

**HOPE SF
RESIDENT SELECTION CRITERIA
Public Housing Replacement Units**

I. INTRODUCTION

This Resident Selection Plan (the “Plan”) outlines the procedures for selecting residents for the Tax Credit with HCD AHSC and Project Based Voucher units by Mercy Housing Management Group (“Management”) for Sunnydale Luca Apartments located at 1652 Sunnydale Avenue, San Francisco CA 94112, a development associated with HOPE SF. HOPE SF is a mayoral initiative that began in 2003 to transform four public housing developments: Hunters View, Alice Griffith, Potrero, Sunnydale Velasco (the “HOPE SF properties”). “HOPE SF property” refers to a specific HOPE SF development.

The procedures in this Plan are to be followed after (1) the lottery and lease-up process conducted by Mayor’s Office of Housing and Community Development (“MOHCD”) for tax credit units and (2) receipt of the San Francisco Housing Authority (“SFHA”) referral for initial or re-lease of project-based voucher units.

II. GENERAL PRINCIPLES

Mercy Housing Management Group and Mercy Housing California agree that the goal of this Plan is to ensure that all applicants are screened using consistently applied, fair criteria, to provide a desirable, well- maintained and affordable place to live for an economically, racially, and ethnically integrated resident population, while complying with the provisions of any federal, state, or local law prohibiting discrimination in housing on the basis of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, source of income, or HIV/AIDS status.

We also agree that Mercy Housing Management Group and Mercy Housing California will “screen in” rather than “screen out” applicants who have a criminal record as per San Francisco Police Code Article 49, Sections 4901-4920, or the Fair Chance Ordinance.

Finally, we acknowledge that Management is subject to the Violence Against Women Reauthorization Act of 2013 (VAWA) and policies to comply with section 504 of the rehabilitation act of 1973, the fair housing amendments act of 1988 and Title VI of the Civil Rights Act of 1964, Age Discrimination Act of 1975, and Equal Access to Housing in HUD programs. Guidelines for the adherence to these laws are attached hereto as Exhibit D and Exhibit E.

III. LIMITED ENGLISH PROFICIENCY (LEP)

Reasonable steps will be taken to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in Management’s services, activities, programs and other benefits. Interpreters, translators, and other aids needed to comply with this policy shall be provided free of charge to the person being served, and residents and their families will be informed of the availability of such assistance. Language assistance will be provided through use of a contracted telephonic interpretation service, competent bilingual staff, staff interpreters, or formal arrangements with local organizations providing interpretation or translation services or technology.

IV. DEFINITIONS

The following definitions apply to all properties related to HOPE SF:

- A) **An Entirely Full Time Student Household (“ESH”)** is not eligible to receive housing assistance by the IRS Section 42 Tax Credit/Low Income Housing Tax Credit (“LIHTC”) program, as administered by the California Tax Credit Allocation Committee (“CTCAC”).
- 1) Further, IRS Section 42 Tax Credit/ LIHTC program defines a full-time student as:
 - a) Anyone who has attended or plans to attend school full time for five (5) months of this calendar year. This does not have to be consecutive. Example 1: If an applicant attends school full time from January 20th through May 13th, this is considered five months. If they attend one day in any month, that counts as a full month. Example 2: If an applicant attended full time one day in January, one day in February, one day in April, one in June and one in July, you are considered a full-time student until January 1st of the following year.
 - b) Full time enrollment status is determined by the enrollment definitions of the school being attended.
 - c) Mercy Housing Management Group agrees to comply with the most current ESH definition by IRS Section 42 Tax Credit/ LIHTC program, as administered by the CTCAC.
 - 2) Management may accept an ESH household if one or more of the criteria below are met. If the criteria below change, the most current criteria as defined by IRS Section 42 Tax Credit/LIHTC program, as administered by the California Tax Credit Allocation Committee, will apply.
 - a) At least one student receives assistance under Title IV of the Social Security Act (AFDC, TANF, CalWORKS – not SSA/SSI).
 - b) At least one student is enrolled in a job training program receiving assistance under the Job Training Partnership Act (JTPA), Workforce Investment Act (WIA) or under other similar Federal, State, or county government programs, as defined by HUD 4350.3 REV-2.
 - c) The household consists of a single parent with their minor children and such parent and the children are not dependents of another individual.
 - d) At least one student is married and files a joint tax return or is eligible to file a joint tax return.
 - e) At least one household member is between the ages of 18 to 24 and was previously (not currently) under the care and placement responsibility of the State Agency responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act (Foster Care).
- B) **HOPE SF Developer** is the development entity of the specific HOPE SF Property. The HOPE SF Developers are the John Stewart Company for Hunters View, McCormick Barron Salazar for Alice Griffith, BRIDGE Housing Development for Potrero, and Mercy Housing California and Related California for Sunnydale Velasco.
- C) **Project Based Voucher Units (“PBV”)** means all PBV housing units receiving rental assistance under Section(o)(13) of the U.S. Housing Act of 1937. Regulations are described in 24 CFR Part 983.
- D) **Public Housing Replacement Units (“PHR”)** are units that: (1) have been newly constructed with LIHTC’s; (2) are subsidized with PBV’s, and (3) are in like-new condition that is less than 5 years old from date of Temporary Certificate of Occupancy (“TCO”) and are intended to serve as replacement units for HOPE SF public housing residents exercising their Right to Revitalized Unit. These units will be regulated per Tax Credit compliance regulations, as well as HUD guidelines and the current SFHA Housing Choice Voucher Program Administrative Plan (“Admin Plan”). PHR units may be located at HOPE SF Properties or at a limited number of designated off-site locations.

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After 5 years, a PHR unit may still be considered new if SFHA and OCII or MOHCD collectively approve an extension. PBV units will be considered Expired PHR units for the purpose of re-leasing of units after 5 years of TCO date (or whenever SFHA and OCII or MOHCD deem the unit no longer new), or all HOPE SF public housing residents at the HOPE SF property who are eligible to exercise their Right to Revitalized Unit have done so.

HOPE SF public housing residents have a preference to occupy PHR units at HOPE SF Properties or at a limited number of designated off-site locations and fall into one of the following three PHR applicant categories:

- 1) **On-Site Applicants** are HOPE SF public housing residents exercising their Right to Revitalized Unit at new affordable units located at the same HOPE SF property from which they acquired their Right to Return.
- 2) **Off-Site Applicants** are HOPE SF public housing residents exercising their Right to Revitalized Unit at new affordable housing units located at a property other than the HOPE SF property, but operated by the same HOPE SF Developer, the same HOPE SF Developer's general partner entity, or the same HOPE SF Developer in partnership with another developer as the HOPE SF property from which the HOPE SF public housing residents acquired their Right to Return.
- 3) **Cross-Site Applicants** are HOPE SF public housing residents exercising their Right to Revitalized Unit at new affordable housing units located at a property operated by a different developer than the developer operating the HOPE SF property from which the HOPE SF public housing residents acquired their Right to Return.

On-Site Applicants whose income exceeds the LIHTC income limit will be designated **PHR No TC Unit**. **PHR No TC Unit** is an unrestricted public housing replacement unit.

Any former HOPE SF public housing households receiving a priority for an On-site PHR unit from which they moved from after all current HOPE SF public housing residents have exercised their Right to Revitalized Unit will be considered **Cross-Site Applicants** in this document.

- E) **Rental Assistance Demonstration ("RAD Units")** means housing units receiving rental assistance under HUD PIH -2012-32 Notice and all subsequent updates. RAD Units are a form of PBV units, but not all PBV units are RAD. Luca Apartments have **(0) RAD Units**. In this document, **"Non-RAD PBV Units"** refers to PBV that are not administered under HUD PIH-2012-32 Notice. Luca Apartments is anticipated to receive Seventy One (71) **Non-RAD PBV Units**. Luca Apartments has a total of Seventy One (71) PHR units.
- F) **Right to Return** means the right of: (1) HOPE SF public housing households to a Revitalized Unit referred to in this document as a PHR unit; (2) any former HOPE SF public housing households to receive a priority for an On-site PHR unit from which they moved from after all current HOPE SF public housing residents have exercised their Right to Revitalized Unit; (3) any member of a current or former HOPE SF public housing household to receive a priority in a HOPE SF Non-PBV tax credit unit, pursuant to Chapter 39 of the San Francisco Administrative Code. Relocation rights for families who are current public housing residents of the HOPE SF developments and relocating to PHR units are outlined in the relocation plan for their specific HOPE SF property. All HOPE SF public housing residents exercising their Right to a Revitalized Unit must be in good standing in order to move into the Revitalized Units. To be in good standing, requires that the SFHA did not file a Summons and Complaint against any member of the household, and that no member of the household has been evicted (SFHA Board of Commissioners Resolution #5390). Notwithstanding the above, a household is

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still considered eligible to move if the family has an active Unlawful Detainer action against them, and they are in a repayment agreement and current on the repayment agreement.

- G) **Non-PBV Tax Credit with HCD AHSC (“Non-PBV TC”) Units** are restricted by the IRS Section 42 Tax Credit/LIHTC program but are not subsidized with a PBV. Non-PBV TC Units are available to qualified members of the general public. Non-PBV TC Units are also considered “lottery units.” Mercy Housing Management has submitted to MOHCD Marketing staff and the MOHCD Project Manager Specialist a Marketing Plan and Tenant Selection Plan for Luca Apartments that covers the “lottery units” and adheres to the current version of the MOHCD Housing Preference and Lottery Procedures Manual. (The current version of the MOHCD Housing Preference and Lottery Procedures Manual is on MOHCD’s website at <https://www.sf.gov/get-priority-housing-lottery>)

A resident may have a “tenant based” and/or “portable” voucher in **Non-PBV TC Units**. Luca Apartments has a total of Twenty four (24) **Non-PBV TC Units** without project-based vouchers, including one (1) **Non-PBV TC Unit manager’s unit**.

V. PREFERENCES

Preferences are not permitted if the preference in any way negates affirmative marketing efforts or fair housing obligations. The following preferences apply:

- A) **Regulatory Preferences for Project Based Voucher Units** – The preferences listed below will be given to eligible applicants on the SFHA specific HOPE SF Luca Apartments Waitlist:
- 1) Veteran/Surviving Spouse (+1)
 - 2) Families with a Right-to-Return to Sunnydale (17 points)
 - 3) HOPE SF Construction (16 points)
 - 4) Families with a Right-to-Return [Expanded] preference (15 points)
 - 5) Involuntarily Displaced with Residential Certificate of Preference (COP) (11 points)
 - 6) Families with minor children living in a SRO (7 points)
 - 7) Involuntarily Displaced from San Francisco Residence (5 points)

Note for HOPE SF properties: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return to Sunnydale” are On-Site Applicants in this document. “HOPE SF Construction” are Cross-Site Applicants from other HOPE SF properties in this document. When a HOPE SF property nears its final development phases, it is possible that there will be no more On- or Cross- Site Applicants for the PHR units. When and if this happens, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return” and “HOPE SF Construction.” When SFHA sends referrals for Non- HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

Note for properties accepting Off- and Cross-Site Applicants: In SFHA’s HCV Administrative Plan, “Families with a Right-to-Return to Sunnydale” are On-Site and Off-Site Applicants in this document. “HOPE SF Construction” are Cross-Site Applicants for Luca Apartments. When Luca Apartments has processed all of the Off- and Cross- site referrals and the designated PHR units at Luca Apartments cannot or will not be filled by Off- and/or Cross-Site Applicants, SFHA will begin to refer applicants from the HCV Administrative Plan preferences listed after “Families with a Right-to-Return of “Luca

Apartments” and “HOPE SF Construction,” if applicable. When SFHA sends referrals from Non-HOPE SF properties, the referrals will be marked “Waitlist”, and these households are to be processed following the Cross-Site processing described in this document.

B) MOHCD Preferences for Tax Credit Units – Please see Luca Apartments Marketing Plan for the preferences applied to the non-PBV Tax Credit units.

- 1) HOPE SF Right to Return (RtR). To be eligible for the preference, applicants must document that they are a member of a household that formerly or currently occupies a public housing unit at Sunnydale. This preference applies at the initial lease-up lottery and to re-renting vacant units up to 100% of the non-PBV TC units.
- 2) Certificate of Preference Holders (COP). Certificate of Preference holders are primarily households displaced by Agency action in the Redevelopment Project Areas during the 1960's and 1970's but may also include other persons displaced by Agency action and who meet all qualifications for the unit. The Certificate of Preference Hotline number is: (415) 701-5613. This preference applies at the initial lease-up lottery and to re-renting vacant units up to 100% of the non-PBV TC units.
- 3) Displaced Tenant Housing Preference Program (DTHP) or tenants evicted by Ellis Act or owner move-in or for tenants whose apartment was extensively damaged by fire. 20% of available non-PBV TC units can be set aside for applicants with DTHP at the initial lease-up lottery and to re-renting vacant units when fewer than 20% of the units house DTHP applicants. Applicants will need to prove the landlord issued one of the following; Notice of Intent to Withdraw (NOI) or an Eviction Notice. If the applicant is displaced by fire, the applicant will need to provide a signed Fire Displacement Verification Form.
- 4) Neighborhood Resident Housing Preference (NRHP). For San Francisco residents who currently live in the same Supervisor district as, or half-mile from, the property being applied to. 40% of available units can be set aside for applicants with NRHP at the initial lease-up lottery only.
- 5) Live or Work in San Francisco. This preference will be given to applicants who either live or work in San Francisco. This preference applies to 100% of the non- PBV TC units at lease up only.
- 6) US Military Veterans receive a priority for the COP, DTHP, NRHP and Live or Work Preferences.

For HOPE SF RtR, applicants must provide evidence of preference. Documentation must list the household member's name and Sunnydale address. Only 1 of the following is required:

- Letter from SFHA verifying residency
- SFHA Lease
- SF City ID
- Telephone bill (landline only)
- Cable or Internet bill
- Paystub (listing home address)
- Public benefits records, including health insurance (e.g. SSI/SSDI, Medi-Cal, General Assistance, Unemployment Insurance, CalFresh)
- School record

For NRHP or Live/Work, applicants must provide evidence of preference. Documentation must list the household member's name and current address and be dated within 45 days of the date of the lottery application. Only 1 of the following is required:

- Telephone bill (land line only)
- Cable and internet bill
- Electric bill
- Gas bill
- Water bill

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- Paystub (listing home address)
- Public benefits record
- School record
- Letter documenting homelessness
- Paystub with employer address
- Letter from employer

When a MOHCD Preference Is Denied

If it is determined that an applicant does not meet the criteria or is not receiving a preference, the applicant will promptly receive a written notice of this determination from Management. The applicant would no longer receive the preference but may receive another preference they are eligible for or be in the General Lottery. The notice will contain a brief statement of the reasons for the determination. The Applicant has the right to appeal in writing. Management will review the appeal.

Please see Luca Apartments Marketing Plan for Management's process of **when household wanting to occupy a Non-PBV TC Unit is denied**.

VI. ONSITE TRANSFERS

The following actions are always given priority for current households, if applicable.

- A) For emergency transfer requests from household members who are victims of VAWA crimes
- B) A unit transfer based on the need for an accessible unit.
- C) A unit transfer because of change in household size.
- D) A unit transfer of a non-disabled individual living in a mobility or communication unit to accommodate an applicant on the Non-PBV TC Unit waiting list in need of an accessible unit. (A lease addendum will be entered into with non-disabled resident living in an accessible unit.)
- E) A unit transfer based on the need of an emergency temporary relocation. (If a unit becomes uninhabitable due to a catastrophe, the resident family will be given any open unit for temporary living quarters until their own unit is repaired.)

Onsite transfers in PHR units have the same standards as above and must comply with the guidelines in the Admin Plan. Refer to the Admin Plan for additional referral information for off-site PBV units. Current tenants requesting a unit transfer for any other reason may be added to the Waiting List of applicants provided there is no record of consistent late payments or unpaid rental obligations, no record of police activity (except VAWA related incidents) and inspection of the tenant's current unit must indicate that there is no damage to property or poor housekeeping habits resulting in health or safety violations.

VII. APPLICATION PROCESS

Applicants for PHR units for Luca Apartments initial lease up will be considered On-site Applicant.

If at initial lease up on-site applicant residents will not fill all PHR units, SFHA will refer households from the Luca Apartments Waitlist in accordance to the preference chart in the SFHA's current Administrative Plan. Referrals sent from the SFHA waitlist that are also HOPE SF Construction, which by definition in this document means Cross-Site, will be identified on the SFHA referral letter by the HOPE SF property at their current location. Referrals sent from the waitlist that are not applicants from HOPE SF properties will be identified on the SFHA referral letter as "Waitlist" and will be considered "Waitlist Applicants" in this document. All Waitlist



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Applicants will follow the applicant screening process for PHR Units as outlined below. Mercy Housing Management Group has assumed that zero (0) units may be filled by Waitlist Applicants.

A) PRIORITY PROCESSING ORDER.

1) PHR

- a) **On-Site Applicants**, SFHA has held a processing lottery at each of the HOPE SF properties to establish the processing order of the residents for on-site relocation to PHR units. This will determine the processing order for referrals to Management and unit selection at Revitalized Unit.
 - b) **Cross-Site Applicants**, SFHA will conduct a survey to determine who is interested in a cross-site move. Households who have expressed an interest will be contacted (up to two times/household) by SFHA to determine interest in moving to cross-site location. If the household is interested, the household will be referred to the cross-site Developer after SFHA's initial intake processing has occurred. As these households are exercising their Right to Revitalized Unit, the households maintain their priority on the Waitlist. These households may submit documents to SFHA at the household's earliest convenience. However, SFHA will continue to process and refer potential applicants to the Developer on a first-completed basis. Units may be offered in the processing order that the SFHA referral is sent to the Developer. Please note for Revitalized Units at HOPE SF sites, On-Site Applicants will have priority over the Cross-Site Applicants.
 - c) **On- and Cross- Site applicant** households will be referred by the SFHA Waitlist Management Department. Management will contact the applicants a minimum of two times and will use phone, email and regular mail in processing order. If the first applicants in processing order referred by SFHA do not respond and submit Management's required tax credit documentation within 5 business days, Management will contact the next set of applicants in processing order referred by SFHA.
- 2) **PHR No TC Units and Expired PHR**, after the initial lease-up, units will be offered according to the ascending order of priorities as defined in SFHA's current Administrative Plan and above as described in V.A - Preferences above.
 - 3) **Non-PBV TC Units** -- Please see **Luca Apartments'** San Francisco Housing Portal DAHLIA project posting and the MOHCD Housing Preference and Lottery Procedures Manual for information on where applications will be provided, website address, and discussion about number of times Developer/Management will contact initial lease-up application and the number of days an initial lease-up applicant has to respond to Management's request.

B) PROGRAM INCOME AND ELIGIBILITY REQUIREMENTS –

Applicants who apply to any unit at Luca Apartments must meet income and eligibility tests for the unit type first, before any further screening steps are taken regarding selection criteria. The program income and eligibility tests include:

- 1) Management has received a completed application form, or pre-application form, and all accompanying verification and/or consent forms for release of information signed.
- 2) Applicants for Non-PBV TC Units and PHR units must meet the income requirements of Section 42 of the Internal Revenue Code outlined in the Restrictive covenants and MOHCD area median income ("MOHCD AMI"). The Agent will seek third-party verification and second-party documentation in conformance with the IRS code's Restrictive Covenants, as administered by the CTCAC.
- 3) On-site Applicants may be over income and exceed the 24 C.F.R Part 5 and/or MOHCD AMI. However, when the On-Site Applicant moves out, the next household to occupy the unit will meet

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the most restrictive of the 24 C.F.R. Part 5 or MOHCD AMI, and the PBV associated with that unit will be available.

- 4) All definitions relating to income are based on 24 C.F.R. Part 5 and MOHCD AMI, as published annually by MOHCD, except otherwise noted.
- 5) All applicants for the PHR or Expired PHR units must meet the eligibility requirements outlined in the SFHA's current Administrative Plan.
- 6) The Tax Credit student rule applies to the Non-PBV TC Units, and the HUD and LIHTC full-time student rules apply to the PHR units.
- 7) For PHR units, a previous eviction could preclude a household from consideration if the loss of rental subsidy is due to Housing Authority rule violations.

C) UNIT TYPES & RESTRICTIONS - The income restrictions below are for Luca Apartments and are posted in the Leasing Office.

Unit Type	# of Non-PBV TC Units	# of PHR RAD PBV Units	# of PHR Non-RAD PBV Units	# of PHR No TC Units	Maximum % AMI per LIHTC	Maximum % AMI per MOHCD	Target % AMI for unit & funding type
1 BR	6				30% AMI	60% AMI	50% AMI TCAC
2 BR	15				30% AMI	60% AMI	50% AMI TCAC
3 BR	2				30% AMI	60% AMI	50% AMI TCAC
1 BR			4		30%AMI	50% AMI	50% AMI
2 BR			36		30%AMI	50% AMI	50% AMI
3 BR			20		30% AMI	50% AMI	50% AMI
3 BR			1		MGR UNIT	MGR UNIT	MGR UNIT
4 BR			11		30% AMI	50% AMI	50% AMI
TOTAL	23	0	72				

D) UNIT SIZE/OCCUPANCY STANDARDS – Upon initial occupancy, no more than two persons will be assigned to a bedroom, plus one adult. For the 23 non-PBV TC units, children under six years of age do not count toward the occupancy minimum. Maximum household size cannot exceed San Francisco Department of Building Inspection occupancy standards with regard to square footage per occupant. Households will be accommodated in accordance with the following occupancy standards:

- 1) The below listed Occupancy Chart above adheres to the occupancy standards set by HUD Occupancy standard guidelines and SFHA Administrative plan.

	Minimum	Maximum
Studio	1	2
1bd	1	3
2bd	2	5

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3bd	3	7
4bd	4	9

- 2) The head of household must be 18 years of age or older, or an emancipated minor.
- 3) A Live-In Aide is allowed to live in the apartment due to the reasonable accommodation. They may be allowed a separate bedroom.
- 4) Children 6 years and under do not count toward minimum occupancy standard for Non-PBV TC units only.
- 5) For PBV units, the occupancy standard of SFHA will apply per the current Administrative Plan. If there is a conflict between SFHA occupancy standards and another regulatory agency's occupancy standards, the regulatory agency with the highest minimum occupancy for this development will prevail.
- 6) **Non-replacement units must comply with HCD UMR minimum occupancy standards.**

	Minimum	Maximum
Studio	1	2
1bd	1	3
2bd	2	5
3bd	4	5
4bd	5	6

E) WAITING LISTS

Two waiting lists will be maintained.

1) Non-PBV TC Units

Please see MOHCD's Housing Preferences and Lottery Procedures Manual for a description of the **Non-PBV TC Units** waiting list process that includes a discussion about maintaining the lottery waitlist, filling vacancies in a Non-PBV TC Units, creating a waitlist for residents who need to transfer to a different Non-PBV TC Units and process for filling vacancies in accessible Non-PBV TC Units. The Non-PBV TC Units will be Waiting List A. The Waiting List for the 23 non-PBV TC units will be closed after the building is 100% occupied. Management will have 00 applicants on the waiting list who are fully informed of its length and the policies/procedures for selecting individuals The Waiting List will be maintained and implemented in lottery rank order.

Please note that the HOPE SF Resident Selection Criteria is one part of the entire Marketing Plan for this development. The Marketing Plan for this development includes the Marketing and Tenant Selection Plan for Initial Rental Units that covers the Non-PBV TC Units, the current version of the MOHCD Housing Preference and Lottery Procedures Manual, and this HOPE SF Resident Selection Criteria. The MOHCD Housing Preference and Lottery Procedures Manual is available on the MOHCD website at <https://www.sf.gov/get-priority-housing-lottery>

2) PHR

Waiting List B will be maintained for the PHR units by SFHA. Waiting List B will be maintained according to family size, type of unit for applicant households, total household income, and status in relation to preferences. Waiting List B will be used for units which have been set aside for persons on the HOPE SF Luca Apartments Waitlist. After on- site residents have exercised

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their Right to Revitalized Units, households will be selected from site-based waiting list(s) based on waitlist position as shown in the preference list in the current SFHA Admin Plan.

a) Vacancy in a PHR Units after Initial Lease Up

- (i) When a unit becomes available, Management completes SFHA's Applicant Referral Request form. Once completed, Management emails scanned copies to the SFHA's Waitlist Management Department Program Manager and SFHA's Leased Housing Department/RAD Program Manager.
- (ii) The Program Managers from SFHA's Waitlist Management Department and Lease Housing Department/RAD work together to refer a potential resident in the order of the preference from SFHA's waitlist for Luca Apartments, as listed in the SFHA Admin Plan.

VIII. APPLICANT SCREENING

For a quick reference of all the information in Section VIII - Applicant Screening, please see Exhibit A.

A) Processing Priority (applies to all Non-PBV TC Units and PHR units)

- 1) Units designed specifically for individuals with a physical impairment:
 - a) For this development, "physical impairment" is defined as mobility impairment which necessitates the features in a mobility unit. Features in a mobility unit include, but are not limited to, required wheel-chair turning space in unit, arm reach requirements to appliances, lowered cabinets, roll-in showers. For all units designed specifically with mobility features, priority will be given to those applicants needing such modifications. Mercy Housing Management Group will follow the process for mobility impairment units that is written in the current version of the MOHCD Housing Preference and Lottery Procedures Manual.
- 2) Units designed for individuals with a hearing or vision impairment:
 - a) For all units designed specifically with hearing and/or vision features, priority will be given to those applicants and households where a member is in need of such modifications.

B) Initial Interview - All household members must be present at the initial interview (applies to all Non-PBV TC Units and PHR units).

At the scheduled interview, all eligibility factors will be explained to the applicants, with particular emphasis on the Applicant Screening Requirements. During the interview, the staff person will do the following:

- 1) Clarify any information provided by the applicant.
- 2) Income qualification verification, including self-employment: soliciting third- party verification from all sources in order to determine annual household income (the maximum income levels apply to the LIHTC and PBV programs), and all assets, including bank accounts.
- 3) Make copies of photo identification, i.e., Driver's License or state I.D. card, passport, travel visa, I-94s or employment cards for adults 18 years of age and older, and birth certificates for children under the age of 18 years of age. Any documents should be submitted within 30 days of move in.
- 4) Answer any questions the applicant may have.
- 5) Provide Fair Chance Ordinance ("FCO") language.

C) Income Qualification/Gross Rent as Percentage of Gross Income

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1) Non-PBV TC Units

- a) To protect Luca Apartments from rent loss and rent delinquency, residents are eligible for the "lottery units" if their income is two times the net rent.
- b) All income must be verified by Management.
- c) For determining gross rent as percentage of gross income, gross rent shall be calculated using tenant rent plus utility allowance. If there is no utility allowance, tenant rent shall be considered gross rent.
- d) Income qualification adheres to the current version of the MOHCD Housing Preference and Lottery Procedures Manual and is consistent with the Marketing Plan and Tenant Selection Plan for Luca Apartments that covers the "lottery units." Please see section I on page 3 of the Marketing Plan and section VII. C. on page 8 of this Tenant Selection Plan for Luca Apartments.

2) PHR

a) On-Site Applicants:

- (i) SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Given the requirements of certain funding sources, PHR units may have differing underlying rent restrictions based on AMI. In such cases, Management will match applicant income to the AMI level appropriate for each unit.

Management will calculate area median income (AMI) for purposes of HOPE SF income reporting that is submitted to the MOHCD Project Manager for Luca Apartments during initial lease-up. On the reporting form, Management must indicate if AMI's are based on MOHCD or CTCAC AMI's.

- (ii) If an On-site Applicant is over income, the new affordable development must accept the On-site Applicant. The over-income unit will remain a PHR unit, but it will no longer be classified a tax credit unit if the income of the resident exceeds the current maximum of California Tax Credit Allocation Committees maximum income for tax credit eligible unit. Such instances will be reviewed on a phase-by-phase basis.
- (iii) If an On-site Applicant household is also an ESH, the new affordable development must accept the On-site Applicant. The ESH will remain in a PHR unit, but it will no longer be classified a tax credit unit as it is out of compliance with the IRS Section 42 Tax Credit/ LIHTC program. Such instances will be reviewed on a phase-by-phase basis.

b) Cross-Site Applicants

- (i) SFHA staff will calculate the tenant paid portion for the priority household. The tenant paid portion will be listed on the SFHA referral and the amount shown on the referral will be the Total Tenant Payment (TTP). Management will calculate area median income (AMI) for purposes of HOPE SF income reporting that is submitted weekly to the MOHCD Project Manager for Luca Apartments during lease-up. Also, if Luca Apartments has multiple AMI levels, including those for PHR units, Management will do its best to categorize the current AMI level per the affordable financing program for the unit.
- (ii) As the owner of Right to Revitalized Units accepting Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any over-income Off-Site or Cross-Site Applicants, over-income Cross-Site Applicants will not be accepted or referred to Luca Apartments
- (iii) As the owner of Right to Revitalized Units accepting Cross-Site Applicants did not anticipate, during its financial feasibility analysis, accepting any ESHs, ESHs will not be accepted or referred to Luca Apartments.

3) Expired PHR

Expired PHR units will follow the same process identified above for Cross-Site Applicants. As the PHR units are expired, the owner of Luca Apartments will not be required to accept any over-income SFHA referred residents. Over-income SFHA referred households may have a negative long term financial impact to Luca Apartments.

D) References

- 1) **Non-PBV TC Units:** Please see Luca Apartments' San Francisco Housing Portal DAHLIA project posting pages for a description of Managements process and/or policy for receiving rental history references for the tax credit units.
- 2) **PHR**
 - a) On-site Applicants: Management will not take rental references for Onsite Applicants.
 - b) Cross-Site Applicants: Management will take rental references for Cross-Site Applicants. See section E below.
- 3) **Expired PHR:** units will follow the same process identified above under References - PHR Units: Cross-Site Applicants.

E) Rental History Reference, Credit and Unlawful Detainer ("UD") Checks

1) Non-PBV TC Units

- a) Management will request credit histories on each adult member of each applicant household and will request written documentation from the applicant's current landlord and former landlords for the past two (2) years. Documented lease violations with regard to non-payment or late rent payment, disturbance of neighbors, destruction of property that would pose a threat to other residents will inform the leasing agent about past performance meeting rental obligations. If Management receives any negative information from a former landlord with documented proof of a lease, code or house rules violation(s) within the last 2 years, the application may be rejected. Mitigating circumstances (i.e., payment plan) will be considered.
- b) Applicants who have failed to pay amounts due or failed to reach a satisfactory agreement to pay those amounts will also be considered ineligible. Mitigating circumstances (i.e., late fee/charges disputes) will be considered.
- c) Management will initiate an eviction history and credit report. An unlawful detainer shall go back no further than two (2) years. The applicant shall be notified of such action in advance.
- d) Except in a criminal background check, if there is a finding of any kind that would negatively impact an application, the applicant will be notified in writing, mitigating circumstances will be considered. The applicant will have 5 business days to appeal to Management for reconsideration. A comparable unit will be held while the applicant is going through the appeals process.
- e) If there is a finding during the criminal background, in accordance with Article 49 of the San Francisco Police Code, an applicant will have 14 calendar days to appeal, and a comparable unit will be held for 14 calendar days.
- f) Any currently open bankruptcy proceeding of any of the household members may be considered a disqualifying condition. Mitigating Circumstances will be reviewed by Regional Vice President upon request of applicant.

2) PHR

- a) On-site Applicants: credit checks are not to be conducted for On-Site Applicants.

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- b) **Cross-Site Applicants:** Management will conduct credit and unlawful detainer checks on Cross-Site Applicants. Management's process will follow the process described above in VII. E. Rental History, Credit and Unlawful Detainer Checks for Non-PBV TC Units.
 - (i) If there is a finding of any kind which would negatively impact an application, the applicant will be notified in writing. With the written notification, Mercy Housing Management Group will include the HOPE SF "Encouragement" letter provided in Exhibit C.
- 3) **Expired PHR:** Management will conduct credit and unlawful detainer checks on Expired PHR Applicants. Management's process will follow the process described above under VIII.E. Rental History, Credit and Unlawful Detainer Checks – Non- PBV TC Units.

Please note: At Sunnydale and Potrero and due to the size of the relocation efforts and timing of new construction, it is possible that On-Site Applicants may move into Expired PHR units. If or when this occurs, On-Site Applicants in Expired PHR units at the HOPE SF property must be processed as On-Site Applicants in new PHR units and must follow the process in Section VIII.E.2.a above.

F) Criminal Background Checks

- 1) **Non-PBV TC Units:** Management will conduct criminal background checks on all applicants to Non-PBV TC Units.
- 2) **PHR**
 - a) **On-site Applicants:** Mercy Housing Management Group will not conduct criminal background checks on On-Site Applicants who meet the definition of "good standing" with SFHA and are referred for the new development.
 - b) **Cross-Site Applicants:** Management will conduct criminal background checks on Cross-Site Applicants.
- 3) **Expired PHR:** Management will conduct criminal background checks for all applicants.
- 4) All criminal background checks MUST be conducted in accordance with the Fair Chance Ordinance (FCO) Article 49 San Francisco Police Code–Protections for People with Prior Arrests or Conviction Records. A Management staff person who has no authority over the applications for review, approval or denial will obtain the criminal record upon provisional approval of the application. Each report request and response will be time and date stamped via email or via hand stamped to ensure review was completed after the provisional approval of the application.

Under the Fair Chance Ordinance, the applicant has the right to the following:

- a) All other qualifications for affordable housing will be decided BEFORE Management knows anything about prior arrest or conviction records. Management may run a criminal history report at the same time as a rental or credit history but will not look at it prior to determining the applicant is qualified.
- b) Management will not ask the applicant about a prior record for any household member through a rental application form or in an interview.
- c) The applicant will be provided with a copy of Fair Chance Ordinance notice before Management runs the background report.
- d) The following six "off-limits" categories will not be requested or considered on the criminal records check of any household member:
 - (i) arrests that did not result in conviction.
 - (ii) participation in a diversion or deferral judgment program
 - (iii) expunged, judicially dismissed, invalidated or otherwise inoperative convictions.
 - (iv) juvenile record
 - (v) a conviction more than 7 years old

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- (vi) an infraction
- e) Each record will be assessed individually, in which only the “directly-related” convictions and unresolved arrests in the record are considered. In considering whether a conviction / unresolved arrest is directly related, Management shall look at whether the conduct has a direct and specific negative bearing on the safety of persons or property, and given the nature of the housing, whether the housing offers the opportunity for the same/similar offense to occur, whether circumstances leading to the conduct will recur in Luca Apartments and whether supportive services, when available, might reduce the likelihood of a recurrence.
- f) The applicant will be provided with a copy of the background report and told which conviction or unresolved arrest is the basis for the potential denial. The applicant will have 14 days to respond orally or in writing to request reversal of the denial. The applicant can respond by:
 - (i) Pointing out any inaccuracies in the report.
 - (ii) Providing evidence of rehabilitation. Evidence of rehabilitation include satisfying parole/probation, receiving education/training, participating in alcohol or drug treatment programs, letters of recommendation, age at the time of conviction, and/or;
 - (iii) Explaining any mitigating factors about the circumstances of the conviction. (Mitigating factors include physical or emotional abuse, coercion, untreated abuse/mental illness that led to the conviction).
- g) The applicant has a right to call the Human Rights Commission to understand their rights or file a complaint (within 60 days of violation) without any negative action or retaliation taken against the applicant by Mercy Housing Management Group. For more information, contact the Human Rights Commission at (415) 252-2500 or email hrc.info@sfgov.org.

G) Fees

Fees for processing income, credit, unlawful detainer and criminal checks will not be charged, except as indicated below:

- 1) **Non-PBV TC Units:** A fee of \$25.00 per adult applicant 18 years or older is required at the time of the initial interview for the unlawful detainer, credit and criminal checks. Applicants will be reviewed for criminal background in accordance with Article 49 of the San Francisco Police Code, the Fair Chance Ordinance. The fee must be paid by Money Order.
- 2) **PHR**
 - a) On-site Applicants: Not applicable.
 - b) Cross-Site Applicants: Management will collect a \$25.00 fee for the credit, unlawful detainer, and criminal checks; the same as stated above for non-PBV TC units.
- 3) **Expired PHR:** Management will collect a \$25.00 fee for the credit, unlawful detainer, and criminal checks, the same as stated above for non-PBV TC units.
- 4) If Resident does not pay the full amount of the rent by the end of the 10th day of the month, resident shall pay a fee of \$25.00 due on the 11th day of the month.
- 5) Landlord may collect a fee of \$25.00 on any check presented with insufficient funds. The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Resident.

IX. FINAL ELIGIBILITY DETERMINATION

- A) **Notification of Eligibility:** Upon completion of eligibility determination, eligible applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit. The basis of the final eligibility will be as follows:
 - 1) **Non-PBV TC Units**
 - a) After the applicant’s initial eligibility has been determined with regard to household annual income, rental history, and credit history, Management will make a final eligibility determination after reviewing the criminal report on each adult applicant.

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- b) Once final eligibility is determined, the staff will ask applicants to select their first, second and third choice of unit according to household size and income. When leasing up, units are assigned in lottery rank order. Once a household passes income, rental and credit checks, Management assigns and holds the applicant's first, second, or third choice whichever is available.
- c) A comparable unit will be held while the applicant is going through the appeals process.

2) PHR

- a) On- site Applicants:
 - (i) Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, and completing the income qualification and determining unit size for household configuration. (Unit size based on household configuration is on SFHA referral letter.)
 - (ii) Once final eligibility is determined, Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
 - (iii) Mercy Housing Management Group will offer units to On-site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.
- b) Cross-Site Applicants:
 - (i) Management will make a final eligibility determination after receiving the referral from SFHA, conducting initial interview, completing the income qualification, determining unit size for household configuration, and completing rent reference, credit, UD, and criminal background checks. (Unit size based on household configuration is on SFHA referral letter.) Off-Site Applicants will be notified in writing of their status and given an approximate date when they can expect to receive an offer of a unit.
 - (ii) Once final eligibility is determined, the Management will proceed to execute lease documents and assign the next unit available for which the household has been deemed eligible.
 - (iii) Mercy Housing Management will offer units to Cross-Site Applicants in referral order, the order in which the referrals were sent by SFHA's Waitlist Department.

- 3) **Expired PHR:** Final determinations process for expired PHR units will be based on the same process for NON-PBV TC units listed above.

- B) **Notification of Ineligibility.** If an applicant is deemed ineligible. The applicant will be notified in writing of his/her ineligibility. The ineligibility letter will include: (i) the reason for the denial, (ii) notification that the applicant has a right to an informal review, (iii) the process for an informal review. A summary of acceptable grounds for denial can be found in Exhibit B. Management will include in the ineligible letter a copy of Encouragement Letter found in Exhibit C for Off-Site or Cross-Site applicants that have been determined ineligible.

X. APPEALS OF DENIALS

- A) For all Non-PBV TC Units, Management will report all Non-PBV TC Units applicant denials and appeals to MOHCD on a weekly basis through the lease up.
- B) For all PHR Units, Management will report all PHR Units applicant denials and appeals to SFHA's Waitlist Management Department's Program Manager II, MOHCD Project Manager of the HOPE SF property, MOHCD Project Manager of Luca Apartments, and the HOPE SF property's service and/or relocation and readiness provider on a weekly basis through the lease up.
- C) Non-PBV TC Units applicants and Cross- Site Applicants determined ineligible for admission by Management may appeal through an informal review of the determination. Non-PBV TC Units applicants, and Cross- Site Applicants must make the request within ten (10) business days of the date of Mercy Housing Management Groups' notice of ineligibility and/or denial letter, exception is denials for reasons related to criminal background screening, in which case applicants will have fourteen (14)

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calendar days. Within five (5) business days of receiving the request, Management must hold the review and notify the applicant of the place, date and time of informal interview.

- D) Informal reviews will be conducted by an impartial review officer who has no involvement in the ineligibility determination. The review officer will be selected by Mercy Housing Management Group. Mercy Housing Management Group has selected The Regional Director of Property Operations or the Regional Vice President of Property Operations to be the impartial review officer. Regional Director of Property Operations or the Regional Vice President of Property Operations may be contacted by phone at 415-355-7100, and has an office located at 1256 Market Street, San Francisco, Ca 94102. The applicant may bring to the review any documentation or evidence he/she wishes and the applicant's evidence along with the data compiled by Management will be considered by the review officer.
- E) The reviewing officer will make a determination based upon the merits of the evidence presented by Management and applicant. Within fourteen (14) business days of the date of the review, the review officer will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

XI. OCCUPANCY PROTECTION FOR HUD-ASSISTED HOUSEHOLDS IN NON-PBV TC UNITS, PHR, AND EXPIRED PHR

- A) Management must complete the current version of the Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c) for any and all residents at Luca Apartments with a Housing Choice Voucher (HCV). HCV units include RAD Units, Non-RAD PBV Units, and "tenant based" and/or "portable" HCV for residents residing in Non-PBV TC Units. Management sends the fully completed and executed HUD 52530.c to the SFHA RAD Program Manager, Leased Housing Department.
 - 1) Non-PBV TC Units: HUD-Assisted households in Non-PBV TC Units applies to households with a HCV that are commonly called "tenant based" and/or "portable." In this case, Mercy Housing Management Group has no authority to terminate the "tenant based" and/or "portable" HCV of tenants. Owners may only terminate tenancy in limited circumstances as prescribed in the Housing Assistance Payment Contract (HAP Contract) Section 8 Tenant-Based Assistance Housing Choice Voucher Program (form HUD- 52641) and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy, which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.
 - a) SFHA requires that a household pay 30% of their adjusted household income. If at the annual or interim recertification SFHA determines that 30% of the household's adjusted gross income is equal to or higher than the contract rent, SFHA will give household 180 days before removing the household from the HCV program. If during the 180 day period there have been no changes to the household's income, SFHA will send the household a letter indicating that the household will be removed from the HCV program. There is nothing in SFHA's letter that states the households must vacate or leave the unit.
 - 2) **PHR & Expired PHR** Mercy Housing Management Group has no authority to terminate the RAD and/or Non-RAD PBV rental subsidy of the residents. Owners may only terminate tenancy in limited circumstances as prescribed in the Tenancy Addendum Section 8 Project-based Voucher Program (form HUD 52530.c) and by the terms of the lease and must follow HUD and state/local procedures. Terminations for reasons other than those permitted by HUD are prohibited. The lease agreement details the grounds for termination of tenancy which does include failure to meet LIHTC requirements, including LIHTC-specific income and student eligibility rules.
 - a) **RAD Units:** SFHA requires that households pay 30% of their adjusted household income even if it exceeds the contract rent. If at the annual or interim recertification SFHA determines that 30% of the households' adjusted gross income is equal to or above the contract rent, the

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households in the PHR RAD Unit is allowed to remain in the unit, as referenced in SFHA's current Housing Choice Voucher Program Administrative Plan and as regulated in the HUD PIH -2012-32 Notice and all subsequent updates. SFHA will not pay subsidy on the unit when the households are able to pay the full contract rent. Households retain all other rights under the lease, including the right to occupy the unit. This provision is only utilized for residents living in the HOPE SF property prior to conversion, and those who will return to the HOPE SF property after conversion. All other residents fall under XI.A.1.a.

- b) **Non- RAD PBV Units:** Please see XI.A.1.a above, as these units process will be similar to households with a "tenant based" and/or "portable "in Non-PBV TC Units.

XII. MODIFICATION OF THE RESIDENT SELECTION CRITERIA PLAN

This Resident Selection Criteria Plan will be reviewed annually to ensure that it reflects current operating practices, program priorities and Fair Housing requirements. If this Resident Selection Criteria Plan is substantially updated, you will be notified.

I/We certify that I/we have been given the opportunity to review the Resident Selection Criteria for housing at: Luca

_____ Applicant	_____ Date
_____ Applicant	_____ Date
_____ Applicant	_____ Date
_____ Applicant	_____ Date
_____ Manager/Leasing Agent Signature	_____ Date

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EXHIBIT A

Screening Criteria Summary

Screening Criteria	Non-PBV TC Units	PHR On-Site	PHR No TC Units (Allowed only at HOPE SF Properties)	PHR Off-Site	PHR Cross-Site	Expired PHR
Annual household income	Yes; Use the maximum per MOHCD or TCAC limits for the specific development	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income. Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI.	Yes, for CTCAC purposes only. Resident <u>cannot</u> be denied due to income; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Income of Initial Household in unit may exceed the MOHCD, TCAC, or HUD limits at or below HUD 50% AMI	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; Use the maximum per MOHCD or TCAC limits for the specific development. Maximum income is at or below HUD 50% AMI. Households may <u>not</u> exceed the MOHCD or TCAC limits.	Yes; The lower of TCAC limit for the unit or 50% HUD AMI.
Entirely Full Time Student Household Status	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC. If ESH, may be assigned to PHR No TC Unit.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.	Yes, by Developer; follows Section 42, as administered by CTCAC.

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Household occupancy standard	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)	Highest minimum and maximum occupancy limits of development funders (See Occupancy chart In Section VII.D.1)
Rental history	Yes; by Developer as stated in the Marketing Plan, Section VIII.D.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.D.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.D.3 and restated in Exhibit B of this document.
Unlawful Detainer	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	SFHA to determine if households is in eviction proceedings. Developer may not screen per Right to Return to Revitalized Unit Ordinance.	SFHA to determine if households is in eviction proceedings. Developer may not screen per Right to Return to Revitalized Unit Ordinance	SFHA to determine if households is in eviction proceedings. Developer may not screen per Right to Return to Revitalized Unit Ordinance.	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Credit	Yes; by Developer as stated in the Marketing Plan, Section VIII.E.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.E.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.E.3 and restated in Exhibit B of this document.
Criminal background	Yes; by Developer as stated in the Marketing Plan, Section VIII.F.1 of this document, and restated in Exhibit B.	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	No screening per Right to Return Ordinance	Yes; by Developer as stated in Section VIII.F.2 and restated in Exhibit B of this document.	Yes; by Developer as stated in Section VIII.F.3 and restated in Exhibit B of this document.

**HOPE SF
RESIDENT SELECTION CRITERIA
Public Housing Replacement Units**

Denial Categories

- A) **Non-PBV TC Units:** Applicants in unsubsidized tax credit units may be denied for the reasons listed in the Marketing Plan and Tenant Selection Plan for Luca Apartments. Please see sections
- 1) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.
 - a) Non-PBV TC Applicants annual income (including assets) is not within the established restrictions for the property.
 - b) Non-PBV TC Applicants household size does not meet minimum or exceeds maximum occupancy standard for Luca Apartments. as provided in Section IIV.D of this document.
 - c) Non-PBV TC Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for Luca Apartments.
 - 2) Rental History
 - a) Documented negative landlord reference in the last two (2) years, examples of rent paying history, disturbance of neighbors, destruction of property, or reliving or housekeeping habits that would pose a threat to other residents. Applicant will inform the leasing agent about past performance meeting rental obligations. Receipt of any negative information from a former landlord with documented proof of a lease, code or house rules violation(s), the application may be rejected. Mitigating circumstances will be taken into consideration.
 - 3) Credit & Unlawful Detainers
 - a) Any household member with a current open bankruptcy proceeding.
 - 4) Criminal Background Check in Compliance with the Fair Chance Ordinance
 - a) No record of non-violent convictions within the past two (2) years.
 - b) No record of violent convictions within the past five (5) years.
 - c) No record of criminal sexual convictions, including being subject to a nationwide sex offender lifetime registration.
 - d) No record of terrorist convictions.
 - e) No record of felony arson convictions.]
 - 5) Personal History
 - a) **HOPE SF and MOHCD recognize that personal history checks are required by CTCAC, especially when the applicant household has no rental history.**
 - 6) Other
 - a) Non-PBV TC Applicants and all household members Failure to present all members of the family at the full family interview with Mercy Housing Management Group for Luca. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
 - b) Non-PBV TC Applicants not providing completed and signed applications, release of information, and application fee (if required).
 - c) Non-PBV TC Applicants not providing landlord references covering the last two years appropriate proof of all income sources and assets.
 - d) Non-PBV TC Applicants not providing any other documents required to determine eligibility.
 - e) Intentional falsification of any information on the application by Non-PBV TC Applicants.
 - f) Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.

- g) Non-PBV TC Applicant declines an apartment offer after eligibility is determined by Mercy Housing Management Group. Non-PBV TC Applicant's decline of an apartment is considered to be a withdrawal of the rental application for Luca Apartments by the Non-PBV TC Applicant. Mercy Housing Management Group will contact Non-PBV TC Applicant a minimum of two (2) times and will use all modes of communication available by email, phone and letter. Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.
- h) Failure to update application for Waiting List A within specified times when notified no less than two times.
- i) Documented blatant disrespect or disruptive behavior toward management, the property or other residents exhibited by an applicant or family member any time prior to move-in (or documented history of such behavior).
- j) Failure to provide birth certificates for household members below 18 years of age.
- k) Failure to provide photo Identification for adults 18 years of age or older.
- l) Consideration may be given for extenuating/mitigating circumstances where this would be required as a reasonable accommodation when determining the acceptability of tenancy. Persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.

B) PHR:

- 1) **On-site Applicants:** Only On-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to Mercy Housing Management Group for Luca Apartments by SFHA. On-site applicants referred to Mercy Housing Management Group are assumed to be in good standing and may not be denied placement into a PHR unit.
- 2) **Cross-site Applicants:** Only Cross-site Applicants that are in good standing, per the Right to Return ordinance, will be referred to Mercy Housing Management Group for Sunnydale 3 by SFHA. Cross-site Applicants referred to Mercy Housing Management Group for Luca Apartments are assumed to be in good standing. Mercy Housing Management Group may deny Cross-site Applicants for any of the following:
 - a) Annual Income, Occupancy Standard, Entirely Fully Time Student Household Status, Regulatory Programs other than SFHA and MOHCD.
 - (i) Cross-site Applicants annual income (including assets) is not within the established restrictions for the property.
 - (ii) Cross-site Applicants household size does not meet minimum or exceeds maximum occupancy standard for Luca as provided in Section IIV.D of this document.
 - (iii) Cross-site Applicants household does not meet all program regulated eligibility requirements, including Entirely Fully Time Student Household for Luca.
 - b) Rental History
 - (i) May not have a judgement against the Cross-site Applicants head-of-household(s) obtained by the current or previous landlord within the last two (2) years. No fault events will not count against Cross-site Applicants.
 - (ii) Cross-site Applicants may not have an unmet obligation owed to a previous landlord within the last two (2) years.
 - (iii) Cross-site Applicants who have not made timely payments ninety (90) days prior to the date of processing may be denied. Cross-site Applicants who have three (3) or more unpaid late payments twelve (12) months prior to the application processing date for Luca Apartments may be denied. Cross-site Applicants who have late fees paid off in any period of time prior to the application processing date for Luca may not be denied.
 - (iv) Additional permissible denial categories for Cross-site applicants listed above, under the heading for non-PBV TC units.

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- C) Credit & Unlawful Detainers
- 1) Total unmet credit problems, including governmental tax liens, within the last three (3) years, must not be in excess of \$2,500.
 - 2) Cross-Site Applicants any current open bankruptcy proceeding of any household members may be considered a disqualifying condition. Mitigating circumstances will be reviewed by Regional Vice President upon request of applicant.
 - 3) Cross-Site Applicants may not have seven (7) or more unmet credit problems of any value within the last three (3) years.
- D) Criminal Background Check
- All items for denial below must be in compliance with the Fair Chance Ordinance.**
- 1) Any adult, age 18 or over, Cross-Site Applicant who is subject to any states sex offender lifetime registration requirement.
 - 2) Felony conviction.
 - 3) An established documented pattern of criminal activity.
 - 4) The documented manufacturing, selling or possession of any drugs or illegal substances, or documented established pattern of manufacturing, selling or possession of any drugs or illegal substances.
 - 5) Documented incidences of physical violence to person or property, violent criminal activity, sexual abuse, illegal weapons possession, any form of assault, breaking and entering, burglary or drug related criminal activity, or any act that would threaten the health, safety or right to peaceful enjoyment by other residents, or employees and contractors who work with the community.
- E) Personal History
- HOPE SF, MOHCD, and OCII recognize that personal history checks are required by CTCAC, especially when the applicant household has no rental history. As Cross-Site Applicants will have a rental history of 12 months within the last three years or longer at a HOPE SF property, personal history checks are not allowed as a reason for denial in a PHR unit.***
- F) Other
- 1) Cross-Site Applicants and all household members not showing up for interview with Mercy Housing Management Group for Luca. Exceptions will be granted for hospitalization, medical reasons, emergency, etc., (or some other time acceptable to Management) prior to completion of Initial Certification.
 - 2) Cross-Site Applicants not providing completed and signed applications, release of information, and application fee (if required).
 - 3) Cross-Site Applicants not providing landlord references covering the last three years of residency.
 - 4) Cross-Site Applicants not providing appropriate proof of all income sources and assets.
 - 5) Cross-Site Applicants not providing any other documents required to determine eligibility.
 - 6) Intentional falsification of any information on the application by Cross-Site Applicants.
 - 7) Other good cause: including, but not limited to, failure to meet any of the selection criteria in this document.
 - 8) Cross-Site Applicant declines an apartment offer after eligibility is determined by Mercy Housing Management Group. Cross-Site Applicant's decline of an apartment is considered to be a withdrawal of the rental application for Mercy Housing Management Group by the Cross-Site Applicant. Mercy Housing Management Group will contact Cross-Site Applicant a minimum of two (2) times and will use all modes of communication available (phone, email, regular mail, etc.) by phone, email, and regular mail. Management will take into consideration cases of reasonable accommodation or other mitigating circumstances.
 - 9) Additional permissible denial categories listed above, under the heading for Non-PBV TC Units. Consideration may be given for extenuating/mitigating circumstances where any of the denial items above would be required as a reasonable accommodation when determining the acceptability of

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tenancy. Cross-Site Applicants with disabilities have the right to request reasonable accommodations to participate in the informal hearing process for Luca Apartments.

G) Expired PHR:

- 1) Permissible denial categories for Expired PHR are listed above under Non-PBV TC Units.

For PHR units, it is the Off-Site, Cross-Site, and PBV/TC (including expired PHR) Applicant's responsibility to provide SFHA with current household configuration and total household income information.

By signature below, resident(s) agree to the terms and conditions above.

1. Resident Signature	Resident Printed Name	Date
2. Resident Signature	Resident Printed Name	Date
3. Resident Signature	Resident Printed Name	Date
4. Resident Signature	Resident Printed Name	Date
5. Resident Signature	Resident Printed Name	Date
6. Resident Signature	Resident Printed Name	Date
Agent Signature	Agent Title	Date

EXHIBIT D

Violence Against Women Reauthorization Act of 2013 (VAWA)

- A. **Protections.** VAWA protections apply to individuals and families applying for or residing in housing governed by the project-based Section 8 program, various HUD programs, and other affordable housing programs. The law protects victims or survivors of domestic violence, dating violence, sexual assault, or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation or occupancy. VAWA also provides that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking, does not qualify as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy, or occupancy rights of the victim or survivor. Furthermore, criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking is not grounds for terminating the victim's or survivor's tenancy. If permitted by applicable law, including, but not limited to Article 49 of the San Francisco Police Code "Procedures for Considering Arrests or Convictions and Related Information in Employment and Housing Decisions" commonly referred to as the Fair Chance Ordinance ("FCO"), Mercy Housing Management Group ("Management") may bifurcate (divide a lease as a matter of law) in order to evict, remove, or terminate the assistance of the offender while allowing the victim or survivor, who is a tenant or lawful occupant, to remain in the unit, with Mercy Housing Regional Vice President approval.

VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime or incident; however, being a victim of a VAWA crime or incident is not a reason to change the eligibility or applicant screening requirements set forth in the Resident Selection Criteria, unless such requirements interfere with protections provided under VAWA.

For example: Management may waive the requirement to review landlord history if the victim has provided necessary documentation to certify their status as a victim and if contacting a previous landlord would put the applicant's location at risk of exposure to the accused perpetrator.

- B. **Definitions.** The following definitions are provided as assistance in understanding and implementing VAWA protections. The definitions for domestic violence, dating violence, sexual assault, or stalking and affiliated individual have been incorporated into the United States Housing Act.
- **Domestic Violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
 - **Dating Violence** means violence committed by a person: (A) who is or has been in a social relationship of a romantic or intimate nature with the victim, and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) the length of the relationship; (ii) the type of relationship; and the frequency of interaction between the persons involved in the relationship.

- **Sexual Assault** means any nonconsensual sexual act proscribed by Federal, tribal or State law, including when the victim lacks capacity to consent.
- **Stalking** means engaging in a course of conduct directed at a specific person that would cause a reasonable person to (1) fear for the person's individual safety or the safety of others, or (2) suffer substantial emotional distress.
- **Affiliated Individual** means, with respect to a person: (a) a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in the place of a parent to a child (for example, the affiliated person is a child in the care, custody, or control of that individual); or (b) any individual, tenant, or lawful occupant living in the household of that person.
- **Bifurcate** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable program and State or local law, such that certain tenants or lawful occupants can be evicted or removed while the remaining household members can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

- C. **Protections for Victims or Survivors of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.** The law offers the following protections against eviction or denial of housing based on domestic violence, dating violence, sexual assault, or stalking:
- 1) An applicant's or program participant's status as a victim or survivor of domestic violence, dating violence, sexual assault, or stalking is not a basis for denial of rental assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission.
 - 2) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for terminating the assistance, tenancy, or occupancy rights of a victim or survivor of abuse.
 - 3) Criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights of the victim or survivor of the criminal acts.
 - 4) Assistance may be terminated, or a lease "bifurcated" in order to remove an offending household member from the home. Whether or not the individual is a signatory to the lease and lawful tenant, if he/she engages in physical violence against family members or others, he/she stands to be evicted, removed, or have his/her occupancy rights terminated. This action is taken while allowing the victim or survivor, who is a tenant or a lawful occupant, to remain. Decisions to bifurcate a lease or evict a tenant under VAWA will be made consistent with the requirements of the FCO, including, but not limited to, Sections 4907(f) and (g).
 - 5) The provisions protecting victims or survivors of domestic violence, dating violence, sexual assault, or stalking engaged in by a member of the household, may not be construed to limit Management, when notified, from honoring various court orders issued to either protect the victim or survivor or address the distribution of property in case a family breaks up.
 - 6) The authority to evict or terminate assistance is not limited with respect to a victim or survivor that commits unrelated criminal activity. Furthermore, if Management can show an actual and imminent threat to other tenants or those employed at or providing service to the property if an unlawful tenant's residency is not terminated, then evicting a victim or survivor is an option, VAWA notwithstanding. Ultimately, Management may not subject victims or survivors to more demanding standards than other tenants.

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- 7) VAWA protections shall not supersede any provision of any federal, state, or local law that provides greater protection for victims or survivors of domestic violence, dating violence, sexual assault, or stalking. The laws offering greater protection are applied in instances of domestic violence, dating violence, sexual assault, or stalking.

D. **Confidentiality.** The Notice of Occupancy Rights under VAWA provides notice to the resident/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof. The identity of the victim and all information provided to Management relating to the incident(s) of abuse covered under VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is:

- 1) Requested or consented to by the victim in writing; or
- 2) Required for use in an eviction proceeding or termination of assistance; or
- 3) Otherwise required by applicable law.

Management will retain all documentation relating to an individual's domestic violence, dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

E. **Certification.** Management response to an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign, and submit within 14 business days of the request, the HUD-approved VAWA certification form.

Alternatively, in lieu of the certification form or in addition to it, Management may accept a) a federal, state, tribal, territorial, or local police record or court record or b) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim or survivor has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking or the effects of the abuse. The signatory attests under penalty of perjury (28 U.S.C. § 1746) to his/her belief that the incident in question represents bona fide abuse, and the victim or survivor of domestic violence, dating violence, sexual assault, or stalking has signed or attested to the documentation. Such information may not be sufficient to bifurcate a lease or evict a household member under the FCO and Management will comply with all applicable laws when making decisions to terminate a tenancy or take other action against a household member under VAWA.

The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

F. **Tenants' Rights and Responsibilities.** Tenants and family members of tenants who are victims or survivors of domestic violence, dating violence, sexual assault, or stalking are protected by VAWA from being evicted or from housing assistance being terminated because of the acts of violence against them.

If requested, tenants are required to submit to Management, a completed Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066 (currently, a new Certification form is in use until HUD notification), or other supporting documentation as described in E., above, within 14 business days of Management's request, or any extension of that date provided by the Management. If the certification or other supporting documentation is not provided within the specified timeframe, the landlord may begin eviction proceedings.

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If the tenant has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking from a federal, state, tribal, territorial jurisdiction, local police or court, the tenant may submit written proof of this outreach.

It is possible for someone lawfully occupying the unit, who is also a victim or survivor, to be evicted or removed from the home. If the victim or survivor commits separate criminal activity, a landlord may evict them for engaging in crime. Furthermore, if a victim or survivor poses “an actual and imminent threat to other tenants or those employed at or providing service to the property,” they could be evicted, despite VAWA. Of paramount consideration within VAWA is that the landlord may not hold the victim or survivor to a more demanding standard than other tenants.

Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, Management may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

EXHIBIT E

POLICIES TO COMPLY WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, THE FAIR HOUSING AMENDMENTS ACT OF 1988 AND TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, AGE DISCRIMINATION ACT OF 1975, AND EQUAL ACCESS TO HOUSING IN HUD PROGRAMS:

- A. Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on owners to make their programs as a whole, accessible to persons with disabilities. These obligations include the following:
- 1) Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
 - 2) Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
 - 3) Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
 - 4) Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements (for properties built before June 1988); and
 - 5) Performing a self-evaluation of the owner's program and policies to ensure that they do not discriminate based on disability;
 - 6) Operating their programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities;
 - 7) Allowing a larger apartment to accommodate a Live-In Aide (Aides must pass the same criminal criteria as a new move-in would).
- B. Furthermore, the Section 504 regulations establish affirmative accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units. In order for a unit to be considered accessible, it must meet the requirements of the Uniform Federal Accessibility Standards (UFAS).
- 1) Units designed specifically for individuals with a physical impairment:
 - a) For this development, "physical impairment" is defined as impairment. For all units designed specifically for accessibility, priority will be given to those applicants needing such modifications.
 - b) Priority will be given to households where a member has a mobility impairment and requires the features of the unit.
 - c) If there are not enough such households to fill all specially equipped units, owners may give preference to households with members whose physical or mobility impairment would be eased by the design of the accessible unit.
 - 2) Units designed for individuals with a hearing or vision impairment: For all units designed specifically with hearing and/or vision features, priority will be given to those applicants and households where a member is in need of such modifications.
- C. The Fair Housing Act prohibits discrimination in housing and housing-related transactions based on race, color, religion, sex, national origin, disability, or familial status. It applies to housing, regardless of the presence of federal financial assistance.
- D. Title VI of the Civil Rights Acts of 1964 prohibits discrimination on the basis of race, color or national origin in any program or activity receiving federal financial assistance from HUD.

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- E. Age Discrimination Act of 1975 prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances.
- 1.) Protections Provided Based on Sexual Orientation, Gender Identity or Marital Status: Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation, Gender Identity (including Gender Expression) or Marital Status - The Owner/Agent will comply with the requirements established in the Final Rule which ensures that HUD's core housing programs are open to all eligible persons regardless of sexual orientation, gender identity or marital status in any phase of the occupancy process. No Owner/Agent or administrator of HUD-assisted housing may inquire about the sexual orientation or gender identity of an applicant or occupant for purposes of determining eligibility. HUD further revises generally applicable definitions as follow:
- a) The term "Family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status:
 - (i) A family with or without children (a child who is temporarily away from home because of placement in foster care is considered a member of the family);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) The remaining member of a tenant family.
 - b) The term "gender identity" means actual or perceived gender-related characteristics.
 - c) The term "sexual orientation" means homosexuality, heterosexuality or bisexuality.

Even though HUD does not create an additional protected class under the Fair Housing Act or the Civil Rights Law, housing discrimination based on sex may still be covered by the Fair Housing Act under the Equal Access Rule.

Persons with disabilities have the right to request reasonable accommodations and to participate in the informal hearing process. The 504 Coordinator for Mercy Housing can be reached at, 303-830-3300; TTY - 1-800-877-8973/or 711; Fax - 1-877-245-7121; Email - 504adacoordinator@mercyhousing.org.