

PALM DESERT
REDEVELOPMENT AGENCY

AND

PALM DESERT
HOUSING AUTHORITY

ADMINISTRATIVE PLAN



**ADMINISTRATIVE POLICIES AND
PROCEDURES**

OF THE

**PALM DESERT
HOUSING AUTHORITY**

FOR THE

**MANAGEMENT AND OPERATION
OF ITS AFFORDABLE HOUSING
RENTAL UNITS**

73-510 Fred Waring Drive
Palm Desert, CA 92260
Phone: (760) 346-0611
Fax: (760) 341-6372

www.cityofpalmdesert.org

Version 1.0

TABLE OF CONTENTS

About the Authority	3
1.0 Definitions	4
2.0 About the Plan	6
2.1 Purpose of the Plan	6
2.2 Applicability of Plan	7
2.3 Administrator of the Plan	7
2.4 Fiscal Responsibilities	7
2.5 Equal Opportunity	7
2.6 Properties	7
3.0 Tenant Selection and Waiting List Procedures	7
3.1 Waiting List Interest Registration Form	7
3.2 Establishment of Waiting Lists	7
3.3 Eligibility for Waiting List	7
3.4 Placement on the Waiting List	7
3.5 Notification of Available Unit	8
3.6 Notification by Wait List Eligible Household of Income or Household Changes	8
3.7 Waiting List Maintenance and Notification of Continued Interest	8
3.8 All Units are Affordable	8
3.9 Preferences	8
3.10 Selection from the Wait List Upon Unit Availability	8
3.10.1 Property Income Composition and Income by Unit Allocation	8
3.10.2 Unit Under/Over Utilization	8
3.10.3 Offer and Acceptance of a Restricted Unit	8
3.10.4 Unit Availability and Transfers	9
3.10.4a Emergency Transfer	9
3.10.4b Disabled Person Accommodation	9
3.10.4c Required Transfer	9
3.10.4d Medical Transfer	9
3.10.4e Requested Transfers	9
3.11 Conflicts Prohibited	9
4.0 Applications and Household Qualification	9
4.1 Application	9
4.1.1 Contact Information	9
4.1.2 Income	9
4.1.3 Assets	9
4.1.4 Affordable Requirements	9
4.1.5 Applicant Lease Requirements	9
4.1.6 Identification	9
4.1.7 Consent/Verification Forms	9
4.1.8 Application Fee	9
4.1.9 Other Information	10
4.2 Applicant Lease Requirements	10
4.2.1 Age Requirements	10
4.2.2 Income History/Verification	10
4.2.3 Self-Employment	10
4.2.4 Lease Income Requirement	10
4.2.5 Rental History	10
4.2.6 Credit Requirements	10
4.2.7 Criminal Background	10
4.3 Afford Qualification Requirements	10

4.3.1	Household Income Criteria	10	7.0	Termination of Tenancies and Move-Out Procedures	14
4.3.2	No Ownership in Real Property or Mobilehomes	10	7.1	Termination of Tenancies Other Than by Eviction	14
4.3.3	Certification and Recertification of Eligibility	10	7.1.1	End of Lease Term	14
4.3.4	Proof of Income	10	7.1.2	During a Lease Term	14
4.3.5	Changes in Income	10	7.1.3	Notices to Vacate for Termination of Tenancies Other than by Eviction	14
4.3.6	Primary Residence Requirement	10	7.1.3a	Tenant Notices to Vacate	14
4.3.7	Other Housing Assistance	10	7.1.3b	Management Notices to Vacate	14
4.4	Credit Checks, Background Checks, and Documentation Verifications	10	7.1.4	Move-out Procedures	15
4.4.1	Application Certifications and Verifications	10	7.1.4a	Notice of Option to Request an Initial Inspection	15
4.4.1a	Authorization for Release of Information Form	10	7.1.4b	Scheduling the Initial Move-out Inspection	15
4.4.1b	Application and/or Tenant Income Certification	10	7.1.4c	Opting Out of a Pre-Inspection	15
4.4.1c	Eligibility Requirements	11	7.1.4d	Inspection Exceptions	15
4.4.1d	Applicant/Resident Certification	11	7.1.4e	Inspection Findings	15
4.4.1e	Residence History/ Verification Form	11	7.1.4f	Final Inspection	15
4.4.1f	Verification of Non-Receipt of Child Support	11	7.1.5	Maintenance and Repairs Necessary Due to Impending Move-out	15
4.4.1g	Verification of Alimony/ Family Support	11	7.2	Termination of Tenancy Through to Eviction	15
4.4.1h	Other Certification or Verification	11	7.2.1	Reasons for Eviction	15
4.4.2	Credit Reports/Background Checks	11	7.2.1a	Violations of the Lease	15
4.5	Additional Document Submittal	11	7.2.1b	Non-Payment of Rent	15
4.6	Application Accuracy	11	7.2.1c	Misrepresentation of Eligibility Under the Plan	15
4.7	Application Approval/Denial	11	7.2.2	Eviction Process	15
5.0	Leasing Policies and Procedures	11	7.2.2a	Eviction Notice	15
5.1	Residential Lease and Addendums	11	7.2.2b	Verification of Occupancy	15
5.2	Lease Deposits	12	7.2.2c	Unlawful Detainer	15
5.3	Lease Payment and Late Charges	12	7.3	Refund of Security Deposit	15
5.4	Lease Amendments	12	7.3.1	Notification of Itemized Security Deposit Disposition	15
5.5	Lease Modifications	13	7.3.2	Tenant's Entitlement to Security Deposit	16
5.6	Pre-Occupancy Inspection	13	8.0	Grievance Process	16
5.7	Rental Rates	13	8.1	Grievance Applicability	16
5.7.1	Setting Rental Rates	13	8.2	Grievance	16
5.7.2	Rental Rents Based on Standard Occupancy	13	8.2.1	Informal Grievance	16
5.7.3	Household Rent	13	8.2.2	Informal Hearing	16
5.8	Maintenance and Entry to Restricted Units	13	8.2.3	Unresolved Grievances	16
5.9	Lease Renewals	13	EXHIBITS		
5.10	No Subletting	13	EXHIBIT A		17
5.11	Live-In Aides	13	EXHIBIT B		18
5.12	Pets	13	EXHIBIT C		19
6.0	Recertification Requirements	13	EXHIBIT D		20
6.1	Required Annual Recertification	13	EXHIBIT E		22
6.1.1	Recertification Appointments	13	EXHIBIT F		23
6.1.2	Recertification Documentation	13			
6.1.3	Annual Recertification Confirmation as a Qualified Household	14			
6.2	Circumstantial or Interim Recertification	14			
6.2.1	Changes in Household Size	14			
6.2.2	Change of Household Income	14			
6.3	Temporary Recertification	14			
6.4	Annual Inspections	14			
6.5	False Statements and Willful Omissions	14			
				Receipt and Acknowledgement	

ABOUT THE AUTHORITY

“The mission of the Palm Desert Housing Authority is to serve the citizens of Palm Desert by providing decent, safe, sanitary, and affordable housing to qualifying households whose incomes are very low to moderate including public-private partnerships.”

The Palm Desert Housing Authority (Authority) was established in December of 1997 to operate certain affordable rental properties located in Palm Desert that the Palm Desert Redevelopment Agency (Agency) acquired from the Riverside County Housing Authority (RCHA). Prior to the Agency’s acquisition, the RCHA owned and operated the 725 affordable units for Palm Desert. The Authority now operates over 1,000 affordable rental units that are owned by the Agency. The income levels range from very low (20% of the Area Median Income) to moderate (up to 120% of the Area Median Income) with rents ranging from \$120 to \$990. The City Council members were appointed as commissioners to the Authority Board. The Authority Board created and established a Housing Commission comprised of members of the community to review and advise on matters to come before the Authority Board.

Palm Desert’s commitment to provide affordable housing is evidenced by the blend of for-sale single-family homes, senior, and multi-family rental units that comprise its portfolio. Palm Desert continues to be a leader among the desert communities in the development of affordable housing and utilizes a number of funding sources including tax-exempt bonds, 20 percent tax increment set-aside, housing mitigation funds and net operating income from the Authority Properties.

In addition to the affordable units owned by the Agency, both the City of Palm Desert (City) and the Agency have provided incentives in various forms, such as land donations, down payment assistance, silent deeds of trust, density bonuses, and loans to developers that dedicate units as affordable. Currently there are over 600 units provided by developers or non-profit organizations using one of these incentives.

The Authority also works hand in hand with the City toward sustaining the goals and policies contained in the City’s approved Housing Element:

Goal 1: A variety of housing types that meet all the needs of all income groups within the City.

Goal 2: The preservation and maintenance of the supply of high quality affordable housing in the City.

Palm Desert’s affordable housing programs are successful in part because of the solid foundation of policies, procedures and regulatory provisions that have been established. Our rental properties as well as our for-sale housing programs have guidelines that provide for all residents to be treated fairly under fair housing laws, and equitably based on income and family size. The rental properties, through a coordinated effort with staff, are managed by a contracted professional property

management company in accordance with this Administrative Plan.

The policies, guidelines and standards set forth in this Administrative Plan shall apply to rental properties owned, operated or controlled by the Authority and the Agency, and are intended to encourage, maintain and preserve the supply of affordable housing in the City, the condition of affordable housing in the City, and the level of compatibility within the community that is expected by the City Council, Agency Board and the Authority Board.

NOTICE: *This Plan is intended to establish policies where the Authority/Agency has discretion under the applicable law. This Plan does not purport to change any of the requirements of Federal or State Law. In the event any discrepancy between this Plan and applicable law, the law will prevail.*

Section 1 DEFINITIONS

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise. Code Sections or statutes that are referenced herein may be amended from time to time and shall be subject to the then current law unless stated otherwise.

Adjusted for Family Size: Shall mean a standardized household size for the purposes of renting units appropriate for family size pursuant to Health and Safety Code Section 50052.5, which is one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

Affordable Housing Cost: Shall mean a housing cost, as defined by Title 25 CCR Section 6920, which is calculated pursuant to California Health and Safety Code Section 50052.5, as such regulations may be amended from time to time.

Agency: Shall mean the Palm Desert Redevelopment Agency.

AMI: Shall mean the Area Median Income for Riverside-San Bernardino Metropolitan Statistical Area (SMSA), as determined and published annually by the United States Department of Housing and Urban Development (“HUD”), pursuant to California Health and Safety Code Section 50093, and the regulations promulgated thereunder, or if such agency shall cease to publish such an index, then any comparable index published by any other federal or state agency which is approved by the Agency. The AMI shall be adjusted for family size in accordance with state regulations adopted pursuant to California Health and Safety Code Section 50052.5, as amended from time to time.

Applicant: Shall mean a person or household that desires to apply for tenancy at an Agency/Authority Property. See also: Interested Household, Wait List Eligible Household, and Qualified Household.

Assets: See Household Assets.

Authority: Shall mean the Palm Desert Housing Authority.

Authority Board: Shall mean the five members who serve on the Palm Desert City Council, which is the governing body for the Authority.

Caretaker: See Live-in Aide.

CCR: Shall mean the California Code of Regulations.

Child: See Minor.

Child Care Expenses: Shall mean a reasonable amount paid by the household for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed.

City: Shall mean the City of Palm Desert.

City Manager: Shall mean the City Manager for the City of Palm Desert.

County: Shall mean the County of Riverside, California.

Disability: Shall mean a physical or mental impairment that substantially limits one or more of the major life activities; a record of such impairment; or being regarded as having such an impairment, as such terms are defined by, and interpreted in accordance with, the Americans with Disabilities Act.

Disability Program Participant: Shall mean a household member who has been determined by the Commissioner of Social Security to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months or as more particularly defined under Section 223 of the Social Security Act.

Elderly Household: Shall mean a Household that consists of one or two persons, one of which is over the age of 55, or otherwise is qualified in accordance with California Civil Code Section 51.11.

Exceptional Medical or Other Expenses: Shall mean medical expenses, and/or unusual expenses, as defined in this section, which exceed twenty-five percent (25%) of the gross annual income.

Executive Director: Shall mean the Executive Director of the Palm Desert Redevelopment Agency and the Palm Desert Housing Authority.

Family: Shall also mean ‘Household’ within the Plan unless otherwise stated. See also Household.

Grievance: A tenant’s or applicant’s right to seek review of a decision from an impartial panel concerning management’s action or failure to act in accordance with the individual tenant’s lease or the Authority’s policy and procedures herein described that adversely affect the individual’s rights, duties, welfare, or status.

HCD: Shall mean the Department of Housing and Community Development for the State of California.

HOME Funds: Shall mean monies allocated under a block grant funding program made available through HUD through allocations and reallocations, to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing with target emphasis on very low-income and low-income families in accordance with the HOME Investment Partnerships Program Final Rule - 24 CFR Part 92.

Household: Shall mean one or more persons intending to occupy or occupying the same restricted unit, as more particularly described in the Authority’s Resolution No. 22. Household shall also mean ‘Family’ within the Plan unless otherwise stated.

Household Assets: Shall mean those assets defined under Title 25 CCR Section 6914 includable as monthly income as prescribed therein.

HUD: Shall mean the U.S. Department of Housing and Urban Development.

Income: Shall mean income that a person or household has received or is expected to receive as more particularly categorized and described below:

Annual Income: The anticipated total annual income of a household from all sources for the 12-month period following the date of determination of income, computed in accordance with Title 25.

Household Income: Shall mean the total of all income received by a household which is included under Title 25 CCR Section 6914 less deductions and exemptions specified therein.

Gross Income: Shall have the meaning ascribed to such term in Title 25 CCR Section 6914, as such regulations may be amended from time to time.

Maximum Household Income: Shall mean the household income calculated based on family size that may be equal to but does not exceed 120 percent of AMI. Household incomes exceeding 120 percent will not be eligible for the Agency's or Authority's programs.

Net Income: For the purpose of determining affordable housing cost or affordable rent, "net income" shall be computed as follows: the annual gross income less \$300 for each minor and medical expenses which exceed 3 percent of the annual gross income and unusual expenses, all divided by 12.

For the purposes of this Plan, "Income" shall not include the income of Live-In Aides.

Income by Unit Allocation: Shall mean the allocation provided by the Authority to the property manager for the purposes of blending the qualified household and tenant incomes among the properties.

Income Category: Shall mean the average income percentages within each income level. In the case of Very Low Income shall include household incomes from 20 percent up to 50 percent in the following categories: 20, 25, 30, 35, 40, 45 up to 50 percent; in the case of Low Income shall include household incomes from 51 percent up to 80 percent in the following categories: 55, 60, 65, 70, 75, 80; and in the case of Moderate Income shall include household incomes from 81 percent up to 120 percent as one category.

Income Level: Shall mean a household determined by income to be either very low, low or moderate income pursuant to the definitions prescribed herein.

Interested Households: Shall mean a person or household that desires to apply for tenancy at a Property that contains restricted units. See also: Applicant.

Jurisdiction: Shall mean the legal jurisdiction of the Authority, which is the city limits of Palm Desert.

Live-in Aide: Shall mean a person who resides with one or more elderly persons or persons with disabilities, who is not a relative or spouse of any person in the household, and has been determined by the Authority that the supportive services to be provided are essential to the care and well-being of such elderly person or person with disabilities.

Low Income Household: Shall mean persons and families meeting the income qualification limits set forth in California Health and Safety Code Section 50079.5 and Title 25 of the California Code of Regulations Section 6910, et seq., as the case or context may require, as such statutes and regulations may be amended from time to time.

Manager: Shall mean the contracted property management company for the Authority.

Medical Expenses: Shall mean those medical expenses not included as extraordinary or unusual expenses, which are to be anticipated during the 12-month period for which the gross income is computed, and which are not covered by insurance (however, premiums for such insurance may be included as medical expenses). Medical expenses defined herein shall be deducted for qualified disabled persons and elderly households only.

Minor: Shall mean a member of the household other than the head of household or spouse, who is under 18 years of age.

Moderate Income Household: Shall mean persons and families meeting the income qualification limits set forth in California Health and Safety Code Section 50093 and Title 25 of the California Code of Regulations Section 6910, et seq., as the case or context may require, as such statutes and regulations may be amended from time to time.

Notice of Denial: Shall mean the notice provided to the household when it is ineligible, not qualified or is no longer qualified.

Plan: Shall mean this Administrative Plan (also referred to as The Plan).

Public Housing Agency: Shall mean any State, County, municipal or other government entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of housing for very low, low, or moderate income households.

Qualified Household: A person or household whose total household income does not exceed the limits established by the Plan and who have provided documentation as required herein to demonstrate he, she or it is qualified to occupy a restricted unit.

RCHA: Shall mean Riverside County Housing Authority.

Property: Shall mean a multi-family or senior residential apartment complex, or any part thereof, that is owned, operated or controlled by the Agency or Authority, including but not limited to those properties listed in Exhibit A.

Property Manager: The manager assigned by the Manager for day-to-day operations for a specific affordable residential property.

Rent: Shall mean the amount charged as a fee for occupancy for a particular restricted unit pursuant to Resolution HA-32 and categorized below:

Affordable Rent: Shall mean rent calculated in accordance with Health and Safety Code Section 50053 for a very low, low or moderate-income household. Affordable rent shall include a reasonable allowance for utilities.

Maximum Rent: Shall mean the maximum rental rate set for a particular type of unit at a specific Property, without regard to utility allowance, based on a bi-annual market survey. Such rate shall be adjusted in the non-surveyed year by the AMI percentage change as more particularly described in Resolution No. 32 adopted August 24, 2006 or any amendments thereto.

Tenant Rent: Tenant Rent is the total monthly tenant payment to the Authority as determined by certification, recertification, or outside assistance. Tenant Rent may or may not be the total paid as Unit Rent for a particular unit.

Unit Rent: Shall mean the total rent charged for a particular Agency or Authority owned, operated or controlled unit, including those amounts accepted from a third party for the purposes of rental assistance or housing expense.

Rent Burdened: Shall mean a household that is paying more than 30 percent of household income for rent and utilities.

Restricted Units: Shall mean an affordable housing unit that is owned, operated or controlled by the Agency or Authority.

Senior: Shall mean a person who is at least 55 years of age or older.

Tenant: Shall mean a person or household that has signed a residential lease to occupy or is currently occupying a restricted unit.

Title 25: Shall mean Title 25 of the California Code of Regulations Section 6910, et seq., as it pertains to income and household size for households whose income is very low, low or moderate, as may be amended from time to time.

Unusual expenses: Shall mean amounts paid by the household for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care is necessary to enable a family member to be gainfully employed, and the amount allowable as unusual expenses shall not exceed the amount of income from such employment.

Utilities: Shall include electricity, gas, other heating (hot water heat), refrigeration and cooking fuels not paid by the Agency or Authority. Utilities may include water, trash and

sewer if not paid by the Agency or Authority. Telephone, Cable, Digital Services and Internet Connection costs are not included as utilities.

Utility Allowance: The amount equal to the estimate established by the RCHA under Part 965 of the Code of Federal Regulations of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household consistent with the requirements of a safe, sanitary, and healthful living environment applicable for each unit type and equipment. See Exhibit C.

Veteran: A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released there from under conditions other than dishonorable.

Very Low Income Household: Shall mean persons and families meeting the income qualification limits set forth in California Health and Safety Code Section 50105 and Title 25 of the California Code of Regulations Section 6910, et seq., as the case or context may require, as such statutes and regulations may be amended from time to time; provided, however, that such income is at least 20 percent of AMI.

Wait List Eligible Households: Shall mean persons and families who have provided the documentation and/or information required demonstrating that they meet the minimum eligibility requirements to be placed on a waiting list. (See Section 3.3)

END OF SECTION 1

Section 2 ABOUT THE PLAN

Section 2.1 PURPOSE OF THE PLAN. The purpose of the Administrative Plan (the Plan) is to establish program guidelines, policies and procedures as they pertain to Agency/Authority owned, operated or controlled properties. This plan serves as the management plan for the rental, improvement, preservation, maintenance and affordability of Agency/Authority restricted units.

Section 2.2 APPLICABILITY OF THE PLAN. The Plan shall apply to all members of interested households, wait list eligible households, qualified households, applicants and tenants applying for or residing in properties identified in Exhibit "A" and any others that may be controlled by the Agency or Authority from time to time. Unless otherwise specified in the Federal or State funding guidelines, the processes outlined herein shall also apply to the tenants occupying an Authority unit who receive Federal or State funding either directly or indirectly. Federal and State laws shall prevail in the event the policies and processes set forth herein are inconsistent with any existing or enacted applicable law.

Section 2.3 ADMINISTRATOR OF THE PLAN. The administrator of the Plan shall be the Palm Desert Housing Authority regardless of funding source or ownership of the restricted units. The Executive Director of the Authority shall have the authority to implement and administer the Plan in accordance with the terms herein. In matters where the Authority has discretion, waivers of existing policy shall be determined by the Executive Director or his or her designee. It is understood that references to either the Agency or the Authority in the Plan shall mean both entities unless clearly stated otherwise.

Section 2.4 FISCAL RESPONSIBILITIES. Before the beginning of each fiscal year or as soon as possible after an acquisition of property, the Authority Board will adopt the property budget. The budget will include a projection of revenue and all expenditures including professional property management fees prior to being expended. A written request to the Finance Director of the City will be required to 'carry over' and unused capital and replacement expense budget amounts from a prior year. The Authority will follow procurement procedures in accordance with applicable law.

Section 2.5 EQUAL OPPORTUNITY. It is the policy of the Agency, the Authority and its agents to comply fully with all federal, state, and local anti-discrimination laws, including but not limited to Title VI of the Civil Rights Act of 1964; Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974); Executive Order 11063 as strengthened by Congress in 1992; the Fair Housing Act of 1968, as amended; the Age Discrimination Act of 1975; the Americans with Disabilities Act (ADA) of 1990; and the U.S. Department of Housing and Urban Development regulations governing fair housing and equal opportunity; and any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted.

It is the Authority's policy to post required notices in conspicuous, public locations throughout the property as required by such notice.

It is the Authority's policy to ensure meaningful access to limited English proficient (LEP) persons. The Authority may translate certain documents related to the Plan as well as those required by law to assist persons with LEP. Notwithstanding this provision, the English version of all documents signed by the tenant will govern. Reasonable, necessary steps will be established by the Manager in order to make certain that no eligible person has their assistance denied, decreased or terminated simply because they face challenges communicating in English.

Section 2.6 PROPERTIES. Properties include those properties currently operated by the Authority, listed in Exhibit "A" as well as any property or development that comes under the direction, control or is acquired by the Agency or Authority. Each of the properties has its own design, decor, personality and sense of community. Each of the properties may from time to time have resident programs or outside services including coin operated laundry facilities, health screenings, low cost immunizations, or licensed childcare facilities. Services vary by location and are provided by an outside service provider qualified to offer such services and are not

contracted for by the Authority or the Manager. Information on these outside services may be obtained from the Manager. Those properties designated as senior serve only elderly households. All other properties operated by the Authority are to be open and made available to all qualified households.

END OF SECTION 2

Section 3 TENANT SELECTION AND WAITING LIST PROCEDURES

The Authority has found that demands for its affordable rental housing exceed supply. In order to identify households that have interest in restricted units, waiting lists will be established for each property as herein described. Wait List Eligible Households will be assigned a position on the waiting list by income category and household size.

Section 3.1 WAITING LIST INTEREST REGISTRATION FORM. All **Interested Households** must complete an interest registration form referred to as a "Guest Card." The purpose of the form is to allow the Authority to determine placement on the waiting list based on the information provided by the Interested Household. Interest registration forms will be accepted by phone, by mail, by physical delivery to the individual property management office.

Section 3.2 ESTABLISHMENT OF WAITING LISTS. Waiting lists will be maintained for each property for each Income Category at or below 120% of the County median. Waiting lists for transfers will also be maintained for each property in accordance with this Section 3.

Section 3.3 ELIGIBILITY FOR WAITING LIST. In order for an Interested Household to become a **Wait List Eligible Household** and be placed on the waiting list, the Interested Household must meet income eligibility requirements based on the AMI for Riverside County. The Interested Household will also be required to meet additional permissible criteria established by the Authority pursuant to Title 25 that include but are not limited to the following:

Section 3.3.1 Must provide income and assets for all household members over the age of 18 (except for Live-In Aides), which in aggregate does not exceed Maximum Household Income.

Section 3.3.2 Must provide names and ages of all household members.

Section 3.3.3 Must disclose any allowable preferences at time of interest.

Section 3.3.4 Current address and contact information.

Section 3.4 PLACEMENT ON THE WAITING LIST. All Wait List Eligible Households will be placed on the appropriate affordable waiting list according to allowable

preferences, current income, and in the date/time order in which applications are received. Wait List Eligible Households must update the information provided to the manager as necessary during the wait list period in order to remain a Wait List Eligible Household.

Section 3.5 NOTIFICATION OF AVAILABLE UNIT.

Once the Manager identifies a restricted unit that will become available, Wait List Eligible Households will be notified by U.S. mail and upon request, telephone and will be given 10 days from the date of mailing of notice to respond to the Manager. Wait List Eligible Households will be notified by telephone (as a courtesy) if only a telephone number is provided. Failure of the Wait List Eligible Household to respond within the above time frame above will result in removal from the waiting list. In accordance with this Section, it is the Wait List Eligible Household's responsibility to keep the waiting list information current at all times. In the event contact is not possible due to insufficient or out of date information on file, the Wait List Eligible Household will no longer be deemed 'eligible' and will be removed from the waiting list without further notice.

Section 3.6 NOTIFICATION BY WAIT LIST ELIGIBLE HOUSEHOLD OF INCOME OR HOUSEHOLD CHANGES.

During the wait list period, any changes to the information provided by the Wait List Eligible Household must be provided to the property manager of the individual property to ensure its placement on the waiting list under the correct income category. At the time the updated information is provided, if the revised household income changes the income category for the Wait List Eligible Household but remains under 120% of the AMI, the household will remain 'eligible' but will be placed at the 'bottom' of the new income category list and notified of the change.

Section 3.7 WAITING LIST MAINTENANCE AND NOTIFICATION OF CONTINUED INTEREST.

Applicants on the waiting list shall confirm every two years that all information is current and timely. The Wait List Eligible Household must notify the individual property management office within 10 calendar days (but not more than 60 calendar days) prior to the two-year anniversary of placement on the list, that the household wishes to remain on the list (continued interest). Failure to notify the property management office within the time frame will result in removal from the waiting list. The Wait List Eligible Households will not be removed from waiting list unless: the household has been on the waiting list for two years and has not declared its continued interest in the program; the household fails to respond to a written request for information; the household fails to keep the information current making contact by the property management office not possible; the household misses a scheduled appointment without prior notification to reschedule; the household requests in writing that the household's name be removed; the household's income or family size has exceeded the limits of the program; or any information or documentation that deems a Wait List Eligible Household to be ineligible (includes the lack of documentation proving eligibility).

Section 3.8 ALL UNITS ARE AFFORDABLE. No units owned or operated by the Agency or Authority will be intentionally rented to families above moderate income as

defined herein. In the event units are no longer required to be affordable, then the units that are identified as above moderate income, will be rented on a first come, first served basis regardless of income and family size, at the maximum rent as established by the Authority Resolution No. HA 32. Policies of the Plan apply to all tenants regardless of income or family size.

Section 3.9 PREFERENCES. Each Wait List Eligible Household will be placed on the applicable affordable waiting list according to allowable preferences. Such preferences must be disclosed at such time as the Interested Household has completed the interest registration form or upon eligibility for said preference, whichever occurs first.

Section 3.10 SELECTION FROM THE WAIT LIST UPON UNIT AVAILABILITY.

Notwithstanding Section 3.10.4 herein, when a vacancy occurs, a Wait List Eligible Household will be selected to apply as an **Applicant** for tenancy in the following manner: first from the appropriate income waiting list that satisfies the property's Income by Unit Allocation, then by household size appropriate for the unit in accordance with Authority Resolution HA-22.

The household income of an Applicant at the time a restricted unit becomes available will be used to determine the appropriate income category for the Applicant. If at the time a restricted unit becomes available, the Applicant's income is different than the waiting list income category they are selected from, they will be returned to a 'Wait List Eligible Household' status and placed on the appropriate income category waiting list in accordance with the waiting list procedures. The household will be placed at the 'bottom' of the new income category list and notified of the change.

If there are no Wait List Eligible Households in the appropriate income category, the next Wait List Eligible Household will be selected from the next lower income category.

Upon being selected to apply for tenancy the Applicant will then be required to complete the application process to determine whether they are a **Qualified Household** under the Plan as more particularly described in Section 4 and 5.

Section 3.10.1 Property Income Composition and Income by Unit Allocation.

From time to time the Authority may modify the tenant income composition of the property so as to not concentrate a higher percentage of one income level at one property. The Authority will select tenants by income in a manner to ensure decent, safe and sanitary housing and create a suitable living environment that fosters economic and social diversity in the tenant body as a whole by preparing an allocation for this purpose (Income by Unit Allocation).

Section 3.10.2 Unit under/over utilization.

To avoid overcrowding and prevent underutilization of restricted units, households will be selected in accordance with Agency Resolution No. 484, Authority Resolution No. HA-22, the "Policy on Occupancy Standards."

Section 3.10.3 Offer and Acceptance of a Restricted Unit.

Once an Applicant is deemed a Qualified

Household, the household will be offered an available restricted unit appropriate for the household composition. The Qualified Household has an option to accept or decline the restricted unit, one time, without any effect on its position on the waiting list. A Qualified Household that declines more than one restricted unit will be removed from the waiting list, except to the extent the Qualified Household declines due to a disability or other reasons protected by law.

The Authority will take into consideration the needs of the individual household's based on family composition and Fair Housing guidelines when identifying restricted units that become available to the selected household.

Upon acceptance of the restricted unit, the Qualified Household will be notified, by telephone and/or in writing of the anticipated date the restricted unit will be available for occupancy.

Section 3.10.4 Unit Availability and Transfers. The type of unit that becomes available will determine whether the next Wait List Eligible Household is selected or other special accommodation is made including an existing tenant transfer. Emergency Transfers will have first priority. Disabled Person Accommodations, Required transfers and Medical transfers will have priority in that respective order. Requested transfers will be added to the bottom of the appropriate waiting list unless the request is being considered both by management and the tenant for purposes of mutual benefit to the parties.

3.10.4.a. Emergency Transfer:

A transfer of an existing tenant that is necessary due to an emergency condition. Emergency conditions are generally life safety issues that require immediate vacation of the restricted unit.

3.10.4.b. Disabled Person

Accommodation: A reasonable accommodation made in accordance with the Americans with Disabilities Act, Section 503 of the Rehabilitation Act of 1973, the Fair Housing Act or applicable state disability law.

3.10.4.c. Required Transfer:

A transfer that is necessary when a tenant's unit is no longer suitable in accordance with the Authority 's occupancy standards.

3.10.4.d. Medical Transfer:

A transfers that is necessary when a tenant provides a verifiable medical reason for such transfer.

3.10.4.e. Requested Transfers:

A transfer that is requested by an existing tenant for reasons of benefit to the tenant alone other than the reasons in Sections 3.10.4 a. through d. above.

Section 3.11 Conflicts Prohibited. No person who is employed by the Authority, the Agency or the City and who exercises functions or responsibilities with respect to the Properties or programs governed by this Plan, or any person with business or family relationships with such a person, may, during the period of employment and for one

year thereafter, apply for or occupy a restricted unit in the Properties or obtain any other benefit under the programs governed by this Plan.

END OF SECTION 3

Section 4 APPLICATIONS AND HOUSEHOLD QUALIFICATION

Once a Wait List Eligible Household is selected as an Applicant in accordance with Section 3, the Applicant must submit a completed application in the form acceptable to the Manager that includes the requirements, documentation, verifications, authorizations and certifications required by this Section.

Section 4.1 APPLICATION. The completed application will require that the Applicant provide the following:

Section 4.1.1 Contact Information. Current address and contact information for the Applicant.

Section 4.1.2 Income. Income information for all household members over the age of 18 (except for Live-In Aides), which includes but is not limited to tax returns, pay stubs, bank statements, unemployment earnings statements, and disability or social security earnings statements.

Section 4.1.3 Assets. Asset information for all household members over the age of 18 (except for Live-In Aides) which includes but is not limited to any interest in real property other than a primary residence, savings accounts, stocks, bonds, and other forms of capital investments.

Section 4.1.4 Affordable Requirements. Must provide necessary documentation to verify affordable criteria has been met by all household members in accordance with Section 4.3.

Section 4.1.5 Applicant Lease Requirements. Must provide necessary documentation to verify applicant lease requirements have been met by all household members in accordance with Section 4.2.

Section 4.1.6 Identification. All members of the household must provide proof of identification, birth documents for each family member, a current driver's license, or equivalent, for copying.

Section 4.1.7 Consent/Verification Forms. Authorization and/or signed consent forms to verify or obtain income, assets, tenant history, background checks (including criminal) and credit reports for all household members over the age of 18. All household members who authorize release of information or background checks have the right to privacy in accordance with federal law.

Section 4.1.8 Application Fee. One \$30.00 non-refundable application fee is required for each Applicant except as provided in that certain Stipulation for Entry of

Judgment, Riverside County Superior Court Case No. INDIO 51124.

Section 4.1.9 Other Information. Any other information deemed necessary by the Authority to determine eligibility.

Section 4.2 APPLICANT LEASE REQUIREMENTS. The following lease requirements will apply to all members of Interested Households, Wait List Eligible Households, and Applicants:

Section 4.2.1 Age Requirements. Lease holder(s) must be 18 years or older. All occupants 18 years or older (except for Live-In Aides) must sign the lease for the restricted unit and comply with all requirements of the Plan.

Section 4.2.2 Income History/Verification. Except for retired persons, Disability Program Participants or other persons receiving similar governmental assistance or lease holder(s) must be employed by current employer for at least one full year or have been employed with prior employer for a minimum of one full year and must provide one month of pay stubs for income verification.

Section 4.2.3 Self-Employment. Lease holder(s) that are self-employed must provide copy of previous year's personal tax returns and copies of personal bank statements for the three months prior to date of the lease.

Section 4.2.4 Lease Income Requirement. Notwithstanding income requirements in Section 4.3.1 income must be at least 2 ½ times the rental rate for the restricted unit in order to be considered for occupancy.

Section 4.2.5 Rental History. Must provide 1 to 3 years of verifiable rental history from a property management company, real estate company or mortgage company. Private owner history will be accepted only if proof of payment can be furnished, i.e. canceled checks.

Section 4.2.6 Credit Requirements. Credit should be in good standing, with no outstanding judgments. Bankruptcies must be re-established for two years with strong employment and rental history. Bankruptcy must not include foreclosure on a home or amounts due from prior apartment rental.

Section 4.2.7 Criminal Background. A state and nationwide criminal background check will be conducted for every household member over 18, to ensure that applicants meet minimum criteria in accordance with Exhibit B. The Authority has a zero tolerance policy for drug-related activity and violent criminal activity. Any conviction for criminal, violent behavior or drug activity is grounds for denial. Applications will also be denied for any activity that could prove to be detrimental to the health and safety or right to peaceful enjoyment of the other tenants.

Section 4.3 AFFORDABLE QUALIFICATION REQUIREMENTS. All households must meet the affordable qualification requirements listed in this section as well as those requirements listed under the Applicant Lease Requirements section of this Plan in order to become a Qualified Household under this Plan.

Section 4.3.1 Household Income Criteria.

Households applying for tenancy in a restricted unit must have a household income (not including that of Live-in Aides) of not less than twenty percent (20%) of the AMI and not more than one hundred twenty percent (120%) of the AMI. Household incomes will be categorized as very low, low, or moderate pursuant to the definitions applied herein.

Section 4.3.2 No Ownership in Real Property or Mobilehomes. No intended occupant of the restricted unit may have owned real property that includes a habitable dwelling unit within the last two years. The only allowable exception is where the applicant has filed court documents for dissolution of marriage or legal separation. Proof of the courts disposition as to the habitable dwelling unit will be required upon receipt by applicant. Proceeds from the sale of real property will be considered as part of the household's income pursuant to Title 25.

Section 4.3.3 Certification And Recertification Of Eligibility. Applicants and/or Tenants must agree to provide the documentation prior to lease signing and again prior to lease renewal to certify that the tenant household is eligible within these guidelines.

Section 4.3.4 Proof Of Income. Proof of income is required of all occupants over the age of 18 (except for Live-In Aides).

Section 4.3.5 Changes In Income. Applicants and existing tenants must agree to notify management of any changes in income of more than 25% of certified income.

Section 4.3.6 Primary Residence Requirement. Applicant must agree that the restricted unit will be the primary and sole residence of all occupants listed on the lease agreement.

Section 4.3.7 Other Housing Assistance. Any intended occupants or households receiving other housing assistance must disclose the source and amount at time of application or immediately upon receipt of such assistance whichever occurs first. Tenant rent will be adjusted accordingly. Households covered by this section will follow the same policies and procedures to be placed on the wait list of affordable housing. Households covered by this section will be qualified based on the affordable criteria of the assistance provider but will be subject to the remainder of the Plan including Sections 5 and 6.

Section 4.4 CREDIT CHECKS, BACKGROUND CHECKS, AND DOCUMENTATION VERIFICATIONS. Subject to the requirements of this Section, all household members over the age of 18 will be required to sign the documents below in order for the Manager to complete a review of the requirements of this Section.

Section 4.4.1 Applicant Certifications and Verifications:

4.4.1.a. Authorization for Release of Information Form;

4.4.1.b. Application and/or Tenant Income Certification;

4.4.1.c. Certification that all prospective household members over the age of 18 have read and understand the eligibility requirements in this Plan;

4.4.1.d. Certification that all information is true and complete, that all changes in income and/or household composition will be reported, that all relevant prior housing assistance has been reported, and that the restricted unit will not be a duplicate residence, and acknowledging the potential for criminal and administration actions for false information;

4.4.1.e. Release of information at current or prior addresses for rental verification(s);

4.4.1.f Certification that no child support income is received or, for those who have an open case with Riverside County Child Support Services, certifying that all income from Child Support has been disclosed;

4.4.1.g. Verification that all Alimony/Family Support has been disclosed, when applicable; and

4.4.1.h And any other certification or verification form deemed necessary by the Manager to satisfy a requirement of this Plan.

Section 4.4.2 Credit reports and background checks will be obtained for every family member aged 18 years or older in accordance with Exhibit B. Information provided in such reports will be used in determining eligibility for a restricted unit and any one or more of the following findings for any of the intended occupants will result in the denial of the rental application or continued tenancy:

4.4.2.a Amounts owed to any Public Housing Authority, Federal, State or Local housing assistance program.

4.4.2.b Fraud in connection with any Public Housing Authority, Federal, State, or Local housing assistance program.

4.4.2.c An eviction from any Agency property, Authority property, Public Housing Authority, a housing unit deemed 'affordable' in the City, or property by which the Agency, Authority or Public Housing Authority has or had control at the time of tenancy.

4.4.2.d An eviction from any rental housing.

4.4.2.e Any conviction for activity that would be a violation of the crime-free, drug-free housing policy of the Manager.

4.4.2.f A person who is subject to a lifetime registration requirement under a Federal, State or County sex offenders' registration program. Due to the location of restricted units near schools and playgrounds, a person subject to a registration requirement for a stated period of time will be denied during such registration period.

4.4.2.g Falsification of identification (includes but is not limited to: birth certificates, government issued identification or documents, identification cards or licenses, social security numbers or cards).

4.4.2.h Falsification or concealment of income, assets or documentation for the purpose of obtaining assistance.

4.4.2.i False statements or willful omissions made at any time during eligibility, qualification, the application process, or subsequent leasing and tenancy for the purpose of obtaining assistance.

Section 4.5 ADDITIONAL DOCUMENT SUBMITTAL. Once the application has been submitted, any additional documents required by the Manager, must be submitted within ten (10) days or ten (10) days from the date the additional documents were requested whichever is later. If the Eligible Household is unable to obtain documents within specified time frame, an extension of ten (10) days may be requested. Failure of the household to provide, obtain or authorize necessary documentation or background checks will be cause for the application to be denied. After a denial pursuant to this section, the household would be required to contact the property manager and request that it be added to the bottom of the appropriate waiting list as an Interested Household.

Section 4.6 APPLICATION ACCURACY. All information in the completed application is required to be as accurate as possible to prevent any discrepancies and/or cause a denial of application. This includes any requirements in this Section or the Plan.

Section 4.7 APPLICATION APPROVAL/DENIAL. Upon receipt of a completed application, the Manager will process the application including verifications of income(s), assets, tenant histories, background checks and credit reports. Upon satisfactory review of all documentation required by this Section, the Applicant will be notified via mail of approval for tenancy. If the application is approved, the household shall be deemed a Qualified Household. If the application is denied, the applicant shall receive written notice of ineligibility including the reasons for the denial, and shall have the right to appeal through the Grievance process in accordance with Section 8.

END OF SECTION 4

Section 5 LEASING POLICIES AND PROCEDURES

The Authority operates the restricted units with leasing standards that will ensure the continued success of our affordable programs as well as comply with fair housing laws. The Authority and its representatives, including management company personnel, will not discriminate against any person on the basis of race, creed, color, sex, religion, national origin, familial status, sexual orientation, political beliefs, disability or handicap. Prior to admission into a unit, all adult household members that will be residing in the unit must sign a lease.

Section 5.1 RESIDENTIAL LEASE AND ADDENDUMS. Once an Applicant becomes a Qualified

Household, a residential lease will be signed by the household members required under Section 4. The residential lease may include addendums that satisfy the requirements of this Section and will be considered a part of the residential lease. No tenant will occupy a unit without an executed residential lease. Only at such time as the lease is fully executed will it become enforceable.

The residential lease will include the following information:

Section 5.1.1 Effective Dates or Term of the Lease.

Section 5.1.2 Parties to the Lease: all occupants listed and designated as adults or minors.

Section 5.1.3 The unit location or apartment number.

Section 5.1.4 The maximum occupancy

Section 5.1.5 The terms including but not limited to: the rental rate and date due, late charges, returned check charges, methods of payments, location where rental payments are accepted, prorations, deposit requirements and allowable uses, cable cost, gate access, utility payment requirements or adjustments, assigned parking space designations and any rent incentives in effect.

Section 5.1.6 The policies of the property as updated from time to time, also known as the House Rules and Regulations, will include but not be limited to:

- Noise
- Personal property responsibility
- Waterbeds
- Liabilities
- Housekeeping
- Crime/drug free housing
- Plumbing
- Use of patio/balconies
- Damage
- Appliance agreements
- Vehicles and vehicle parking
- Satellite dish and/or antennas
- Security
- Pet or Companion Animal Policy
- Lockout policy
- Guest and Visitor occupancies
- Absences from the restricted unit in excess of three (3) weeks including vacations, military duty, medical conditions or to care for a family member not residing at the unit due to serious illness
- Unit inspections
- Amenity Area guidelines
- Apartment condition, alterations, and damages
- Subletting, Assigning, Subleasing

Tenants and all members of the household over the age of 18 will be required to acknowledge receipt of such Rules.

The Manager will notify tenants of any violations of property rules, regulations and all other violations of tenant leases in writing, and where applicable noticed in accordance with applicable law covering such a violation.

Section 5.1.7 The policies and regulations regarding notices for vacating.

Section 5.1.8 The policies with regard to condemnation.

Section 5.1.9 The policies regarding attorney's fees and costs.

Section 5.1.10 Notice of applicable laws, i.e., Megan's law, Lead-Based Paint, Mold, etc.

Section 5.1.11 Policies imposed as a part of participating in the Authority's affordable housing program, if applicable (i.e., annual recertification requirements).

Section 5.1.12 Policies on Maintenance and entry to restricted units, smoke detector/alarm responsibilities, and definitions of normal wear and tear.

Section 5.1.13 Policies on Standard Maintenance and Emergency Repairs.

Section 5.1.14 Policies on Insurance for Renters and Personal Property.

Section 5.1.15 Signatures of Tenant (and all members required to sign) and Owner or Owner's Agent.

Section 5.2 LEASE DEPOSITS. Balance of deposit, move-in prorates and the first full month of rent must be in the form of a money order or cashier's check.

Section 5.3 LEASE PAYMENTS AND LATE CHARGES. All payments for rent and late charges will be paid at a location slated in the Residential Lease.

Section 5.3.1 Rent is due on the 1st of each month.

Section 5.3.2 Rent is late after the close of business on the 5th at 5:00 p.m. PST unless otherwise provided in the lease agreement.

Section 5.3.3 Late fees will be imposed at 5:01 p.m. PST on the 5th of each month.

Section 5.3.4 All payments of rent, late charges, attorneys fees, cable or any other payments made to management offices are to be made by personal check*, money order, or cashier's checks directly to the management office. NO CASH PAYMENTS FOR RENT WILL BE ACCEPTED except for a Three (3) Day Pay or Quit payment.

Section 5.3.5 Payments will be accepted at the location stated in the residential lease, unless notified in writing by the Manager of an alternate acceptable location ten (10) days prior to rent due date.

**Personal checks will be accepted so long as there have been no checks returned for non-sufficient funds in the previous 12 months.*

Section 5.4 LEASE AMENDMENTS. All amendments to leases must be in writing and signed by both parties.

Oral agreements or modifications will not be enforceable and shall be void unless written and signed by both parties at the time of agreement.

Section 5.5 LEASE MODIFICATIONS. Lease modifications will be made to the residential lease form as necessary to accommodate any changes of the affordable program, clarification to policies or applicable laws.

Section 5.6 PRE-OCCUPANCY INSPECTION. An authorized representative of the Manager and an adult member of the household will inspect premises prior to commencement of occupancy. A move-in inspection form indicating conditions of premises will be made, signed, and filed in applicant file.

Section 5.7 RENTAL RATES

Section 5.7.1 Setting Rental Rates. Rents will be established annually as set forth in Resolution No. HA-32 adopted August 24, 2006, "Procedure for Setting Rental Rates".

Section 5.7.2 Rental Rents Based on Standard Occupancy. Rents will be established pursuant to California Law Health and Safety Code Section 50052.5 as it relates to standardized occupancy based on unit size, which is one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit. Actual occupancies of each unit will be in accordance with Resolution HA-22.

Section 5.7.3 Household Rent. Individual household rent shall be established after compilation of all household members' sources of incomes, assets and allowable deductions, and proper notification.

Section 5.8 MAINTENANCE AND ENTRY TO RESTRICTED UNITS

Section 5.8.1 Inspection The Manager or its agent or agents shall be allowed to enter the apartment as provided by state law. Upon 24-hour notice, the Manager may enter to inspect the condition of the premises and/or appliances therein. In the event of an emergency, an authorized representative of the Manager has the right to enter the restricted unit without notice.

Section 5.8.2 Service Request It is the Tenant's responsibility to call in all service requests to the property office location. Tenants must allow maintenance staff permission to enter the restricted unit to perform a maintenance request in the event the Tenant is not home or schedule an appointment during the maintenance hours Monday through Friday, between 9:00 a.m. and 5:00 p.m. All service request response will be within a 24-hour period.

Section 5.9 LEASE RENEWALS Leases under consideration for renewal by the Manager must be renewed prior to the stated expiration of the residential lease or the tenant reverts to a month-to-month tenancy at the maximum rental rate for the restricted unit.

Leases under consideration for renewal by the Management and Operations – Rental Units

Manager for tenants that were previously deemed a Qualified Household must recertify their eligibility status annually in accordance with Section 6 below.

Section 5.10 NO SUBLETTING The leases shall prohibit subleasing of restricted units in whole or in part.

Section 5.11 LIVE-IN AIDES A Live-In Aide will be allowed, provided he or she is essential to the care and well-being of an elderly or disabled person who resides within a restricted unit. The Live-In Aide will be subject to this Plan except where noted and will be required to sign a consent for the purposes of a background check, proof of qualification, and proof of employment as a live-in aide. The Live-In Aide will also acknowledge acceptance of the terms of occupancy in a restricted unit. The addition of a Live-In Aide must not overcrowd the unit as prescribed in the Occupancy Standards Resolution 484 and HA 22.

Section 5.12 PETS The leases shall require tenants to comply with the pet policy attached as Exhibit D.

END OF SECTION 5

Section 6 RECERTIFICATION REQUIREMENTS

Section 6.1 REQUIRED ANNUAL RECERTIFICATION. Qualified Households with a current lease will be required to recertify annually to ensure the household remains a Qualified Household. Failure to recertify will result in the termination of tenancy.

Section 6.1.1 Recertification Appointments. The Manager will set appointments with the tenant to bring in the necessary documentation for income and household recertification. Manager will set the appointment with the tenant in advance of the lease renewal date so as to give proper notice to the tenants of any rental rate adjustment. A tenant that does not commit to an appointment with the Manager, does not show up for an appointment, or does not provide all the proper documentation will be given notice of discontinuation of assistance and return to the maximum rental rate at the end of the lease term, but no later than 90 days from the date of the request for the appointment by Manager.

Section 6.1.2 Recertification Documentation. The Manager will request the necessary documentation for the purpose of recertifying the household as a Qualified Household, including but not limited to:

Section 6.1.2.a Income information for all household members over the age of 18 (except for Live-In Aides), which includes but is not limited to tax returns, pay stubs, bank statements, unemployment earnings statements, and disability or social security earnings statements.

Section 6.1.2.b Asset information for all household members over the age of 18 (except for Live-In Aides), which includes but is not limited to any interest in real property other than a primary residence, savings accounts, stocks, bonds, and other forms of capital

investments.

Section 6.1.2.c Must provide necessary documentation to verify affordable criteria as listed in Section 4.3 have been met by all household members.

Section 6.1.2.d Must provide necessary documentation to verify applicant lease requirements in Section 4.2.1 through 4 have been met by all household members.

Section 6.1.2.e All members of the household must provide proof of identification for copying.

Section 6.1.2.f Authorization and/or signed consent forms to verify or obtain income, assets, identification and employment information for all household members over the age of 18. All household members who authorize release of information or background checks have the rights to privacy under federal privacy laws.

Section 6.1.2.g Any other information deemed necessary by the Authority to determine eligibility.

Section 6.1.3 Annual Recertification Confirmation as a Qualified Household. Upon receipt of all required recertification documentation required by this section, the Manager will confirm that based on the documentation provided by the household that the household remains qualified. In the event the household's income requires that the income category of the household be changed in either direction, the Manager will adjust the terms of the new lease to reflect the change in income category. (The Manager will re-lease restricted units according to the income by Unit Allocation through vacancies to accommodate the change in income of households during recertification.) In the event that a household no longer can be deemed a qualified household after recertification, the tenant will revert to a month-to-month tenancy at the maximum rental rate for the restricted unit for a period of not more than six (6) months at which time, with proper Notices having been given, will vacate.

Section 6.2 CIRCUMSTANTIAL OR INTERIM RECERTIFICATION. A circumstantial or interim recertification may be conducted on a case-by-case basis when deemed necessary, by Manager but only once during the term of an executed lease. Such recertification would initiate a new anniversary date for the revised or amended lease. This review may occur for either of the following reasons:

Section 6.2.1 Changes in Household Size. Any increase or decrease in household size.

Section 6.2.2 Change of Household Income. Any increase or decrease in household income in excess of 25 percent.

Section 6.3 TEMPORARY RECERTIFICATION. Recertification may be done on a monthly or quarterly basis upon declaration by a Tenant that the household income has temporarily decreased due to unemployment or disability. Proof of unemployment or disability will be required.

Section 6.4 ANNUAL INSPECTIONS. At least once annually, an inspection will be conducted by the Manager to verify that the tenants occupying the restricted unit have maintained the unit in good condition. Such inspections will be by appointment, but may or may not require the tenant to be present.

Section 6.5 FALSE STATEMENTS AND WILLFUL OMISSIONS. False statements or willful omissions made during the recertification process may result in denial of assistance or in the recapture by the Authority of the rental assistance for the previous 12-month period.

END OF SECTION 6

Section 7 TERMINATION OF TENANCIES AND MOVE-OUT PROCEDURES

Section 7.1 TERMINATION OF TENANCIES OTHER THAN BY EVICTION. The procedures noted in this Section 7.1 do not apply to evictions.

Section 7.1.1 End of Lease Term. With proper notice, as described in this section, the Manager or Tenant may terminate a tenancy at the expiration of the residential lease without reason or cause.

Section 7.1.2 During a Lease Term. A tenancy may be terminated during a lease term without the termination being deemed an eviction under the following circumstances:

Section 7.1.2.a Death of the sole tenant of a unit.

Section 7.1.2.b By abandonment of the premises by the tenant as determined in accordance with Civil Code section 1951.3.

Section 7.1.2.c By the determination by the Manager of tenant ineligibility under this Plan.

Section 7.1.2.d By agreement of both the Manager and the tenant.

Section 7.1.3 Notices to Vacate for Termination of Tenancies Other Than by Eviction. All notices will be given as provided for under California law.

Section 7.1.3a Tenant Notices to Vacate. Tenants providing a written "Notice of Intent to Vacate", the manager must give 30 days written notice to the Manager or as prescribed by current law, or as such law may be amended from time to time.

Section 7.1.3b Management Notices to Vacate. When the Manager provides a written "Notice of Termination of Tenancy", the Manager must give a 30, 60, or 90-day notice to the tenant in accordance with applicable law. Under California law, notices provided at the end of the lease term do not require reason or cause.

Section 7.1.4 Move-out Procedures. At such time as a tenant or Manager provides a Notice to Vacate as detailed in this section, inspections may be requested and will be conducted in accordance with CC §1950.5(f) as amended from time to time.

Section 7.1.4a Notice of Option to Request an Initial Inspection. Tenants may request an initial inspection of their unit upon providing a 30-day vacating notice to the Manager. All pre-inspections must be requested in writing by the tenant, otherwise the Manager will not conduct one. Tenants may be present during any of the inspections; however, the inspections may take place in the absence of the tenant.

Section 7.1.4b Scheduling the Initial Move-out Inspection. A mutually agreeable time and date will be attempted to schedule the initial inspection. It will not be scheduled more than two weeks prior to the tenant vacating or the end of the lease date. Scheduling should allow tenant ample time to perform repairs and/or cleaning enumerated during the initial inspection. The Manager will give tenant at least 48 hours notice of initial inspection.

Section 7.1.4c Opting Out of a Pre-Inspection. If the tenant does not request a pre-inspection, the Manager will not conduct one. Upon the tenant vacating, the Unit will be inspected to determine the work necessary to prepare the unit to market and re-lease. Tenants are strongly encouraged to request an initial inspection.

Section 7.1.4d Inspection Exceptions. The Manager is not required to perform an initial inspection if the tenant has been served with any form of eviction notice because the tenant has failed to pay the rent, violated a provision of the lease or the rental agreement, materially damaged the property, committed nuisance, or used the property for an unlawful purpose.

Section 7.1.4e Inspection Findings. All corrections identified during any pre-inspection or final inspection will be noted and a copy will be provided to the tenant as an itemized statement specifying the repairs or cleaning that will be the basis for deductions to the security deposit. Deductions cannot be taken for conditions caused by normal wear and tear during tenancy or previous tenancies, or for cleaning rental unit that is as clean as it was when the existing tenant moved in.

Section 7.1.4f Final Inspection. A final inspection will be scheduled at the time of move-out. The final inspection will be made to note any remaining items not addressed by the Tenant that are still in need of repair.

Section 7.1.5 Maintenance and Repairs Necessary Due to Impending Move-out. Any corrections identified during an initial move-out inspection and noted on the itemized statement may be corrected by the tenant by performing any required maintenance as permitted during the period following the initial move-out inspection through the termination of the tenancy in order to avoid deductions from the security deposit. The tenant may not perform any

repairs that are prohibited by the rental agreement or lease.

Section 7.2 TERMINATION OF TENANCY THROUGH EVICTION. This Section 7.2 covers eviction policies and reasons for commencing eviction proceedings.

Section 7.2.1 Reasons for Eviction.

Section 7.2.1a Violations of the Lease. Violations of any of the lease terms may result in termination of the lease and eviction. These include but are not limited to, violations of the crime-free, drug-free housing policy, disruptions of the peaceful enjoyment of other residents in the community, any health and safety condition caused by the tenant, the nature of which jeopardizes the other residents of the community.

Section 7.2.1b Non-Payment of Rent. Processes for non-payment of rent and the procedures for filing an unlawful detainer will follow the procedures as outlined in the California Code of Civil Procedures and the California Civil Code.

Section 7.2.1c Misrepresentation of Eligibility Under the Plan. False statements or willful omissions made for the purposes of obtaining or retaining a restricted unit.

Section 7.2.2 Eviction Process.

Section 7.2.2a Eviction Notice. Once it has been determined that the Manager will proceed with an eviction, the Manager will serve the tenant with a notice to voluntarily vacate the rental unit within the specified time period.

Section 7.2.2b Verification of Occupancy. After the tenant's Eviction Notice expires, the Manager will attempt to verify occupancy. If the restricted unit is still occupied and no arrangements have been made to vacate, proceedings for a court ordered eviction will commence. If the tenant has vacated, but has an outstanding balance due for the tenancy or unit repairs and the security deposit is insufficient to cover such costs, the Manager will attempt to collect for the balance due and use any remedies available including court action. In the event there are sufficient monies available within the security deposit to cover any amounts due from the tenant, the deductions and/or refunds shall be made to the security deposit in accordance with CC § 1950.5 as amended from time to time.

Section 7.2.2c Unlawful Detainer. An unlawful detainer will be filed with the superior court in accordance with California law. This assures the tenant the right to a court hearing if the tenant believes that the Manager has no right to evict the tenant.

Section 7.3 REFUND OF SECURITY DEPOSIT. Security deposit refunds will be processed in accordance with CC §1950.5 as amended from time to time.

Section 7.3.1 Notification of Itemized Security Deposit Disposition. After inspection and assessment of the conditions of the vacated unit, and after completing repairs or receiving the invoice/receipt, the Manager will notify the tenant of the security deposit disposition within ninety (90)

days. The Manager will mail or deliver a copy of an itemized statement indicating the detailed charges against the security received and the amount to be refunded, if any. Attached to the itemized statement to the tenant shall be copies of invoices and charges incurred in order to clean or repair the unit.

Section 7.3.2 Tenant's Entitlement to Security Deposit. If tenant is not notified as to the disposition of the security deposit within the required notification period in Section 7.3.1, the tenant shall be entitled to 100 percent of the original security deposit amount.

END OF SECTION 7

Section 8 GRIEVANCE PROCESS

Section 8.1 GRIEVANCE APPLICABILITY. This grievance procedure shall be applicable to any Applicants and tenants of the Authority. Grievances that may be considered under these procedures will include actions related to tenancy matters, but not including non-payment of rent and other the matters governed by Section 7.2. Under no circumstance may a Grievance be filed after issuance of any notice in accordance with Section 7.2.2. A copy of this grievance policy shall be provided to all Tenants.

Section 8.2 GRIEVANCES. The tenant grievance process is not intended to replace the normal interactions that will occur between tenants and the Manager, and is not intended to be used prior to an issue first being raised with the Property Manager. Only when a tenant has made all attempts to resolve a complaint may a complainant seek the following remedies outlined in this process.

Section 8.2.1 Informal Grievance. Any grievance shall be presented to the Property Manager either orally or in writing, within thirty (30) days after the grievance arose so that the grievance may be discussed informally and hopefully resolved.

Section 8.2.1.a. The Property Manager shall meet with the complainant within twenty-four (24) hours if possible, at which time the complainant may present oral and written evidence or documentation. A written summary of this discussion, the decision and the reasons for the decision will be prepared by the Property Manager within five (5) days and a copy will be provided to the complainant, with a copy to be filed in the complainant's file. The summary will include a decision and any steps that will be necessary to resolve any grievances.

Section 8.2.1.b. If not resolved by Property Manager, Regional Supervisor to meet with resident within seven (7) days of meeting with Property Manager, at which time the complainant may present oral and written evidence or documentation. Summary of the Regional Supervisor's decision and the reasons therefore to be put in writing within five (5) days, copy to file and complainant.

Section 8.2.1.c. If not resolved by Management and Operations – Rental Units

Regional Supervisor, Vice-President to meet with complainant within fourteen (14) days of meeting with Regional Supervisor, at which time the complainant may present oral and written evidence or documentation. Summary of the Vice-President's decision and the reasons therefore to be put in writing within ten (10) days, copy to file and complainant.

Section 8.2.2 Informal Hearing. If the complainant is not satisfied with the Vice-President's decision, the complainant must submit a written request within ten (10) calendar days after receipt of the summary from the Vice-President, at which time the Management Company will arrange for an impartial, third party mediation service to hear the matter within twenty-one (21) days. The complainant will be afforded fair due process safeguards as prescribed by Fair Housing Laws, including but not limited to the rights to present oral and written evidence and to be represented by an attorney. Summary of the decision of mediation service to be provided to complainant and a copy to the Authority.

Section 8.2.3 Unresolved Grievances. If the complainant is not satisfied with the outcome of the process in Section 8.2.1 through 8.2.2, he or she may submit a written request to the Executive Director within ten (10) calendar days after receipt of the summary from the Mediator. The Executive Director shall review the request within ten (10) days and determine whether the decision should stand, be revised or reviewed further. The Executive Director shall be the final authority for purpose of interpretation of the requirements of the Program, upon a written request for interpretation.

END OF SECTION 8