socially and economically mixed population which are achievable given the development's location. The Owner may make additional commitments to the Agency at loan closing to target certain units to special sub-groups such as the mentally or physically handicapped, the elderly, or

families. Collectively, the Agency refers to these marketing objectives as occupancy goals.

Occupancy goals are fundamental to MHFA policy. They determine the marketing program and dictate an overall structure to the rent-up and subsequent waiting lists. The occupancy goals are foremost in the tenant selection process. These goals must be followed to ensure the success of the MHFA program. The Owner is expected to demonstrate a marketing program designed to achieve the goals which are clearly specified in the management plan.

Remedial Affirmative Action. If the affirmative marketing goal established by MHFA for minority representation at the development has not been met, MHFA may find that further affirmative marketing measures must be taken. In such instances, the MHFA will examine the appropriateness of the original goal, the effectiveness of the affirmative marketing program undertaken by the Owner or Agent, and the potential of further affirmative fair marketing efforts. MHFA may require the owner or agent to develop an affirmative action preference status list which is an extract of all minority applicants from its entire waiting list. Selection from each list will alternate as units become available. This status may apply to all units or be limited to specific unit types. Only MHFA may make such a finding of minority tenant underrepresentation and establish the duration of remedial measures. These remedial procedures do not apply to Chapter 707 units. Chapter 707 units will be governed by EOCD's Regulations Prescribing Standards and Procedures for Tenant Selection.

II. Rent-Up Requirements ***** Please see comment below:

A. Selection Priorities

The following priorities are used in the selection of applicants for processing during rent-up. Priorities are ranked as follows:

1. Applicants displaced due to natural disaster, such as a fire or flood, within the past two years and presently without permanent, replacement housing.
2. Applicants presently without permanent, replacement housing and displaced within the past two years due to:
 - a. Public action (urban renewal, redevelopment or condemnation of the premises).

Please see attachment I which is a copy of the Comprehensive Permit and speaks to preference for residents of Lexington.

- b. Conversion to non-rental or non-residential use, closure of the unit for rehabilitation, or withdrawal of the unit from the rental market (at sale of the property or as a result of the owner taking over the unit for personal or family use).

Also included in this category:

Applicants temporarily housed by a shelter or agency for battered women or the homeless or who are referred by such a shelter or agency and presently without permanent housing and nursing home residents ready for independent living.

3. Applicants currently living in substantially substandard housing with evidence of serious code violations in heating, plumbing, and/or wiring systems, or with other serious violations of the state sanitary code.
4. Applicants currently paying 50% or more of adjusted monthly income for rent and utilities, exclusive of telephone expenses. Monthly income is adjusted by allowances as defined under state and federal guidelines.
5. Applicants currently living in overcrowded conditions, defined as more than two persons per bedroom or in circumstances which violate state or local codes pertaining to overcrowded conditions.
6. All other applicants.

B. Special Procedures for Handicapped Units

Handicapped applicants in need of architecturally-adapted units are processed separately, although under the same need priority system, to assure maximum utilization of adapted units by persons who require accessible features. Handicapped individuals are not restricted from applying for units which are not architecturally-adapted.

Units committed to the Department of Mental Health (DMH) are set aside for utilization according to the terms of the MHFA approved agreement between the owner and DMH (or its vendor). DMH set-aside units are not available to the general applicant pool, as DMH provides referrals for these units.

C. Rent-Up Process

The initial application period is to be a specified length (usually two weeks), including at least one weekend day and is to occur 120 days prior to anticipated occupancy. This period is considered a single chronological unit and applications taken during this period comprise the pool of rent-up applications from which selections will be made for initial occupancy as prescribed. All applications received after the close of the period will be placed on the Other Applicants' Waiting List as described in Section III.B. If MHFA determines the number of applicants to be insufficient for a particular category or unit then the initial application period will be extended. Applications from the extended period will be included in the initial applicant pool.

Affirmative marketing must begin at least 30 days prior to general marketing. An MHFA-approved application form must be used. During rent-up, no person may be refused the right to submit an application. The rental agent must offer aid to the applicant in completing the application. The MHFA program and the tenant selection process should be explained. Applicants will sign and date a bound log upon submitting an application. If the application is received by mail the rental agent will log the application on the date it is received. The log will indicate the applicant's name, initial priority status, and the bedroom size(s) and type (s) to which the applicant is assigned.

Tenant selection begins at the end of the initial application period by sorting applications by bedroom size and unit type ("type" refers to the unit characteristics such as Family, Elderly, Walkup, Handicapped, etc.), income level, and other applicable MHFA occupancy goals. Applicants are ranked within these designations by the selection priority reported by the applicant. Applicants potentially eligible for more than one designation will be placed in each appropriate subdivision of unit size, type, and income level.

The owner and agent processes applications for each unit size and type as determined by the tenant selection priorities. All applications are processed to determine acceptability and eligibility for occupancy under state and federal program guidelines. Substantiation of priority status is required before determining acceptability (see Standards for Rejection, Eligibility Criteria, and Reference Checks and Verification of Information below).

Applicants who are rejected or deemed ineligible are entitled to a conference with MHFA. If the Agent's determination is upheld, the application is to be removed and placed in an inactive file, unless the ineligibility determination was specific only to the particular list and the applicant is eligible to be on another list.

Applicants deemed to drop in priority ranking by the owner or agent are also entitled to a conference. If the determination of ineligibility is upheld by MHFA on appeal, the application will be re-located on the list accordingly.

Until all units are occupied, units will be offered to remaining applicants starting from the top of the list. All remaining rent-up applicants will be placed on the post occupancy waiting lists as prescribed below.

III. Post Occupancy Selection and Waiting Lists.

A. Waiting List Types

After initial rent-up, as many as five waiting lists may be established, each subdivided by bedroom size, type, and income level. Any applicant potentially eligible for more than one size and/or type will be placed in each appropriate subdivision of unit size or type. The five are:

- 1) Waiting list for the overhoused (current tenants only)
- 2) Waiting list for those paying 50% or more of income in rent (current tenants only)
- 3) Waiting list for those living in overcrowded conditions (current tenants only)
- 4) Other applicants waiting list (which is further sub-divided into four priority lists, see below)
- 5) Affirmative action preference list (if applicable)

If there are units specially designed for the handicapped and/or units set aside for participation in the DMH program, separate lists must also be maintained for these units as discussed in II.B. above.

1) Waiting List for the Overhoused (Current tenants only)

This list includes all existing subsidized tenants who, due to a decrease in family size, are no longer eligible for their current bedroom size. In order to ensure the best possible use of the

subsidy, transfers for overhoused subsidized tenants are required. Upon the availability of the proper bedroom size, the selection and transfer must take place in chronological order by the date the overhoused condition became known to the owner or agent.

2) Waiting List for those paying 50% or more of income in rent (Current tenants only)

This list includes existing tenants in financial hardship residing in either market or moderate units, whose rent-to-income ratio is 50 % or greater (as defined in selection priority II.A.4. above) and who request a change in subsidized status (such as unsubsidized to interest reduction subsidized status, or interest reduction subsidized to rent subsidized status) and who are otherwise eligible for the subsidy change. Tenant applications are processed chronologically for available subsidies according to the date of application.

3) Waiting List for those living in overcrowded conditions (Current tenants only)

This list includes existing tenants who, due to an increase in family size by virtue of birth, adoption, or operation of law, are living in overcrowded conditions and require a larger unit. Overcrowded conditions are defined as more than two persons per bedroom or more than one person per bedroom to accommodate tenants whose medical condition, which has been verified in writing by a physician, would be seriously threatened without a separate bedroom. Tenants paying market or moderate rents may be transferred to a larger, subsidized unit only if qualified for list #2 above by virtue of the higher rent for the larger moderate or market units. Tenant applications are processed from this list chronologically according to the date of application.

4) Other Applicants Waiting List

This list includes all remaining potentially eligible and acceptable rent-up applicants from the initial application period who were not housed at occupancy, and all other applicants, including current residents, who do not qualify under 1, 2, or 3 above. Applications are ranked by the need priority claimed. (See Attached Format) Within each of the following four need-priority categories,

applications are ordered by date.

These four need priorities are comprised of all remaining applications from the rent-up process which are reclassified into three primary classes (displaced or homeless; overcrowded, unaffordable or substandard conditions; in-place residents paying a high income-to-rent ratio) and a fourth overall grouping (all others). These four need priority categories are:

a. Applicants without permanent, replacement housing during the last two years, and:

1. displaced by natural disaster as defined by program guidelines.
2. displaced by public action such as urban renewal, redevelopment or condemnation.
3. displaced by conversion to non-rental or non-residential use; closure of the unit for rehabilitation; or withdrawal of the unit from the rental market at sale of the property or as a result of the owner taking over the unit for personal or family use.
4. temporarily housed in a shelter for the homeless or battered women.
5. referred by a shelter or agency assisting the homeless or battered women.
6. prepared for departure from a nursing home and capable of independent living.

b. Applicants currently:

1. living in substantially substandard housing with evidence of serious state sanitary code violations in heating, plumbing, and/or wiring systems, or other critical areas and verified by authorities.
2. paying 50 percent or more of adjusted monthly income for rent and utilities, excluding telephone. Adjusted monthly income is monthly income after allowances as defined under program guidelines.

basis with applicants on the entire list. In emergency cases or exceptional circumstances, peculiar to the development or to an applicant, an exception to the above procedures may be made as deemed appropriate by MHFA.

Special Procedures for 707 Units.

For those developments with contracted Chapter 707 units, the local housing agency shall be responsible for taking and processing applications for assistance under the Chapter 707 Rental Assistance Program. The local housing agency shall select applicants for assistance in accordance with EOCB's Regulations for Eligibility in State-Aided Public Housing and Regulations Prescribing Standards and Procedures for Tenant Selection and Tenant Transfers.

Whenever a vacancy occurs, the local housing agency shall refer the first three (3) interested applicants on its waiting list for the appropriate bedroom size to the developer for processing. Units shall be offered to the first person on the top of the list for the appropriate bedroom size as provided by the local housing agency unless reasons exist for rejection as described in Section IV.C. below.

Three exceptions to these procedures are permitted which give limited preference to existing tenants seeking post occupancy transfers within the development:

1. Tenants currently receiving Chapter 707 Rental Assistance and who are overhoused shall be listed on the waiting list for overhoused households (see Section III.A.1.). After chosen for transfer to a smaller unit, the tenant may continue to receive 707 subsidy, consistent with rent levels appropriate for the smaller unit.
2. Current tenants who are paying more than 50% of income in rent shall be listed on the waiting list for such households described in Section III.A.2. In order to avoid displacement of such tenants who are eligible for Chapter 707 Rental Assistance, they may receive preference for a vacant 707 unit of appropriate size, within the constraints of the bedroom distribution specified in the subsidy contract.

3. living in overcrowded conditions with more than two persons per bedroom or otherwise in violation of state or local codes pertaining to overcrowded conditions.
- c. Tenants currently living in the development and paying 40 percent or more (but less than 50 percent) adjusted monthly income for rent and utilities, excluding telephone. Adjusted monthly income is defined in program guidelines.
- d. All other applicants.

5) Affirmative Action Preference List

This list is an extract of minority applicants and is required by MHFA if remedial affirmative action is necessary (see Section I above). Minority applicants must be retained in the original categories 1 through 4.

B. Selection Process

When a vacancy occurs, applicants on the overhoused list will be required to transfer to a vacant unit of the appropriate size. Applicants will be considered from the list of current tenants paying 50 percent or more of monthly income for rent. Next, applicants will be considered from the list of current tenants in overcrowded conditions. If there are no wait-listed applicants for the available unit size or type on the above lists, applicants on the Other Applicants' Waiting List will be processed in order of the four priority rankings. The first qualified and otherwise eligible and acceptable applicant on the lists when reviewed in the above order will be selected.

Agents are required to develop a reasonable transfer policy for internal applicants who request a transfer for reasons other than the four need priorities. Transfer of a current tenant to subsidized status or to a different bedroom size must be within the constraints of the bedroom distribution specified under contract.

If MHFA grants affirmative action preference status to minority applicants as a remedy for minority tenant underrepresentation at the development, minority applicants otherwise eligible for the available unit size or type are selected on a one-for-one alternating

3. Current tenants living in overcrowded units shall be listed on the waiting list for such households described in Section III.A.3. In order to avoid the displacement of such tenants who are eligible for Chapter 707 Rental Assistance, they may receive preference for a vacant 707 unit only if their transfer to a larger bedroom unit without 707 would result in their paying more than 50% of their income in rent.

For a previously unsubsidized tenant to receive a Chapter 707 rental subsidy in accordance with the above stated procedures, the manager must refer the current resident to the local housing agency for processing. The local housing agency at all times reserves the right to determine applicant eligibility and the right of continued occupancy by the tenant. Such determination shall be consistent with the appropriate EOCB regulations.

Current MHFA tenants who do not qualify for a preference for a Chapter 707 subsidy may apply to the local housing agency waiting list for the 707 units assigned to the development. However, their application will not receive preferential treatment by virtue of their residency in the development.

C. Application-Taking

Whenever possible all applications will be taken in person at the rental office and must indicate the date of application. An MHFA approved application form must be used for all applicants. The rental agent must offer aid to the applicant in completing the application and must explain the MHFA program and the tenant selection process. The applicant must report any applicable priority selection categories which will determine placement position. However, placement in a priority selection category on the waiting list does not guarantee that the priority will be upheld upon verification at the time the application is fully processed. Nor does placement on the waiting list guarantee that the applicant is eligible or acceptable for occupancy at the development.

Every applicant will be required upon application to sign and date a bound log maintained at the rental office. If the application is received by mail the rental agent will log in the date on which the application is received. The log will indicate the applicant's name,

initial priority status, and the bedroom size(s) to which the applicant is assigned.

No person may be refused the right to apply unless application-taking is closed for that particular unit size or type. Applications may be closed for a units size or type if the projected turnover rate indicates that an applicant would be unable to obtain a unit within a two-year period. In such instances, the agent must post a notice indicating the right of an individual to call MHFA to verify waiting list closure.

- D. Notification Requirements Following Initial Application
Within 21 days of filing an application (or for those who applied before initial occupancy of the development, within 21 days of the certificate of occupancy), each applicant assigned to the waiting list will be mailed a notice of receipt of application and placement on the waiting list. The receipt will confirm the date the application was received, explain that waiting list placement is determined by date of application within priority categories and occupancy goals, and state the applicant's initial priority status. The notice will advise the applicant of his or her responsibility to report changes in address and phone number or priority status. Failure to maintain current information at the rental office may jeopardize waiting-list status. The applicant will be informed if the anticipated waiting period is expected to be more than six months. A copy of the notice of receipt is kept in the applicant file.
- E. Waiting List Maintenance The format for waiting list maintenance is at the owner's or agent's discretion. Acceptable formats must meet MHFA tenant selection requirements. An owner or agent must develop a computer list, card system, or file drawer system. The system selected must be able to trace the movement of an applicant through the waiting list process from application to occupancy or purge. To ensure the privacy of all applicants, confidential information must be adequately secured. All applications including those rejected or withdrawn must be retained by the owner or agent for at least three years. This includes all documentation pertaining to rejection conferences.
- F. Contacting Persons on the Waiting List for Processing
As an applicant's name nears the top of the list, the owner or agent will attempt to make contact with the applicant by telephone. If contact cannot be made by telephone, a certified letter as well as a common mail letter will be sent to the applicant. This letter requests that the applicant arrange a date and time for

an interview within 15 business days. The purpose of the interview is to bring the information on the application up to date and to obtain any required releases so that the owner or agent may process the application to determine acceptability, eligibility, and to verify the applicant's priority status. The letter will inform the applicant that the owner or agent may automatically remove the application to the inactive file if the applicant fails to respond within the specified period and that the applicant is entitled to request a conference with MHFA.

When an interview is scheduled but the applicant fails to attend, the owner or agent may remove the applicant from the waiting list and place the application in an inactive file. A letter will be sent to the applicant informing him or her of the removal and that the applicant is entitled to request a conference with MHFA.

Copies of letters must be retained in the applicant's file for at least three years.

- G. Updating the Waiting List and Applicant Notification Requirements Following Update The waiting list will be updated every 12 months. Updating will be done in the following manner: Annually a letter will be sent to each person on the waiting list requesting written confirmation of interest in remaining on the waiting list; current address and phone number; income level; bedroom size required; and current priority category status. The applicant will be given 30 days from the date of the letter in which to respond and will be notified that if no response is received the application will be placed in the inactive file. A copy of the letter will be retained in the applicant's file for at least three years.

Within 60 days of the end of the applicant confirmation period the waiting list is updated based on confirmations returned, and a current status letter is sent to each applicant explaining the MHFA tenant selection requirements for selecting tenants from the four (or five, if applicable) waiting lists, and indicating the number of applicants in the following categories for the applicant's unit size/type:

1. the number of existing tenants on the over housed list (III.A.1.)
2. the number of existing tenants on the 50% list (III.A.2.)
3. the number of existing tenants on the over-crowded list (III.A.3.)

4. the number of applicants on the other applicants waiting list (III.A.4.) who fall under all four priorities
5. the number of applicants on the Affirmative Action Preference List (III.A.5.), if applicable.

The applicant will be informed of the category to which he or she is assigned subject to verification at processing and his or her number within the category. The applicant will also be informed of the average turnover experienced for the unit size and type and be reminded to keep his or her address, phone number, and priority status current at all times.

- H. Waiting List Reporting Requirements to MHFA. After the annual waiting-list update, a list for each unit size and type will be prepared for MHFA containing all confirmed names in the order they are to be processed for each of the categories noted in the preceding section. If computer systems are utilized, printed lists must be generated. The annual list must be sent to the Agency within 60 days of the end of the applicant confirmation period.

IV. Applicant Processing, Screening and Rejection Procedures

- A. Eligibility Criteria Eligibility includes meeting the criteria specified under the applicable federal or state subsidy program and the MHFA statute with regard to income and household characteristics as well as suitability of the applicant's family composition for the size units available and capability of the applicant to live independently given the level of supportive services provided at the development or arranged by the applicant.
- B. Reference Checks and Verification of Information
 Verification of information on the application shall be completed:
- 1) at rent-up when it is clear based on the applicant's priority ranking that the applicant will be considered for a unit, and
 - 2) during on-going occupancy, when an applicant nears the top of the waiting list.

The owner or agent must process applications quickly. Processing includes contacting the applicant for an

interview to confirm and update the information reported, performing reference checks, and obtaining proper verifications.

Investigations of an applicant's history, based on written third party verification where possible, may include the following information:

- 1) Landlords within the past five years or, if only one, the previous landlord prior to that period may be contacted to determine not only the applicant's record of rental payments, but also whether the applicant conducted himself in a manner so as not to intentionally damage property, cause disturbances to neighbors and otherwise jeopardize the health, security, and welfare of neighbors or himself.
- 2) Credit references furnished by the applicant on the application or obtained through a credit bureau to evaluate the credit history of the applicant. Information to be considered will be limited to the applicant's credit record established within the five years prior to the date of application. If management rejects an application based upon the credit report, the applicant must be provided with the name of the credit bureau which performed the credit check. This information must be provided at the time of the rejection notice. Applicants will also be given the opportunity to have corrections made to the credit report.
- 3) Personal references furnished on the application may be contacted.
- 4) Income may be verified by the present employer, appropriate agency, financial institution, broker, pension provider, or other party as may be deemed appropriate by MHFA.
- 5) Written verification may be obtained from local inspectors or from an appropriate agency or institution to substantiate a priority classification.
- 6) The existence of a handicap, disability, or medical condition must be verified by a physician. The owner or agent, where appropriate, may request a physician or appropriate social service agency to verify an applicant's ability to live independently or of medical need for an additional bedroom.

- 7) Management may check court records or other information available to the public. Management is obligated to ensure that none of the information is collected in violation of the law. For example, attempting to obtain police records is a violation of state law.
- 8) Home visits may be made when requested by an applicant as part of his or her rebuttal of a rejection, or to verify a need priority reported by the applicant when such verification may not be obtained through outside sources in a timely fashion, or at the request of the applicant due to a physical impairment or illness which prevents the applicant from meeting with the agent in the rental office.
- 9) The applicant will be required to provide written documentation to substantiate a need priority classification that cannot otherwise practically be verified by an appropriate third party source.

C. Standards for Rejection

An applicant is deemed acceptable for occupancy unless specific information or facts indicate one or more of the following:

- 1) Reasonable risk that the applicant may be unable or unwilling to pay the rent as agreed.
- 2) Reasonable risk that the applicant or those under the applicant's control may interfere with the health, safety, security, or right to peaceful enjoyment of the resident community.
- 3) Reasonable risk of intentional damage or destruction to the apartment unit and surrounding premises by the applicant or those under the applicant's control.
- 4) Intentional or material falsification of information supplied on the application.

In determining whether or not an applicant is to be rejected under one or more of the above standards, the following points are to be considered:

- 1) In the evaluation of the information that is gathered from the permitted sources, the possible biases, attitudes, and motives of the sources must be considered.
- 2) Information relating to behavior not relevant to the above standards must not be considered.
- 3) In evaluating information, the currentness of the information and the possibility of mitigating factors should be considered.
- 4) In judging an applicant's rental payment record or credit history, consideration shall be given to the applicant's present shelter cost to income ratio and whether the rent level for the unit for which the applicant applies would help eliminate a present financial hardship.

D. Appeal Procedures

Following verification of the applicant's statements and references, applicants who are rejected, determined to be ineligible, or reclassified in a lower tenant-selection priority category must be notified promptly in writing with stated reasons for such rejection, ineligibility, or reclassification. The applicant should also be informed of the right to appeal the owner or agent's decision to MHFA and the procedure for such an appeal (see attached Applicant Conference Procedure). The MHFA conference officer will render a decision on the applicant's appeal within the prescribed timeframe. The decision of the MHFA conference officer may be appealed to the MHFA Senior Management Officer in writing within two days of receipt by the applicant or the owner or agent. The decision may be reversed after review by the MHFA Senior Management Officer if he or she reaches another conclusion based on the facts presented at the original conference. Units will be held open in a number equal to the number of pending appeals until all conferences have been held. The owner or agent must ensure sufficient time to complete processing and to allow applicants to avail themselves of appeal procedure rights while avoiding project vacancy loss.

E. Refusal of a Unit If an accepted applicant refuses a unit at the time it is offered, he or she is subject to automatic removal from the waiting list. The applicant is entitled to reapply to the waiting list but will be ranked on the list according to the waiting list criteria described above and according to the date of reapplication.

V. Exceptions and Revisions

A. Exception Waivers The Agency may make an exception to the selection preferences contained in this Plan if in its judgement, an exception is warranted due to the special circumstances of an applicant or a development.

B. Occupancy Goal Revisions If an owner requests a revision to the original occupancy goals established for a development, staff review of the request will consider the following:

1. that such a revision will hold harmless those residents in occupancy at the time the revision is approved;
2. the low-and moderate income needs of the area as evidenced by waiting lists of MHFA developments and local housing agencies in the market area; and
3. the development's on-going viability with and without the change.

A staff recommendation to approve an owner's request to revise the goals must be presented to the Management Policy Review Committee for approval.

Attachments (3)
Applicant Conference Procedure
Waiting List Format
Verification Procedures Outline

APPLICANT CONFERENCE PROCEDURE

What follows outlines, step by step, the conference procedure which is to be made available to applicants of MHFA-financed developments who are rejected, determined to be ineligible, or reclassified in a lower tenant-selection priority category.

1. THE TIME FOR REQUESTING A CONFERENCE:

Where Management has given Applicant a written notice of rejection, ineligibility, or reclassification to a lower tenant selection priority category, Applicant must request a conference within two (2) working days from the Applicant's receipt of the notice.

2. THE APPLICANT'S REQUEST:

The Applicant's written request must be mailed or personally presented to Management. Management must immediately notify MHFA's Senior Management Officer by telephone and mail the request to MHFA.

3. MHFA APPOINTMENT OF CONFERENCE OFFICER AFTER RECEIVING APPLICANT'S REQUEST:

Within two (2) working days, MHFA will appoint an impartial conference officer and notify Management.

4. SETTING UP THE CONFERENCE:

Management must contact Applicant and establish, with a view to the availability of the conference officer, a mutually convenient date and place to hold the conference; but in no event shall the conference be held later than fifteen (15) days from the date of Management's written notice.

5. THE CONFERENCE ITSELF:

At the conference, Management must present evidence in support of its reasons for rejection, ineligibility, or reclassification in selection priority. The evidence must be limited to those issues or that conduct specified in Management's written notice. The burden is on Management to justify its action. No evidence may be used against an Applicant or in any way affect the decision of the conference officer unless the evidence has been introduced at the conference. The Applicant or his/her authorized representative shall have the opportunity to present his/her case, and to question or refute any testimony or evidence. Rules of evidence applicable in a court of law shall not be applicable to the conference.

6. THE DECISION OF THE CONFERENCE OFFICER:

The conference officer listens to the presentations by Applicant and Management. The conference officer's decision must be based solely and exclusively upon the evidence presented at the conference and upon applicable laws and regulations. All decisions must be in writing, must be dated, and must state the finding of fact and the specific reasons for the results. A copy of the conference officer's decision shall be forwarded within five (5) days of the conference to Management and the Applicant.

7. APPEAL OF CONFERENCE OFFICER'S DECISION:

The decision of the conference officer may be appealed to the MHFA Senior Management Officer by the Applicant or Management within two (2) days of the receipt of the decision. The decision may be reversed if he/she reaches a different conclusion based on the facts presented. The Senior Management Officer shall consider only: the conference officer's written decision and written arguments submitted by either party during the original conference. An appeal to the Senior Management Officer by either party must be copied to the other party at the time it is submitted to MHFA. The decision of the Senior Management Officer will be in writing and will state the specific reasons for the decision. A copy shall be forwarded to both Management and Applicant within five (5) days of the request for an appeal.

ATTACHMENT 3

VERIFICATION CHECKS

AS THE APPLICANT NEARS THE TOP OF THE WAITING LIST, ALL INCOME AND INFORMATION ON THE APPLICATION IS VERIFIED. THE FOLLOWING INVESTIGATIONS ARE PERMITTED TO CONFIRM OR CHECK INFORMATION ON THE APPLICATION:

1. LANDLORD REFERENCES WITHIN THE PAST FIVE YEARS, OR, IF ONLY ONE, THE LANDLORD PRIOR, TO OBTAIN INFORMATION ON PAYMENT HISTORY, PROPERTY DAMAGE, DISTURBANCES TO NEIGHBORS OR ACTIONS WHICH JEOPARDIZED THE HEALTH, SECURITY OR WELFARE OF NEIGHBORS OR HIMSELF.
2. CREDIT REFERENCES OR CREDIT BUREAU REPORTS TO DETERMINE CREDIT HISTORY WITHIN FIVE YEARS PRIOR TO THE DATE OF APPLICATION. IF REJECTED BECAUSE OF CREDIT, THE APPLICANT MUST BE PROVIDED WITH THE NAME OF THE CREDIT BUREAU AND GIVEN AN OPPORTUNITY TO CORRECT THE CREDIT REPORT.
3. PERSONAL REFERENCES GIVEN BY THE APPLICANT.
4. VERIFICATION OF ALL INCOME SOURCES.
5. PHYSICIAN'S VERIFICATION OF HANDICAP OR DISABILITY AND/OR VERIFICATION OF ABILITY TO LIVE INDEPENDENTLY.
6. VERIFICATION OF CODE VIOLATIONS OR OTHER PRIORITY CLASSIFICATIONS.
7. REVIEW OF ANY OTHER INFORMATION GENERALLY AVAILABLE TO THE PUBLIC.
8. HOME VISITS, BUT ONLY IF AT THE REQUEST OF THE APPLICANT.
9. APPLICANT IS RESPONSIBLE FOR PROVIDING WRITTEN DOCUMENTATION TO SUBSTANTIATE A PRIORITY CLASSIFICATION.

BK 25045 PG 472

FORMAT FOR WAITING LISTS

THIS IS A SUMMARY OF WAITING LIST PROCEDURES. SEPARATE LISTS MUST BE MADE FOR ALL APPLICABLE BEDROOM SIZE, TYPE, AND INCOME LEVEL CATEGORIES.

I. RENT-UP SELECTION (CHRONO PERIOD)

THE RENT-UP SELECTION PROCEDURE IS TO BE USED ONLY DURING INITIAL RENT-UP OF THE DEVELOPMENT. AFTER THE DEVELOPMENT IS FULLY OCCUPIED, SELECTION IS TO BE ARRANGED ACCORDING TO THE POST OCCUPANCY GUIDELINES LISTED IN SECTION II.

WL1. APPLICANTS WITHOUT PERMANENT HOUSING IN THE PAST 2 YEARS DUE TO NATURAL DISASTER

WL2. APPLICANTS WITHOUT PERMANENT HOUSING IN THE PAST 2 YEARS DUE TO

- P1. PUBLIC ACTION
- P2. WITHDRAWAL OF UNIT FROM RENTAL MARKET
- P3. TEMPORARILY HOUSED OR REFERRED BY A SHELTER OR AGENCY FOR BATTERED WOMEN OR THE HOMELESS
- P4. NURSING HOME RESIDENTS DETERMINED READY FOR INDEPENDENT LIVING

WL3. APPLICANTS CURRENTLY LIVING IN SUBSTANDARD HOUSING

WL4. APPLICANTS PAYING 50% OR MORE OF ADJUSTED MONTHLY INCOME FOR RENT

WL5. APPLICANTS LIVING IN OVERCROWDED CONDITIONS

WL6. ALL OTHER APPLICANTS

II. POST-OCCUPANCY SELECTION

WL1. CURRENT RESIDENTS WHO ARE OVERHOUSED

WL2. CURRENT RESIDENTS WHO ARE PAYING 50% OR MORE OF ADJUSTED INCOME FOR RENT AND UTILITIES

WL3. CURRENT RESIDENTS WHO ARE OVERCROWDED

WL4. ALL OTHER APPLICANTS

- P1. WHO ARE WITHOUT PERMANENT HOUSING IN THE PAST 2 YEARS DUE TO
 - NATURAL DISASTER,
 - PUBLIC ACTION,
 - WITHDRAWAL OF UNIT FROM RENTAL MARKET,
 - TEMPORARILY HOUSED OR REFERRED BY A SHELTER OR AGENCY FOR BATTERED WOMEN OR THE HOMELESS, OR
 - NURSING HOME RESIDENTS DETERMINED READY FOR INDEPENDENT LIVING
- P2. WHO HAVE THESE CONDITIONS:
 - CURRENTLY LIVING IN SUBSTANDARD HOUSING,
 - PAYING 50% OR MORE OF ADJUSTED INCOME FOR RENT AND UTILITIES, OR
 - LIVING IN OVERCROWDED CONDITIONS
- P3. WHO ARE CURRENT RESIDENTS OF THE DEVELOPMENT PAYING 40-49% OF ADJUSTED INCOME FOR RENT AND UTILITIES
- P4. WHO ARE NOT ELIGIBLE FOR ANY OF THE PRECEDING PRIORITIES

WL5. AFFIRMATIVE ACTION PREFERENCE LIST (IF APPLICABLE)

*WL = WAITLIST
*P = PRIORITY

DK 25045 PE 473