

AFFORDABILITY PLAN FOR BELOW MARKET RATE ("BMR") UNITS AT 800 SUMMER STREET

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March 9, 2012

INSTR # 2012026324
VOL 10556 PG 8
RECORDED 10/10/2012 12:33:48 PM
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INTRODUCTION

Garden Homes submits this Affordability Plan to the City of Stamford for management of Below Market Rate Units at 800 Summer Street, Stamford, Connecticut.

This Plan is intended to implement the land use approvals issued by the City of Stamford for 800 Summer Street development under Section 10-H of the Zoning Regulations, and to comply with the Affordable Housing Guidelines ("Guidelines") approved by the Zoning Board on October 1, 2001, attached hereto as Exhibit A, and with the federal and state fair housing laws, 42 U.S.C. §§ 3601 et seq. and Conn. Gen. Stat. §§ 46-64c et seq.

Several additional provisions of this Affordability Plan governing only the initial leasing of BMR Units at 800 Summer Street are stated in Exhibit C, attached. Any applicant who seeks occupancy during the initial leasing of BMR Units should review Exhibit C.

EXHIBITS

- A. Affordable Housing Guidelines, adopted October 1, 2001 and subsequently modified
- B. Intentionally left blank
- C. Procedures and Timetables for Initial Leasing of BMR Units
- D. Qualification Standards for Prospective Residents

I. Homes Designated As Below-Market-Rate Units.

14 of the 89 units at 800 Summer Street will be designated as Below-Market-Rate Units ("BMR Units"), as defined in Article III, Section 7.4 of the Stamford Zoning Regulations and the Affordable Housing Guidelines ("Guidelines"). As residential density at 800 Summer Street exceeds one dwelling unit per 600 square feet of converted gross commercial floor area, as per Article III, Section 10(H)(6) of the Stamford Zoning Regulations, this Affordability Plan does not designate specific units as BMR Units.

II. Affordability Period.

The required minimum percentage of BMR Units shall be maintained for as long as the building exists.

III. Construction And Dispersion

Units conforming to the guidelines of this Affordability Plan and qualifying as BMR Units shall be rented in pro-rata amounts as market rate units are rented. All BMR units shall be studio units.

IV. Entity Responsible For Administration And Compliance.

This Affordability Plan will be administered by Garden Homes Management Corporation ("Garden Homes"), or its successors and assigns, as owner or agent. Garden Homes shall assume, with respect to the BMR Units at 800 Summer Street, the role of "Affordable Housing Manager" as defined in the Guidelines, Section III. Such role shall be subject to the enforcement powers stated in Section XIV of this Plan. Garden Homes hereby represents that its staff has the experience necessary to administer this Plan and to carry out all duties set forth in Section IV of the Guidelines. The role of Affordable Housing Manager may be transferred or assigned by Garden Homes to another entity, provided that such entity has the experience and qualifications to administer this Plan, and provided that Garden Homes provides timely written notice to and receives prior written approval from the City.

V. Reporting Requirements.

It is acknowledged by Garden Homes that the BMR Unit program, as implemented by the Guidelines, constitutes an important public policy program of the City of Stamford, and therefore requires reporting to City agencies and officials as necessary to ensure proper implementation and compliance. Therefore, following completion of the reporting requirements for the initial leasing period set forth in Exhibit C, Garden Homes, as Affordable Housing Manager, shall, no later than January 31 of each year, file with the Zoning Board, the City's Planning Department, the Director of Public Health, Safety and Welfare, and the Office of the Mayor, the following information, accurate as of the report date:

- A. Total number of units available for occupancy, with unit vacancies listed.
- B. Total number of units occupied.
- C. Total number of BMR Units available for occupancy, with unit vacancies listed.
- D. Total number of BMR Units occupied.
- E. The total income reported by the tenant household during the application or recertification process and certified by Garden Homes as satisfying the BMR Unit program criteria; the total number of persons occupying the unit; the occupation of each adult resident of the unit, as reported during the application or recertification process; and the gross and net rent, utility allowance, and any mandatory fees paid for the current occupancy of the unit. Such information shall

be reported without inclusion of or reference to the names of the occupants. The receipt, handling, custody, access to, and storage of application materials and household income information shall be subject to the enforcement and inspection provisions set forth in Section XIV of this Plan.

- F. A summary, without names, addresses, or other identifying information, of reasons given in writing by the Affordable Housing Manager for the rejection of any household after completion of an application package, or for dismissal from the waiting list.
- G. The total number of persons/households on the Waiting List, reported by preference category and unit size qualification.

VI. Notices Of Availability For Rental Of BMR Units.

Except as provided in Section IX of this Affordability Plan, the Affordable Housing Manager shall provide notice of the initial availability of each BMR Unit. Such notices shall be prominently advertised in newspapers of general circulation in the City of Stamford. Such notices shall include a description of the available BMR Unit(s), the eligibility criteria for potential tenants as set forth in the Guidelines, the rental price and terms as set forth in the Guidelines and in this Plan, and the availability of application forms and additional information. Such notices shall be promulgated so as to reasonably come to the attention of those to whom preferences are provided by the City of Stamford Zoning Bylaws applicable to 800 Summer Street, and to those "least likely to apply" as defined in §§ 8-37ee-300 et seq. of the Connecticut State Agency Regulations, which regulations may be used by the City and the Affordable Housing Manager as guidelines for providing notice of BMR Unit availability. All such notices shall comply with the federal Fair Housing Act, 42 U.S.C. §§ 3601 et seq. and the Connecticut Fair Housing Act, Conn. Gen. Stat. §§ 46a-64b, 64c (together, the "Fair Housing Acts"). Notices of availability of BMR Units for rental subsequent to the initial leasing period shall first resort to notifying those on the waiting list (as defined in the Guidelines, Section IX, and this Affordability Plan), and thereafter, if warranted, by advertising to the general public.

VII. Tenant Eligibility.

Maximum and minimum income limits and eligibility of families or households to rent a BMR Unit of particular bedroom size at 800 Summer Street shall be determined in accordance with the Guidelines, Sections VI and VII.

VIII. Application Process.

A family or household seeking to rent one of the BMR Units ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Acts.

A. Application Form.

The application form shall be provided by the Affordable Housing Manager and shall include forms and notices substantially in the form set forth in Exhibit C. In general, income for purposes of determining an Applicant's qualification shall include the Applicant family's total anticipated income from all sources for the twelve (12) month period following the date the application is submitted ("Application Date"). If the Applicant's financial disclosures indicate that the Applicant may experience a significant change in the Applicant's future income during the twelve (12) month period, the Affordable Housing Manager shall not consider this change unless there is a reasonable assurance that the change will in fact occur. In determining what is and is not to be included in the definition of family annual income, the Affordable Housing Manager shall use the criteria set forth in Section VII of the Guidelines, and for items not covered by the Guidelines, may refer to or seek guidance from 24 Code of Fed. Regs. § 5.609, as amended.

B. Applicant Interview.

The Affordable Housing Manager shall interview an Applicant upon submission of the completed application. Specifically, the Affordable Housing Manager shall, during the interview, undertake the following:

1. Review with the Applicant all the information provided on the application.
2. Explain to the Applicant the requirements for eligibility, verification procedures, and the penalties for supplying false information.
3. Verify that all sources of family income and family assets have been listed in the application. Make clear that the term "family" includes all individuals who are to occupy the home, and that no relationship by blood or marriage is required.
4. Require the Applicant to sign the necessary release forms to be used in verifying income. Inform the Applicant of what verification and documentation must be provided before the application is deemed complete.
5. Inform the Applicant that a decision as to eligibility cannot be made until all items on the application have been verified.
6. Review with the Applicant the process and restrictions regarding re-certification and renewal.

C. Verification Of Applicant's Income.

Where it is evident from the income certification form provided by the Applicant that the Applicant is not eligible, additional verification procedures shall not be necessary. However, if

the Applicant appears to be eligible, the Affordable Housing Manager shall require verification of the Applicant's reported income.

D. Application Fee.

Garden Homes may charge an application fee of \$50 for the purpose of covering its administrative expenses in processing applications for first time occupancy, including payments for the use of third-party credit reporting services. No application fee shall be charged for recertification, renewal, or in-building relocation of an existing tenant.

IX. Prioritization Of Applicants.

Applicants shall be served on a first-come, first-served basis. The waiting list shall be exhausted before the Affordable Housing Manager makes a BMR Unit available to the general public.

X. Maximum Rental Price.

Calculation of the maximum rental price for a BMR Unit, including family size adjustments, shall be determined in accordance with the Guidelines, Section XI. The BMR rent for a studio BMR unit shall be based on the AMI adjusted for a household size of 1 (70% of AMI).

XI. Required And Optional Services and Amenities.

Rents for BMR Units shall be net rents that shall include all amenities that are provided free of charge or are bundled as a mandatory package for tenants in market-rate units. Amenities included in such net rent at 800 Summer Street shall include one parking space; access to the exercise room and laundry room; but shall not include telephone, cable TV, internet service or other telecommunications services.

Garden Homes, as Affordable Housing Manager, may establish other fees for optional or discretionary services such as internet services, in-house television services, a non-refundable and monthly pet fee, storage fee, and additional parking space fee.

XII. Principal Residence.

BMR Units shall be occupied only as an Applicant's/tenant's principal residence. Subleasing of BMR Units shall be prohibited, and such prohibition shall be stated in the lease or lease rider.

XIII. Change Of Income Or Qualifying Status Of Tenant Of Rental Unit.

If a BMR Unit is rented, in the event that a BMR Unit tenant's income changes so as to exceed the qualifying maximum, or if the tenant otherwise becomes disqualified, the procedures set forth in the Guidelines, Section XIII, shall be followed.

XIV. Enforcement.

A violation of this Affordability Plan shall not result in a forfeiture of title, but the Stamford Zoning Board shall otherwise retain all enforcement powers granted by the General Statutes or any Special Act, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the BMR Unit Program to determine compliance of BMR Units with the applicable regulations, the Guidelines, and this Plan. Garden Homes agrees to collect and maintain all books, records, files, and information necessary to permit the City or the Zoning Board to determine compliance with the Guidelines or this Plan. The City Zoning Enforcement Officer and the Director of Public Safety, Health and Welfare shall be permitted to inspect the property and examine all books, records, application forms, waiting lists, and rent rolls of the BMR Unit Program, including the household income information provided by applicants or tenants, provided that all such applicant and tenant information shall be confidential and shall not be deemed a public record, subject to disclosure under the Freedom of Information Act. Notwithstanding the zoning enforcement powers possessed by the Stamford Zoning Board under the Stamford Zoning Regulations, and subject to any contract or agreement providing otherwise, the City of Stamford and the Stamford Zoning Board retain all rights to pursue all legal and/or equitable remedies available to them and to assert any and all claims and causes of action against any person, firm, corporation, or other legal entity arising from the administration of this Plan.

EXHIBIT A

Guidelines for Management of Below-Market-Rate Rental Units

I. Introduction.

In order to promote the development of housing affordable to persons and families of low and moderate income, the Zoning Board of the City of Stamford (the Zoning Board or Zoning), as a condition of development, may require developers of market rate rental housing units to set-aside Below-market-rate units within their developments, or to provide Below-market-rate units at another site.

II. General Intent.

In compliance with applicable law including, but not limited to, the Connecticut and Federal Fair Housing Acts, these Guidelines set forth standardized compliance procedures for developing and managing all Below-market-rate rental units (BMR) required to have been built as a condition of development in Stamford. Should any section of these Guidelines be invalidated, such invalidated section shall be deemed severable, and the remaining Guidelines shall remain in effect.

Notwithstanding the fact that individual developments can be subject to project-specific conditions, the following general principles shall apply to all BMRs that fall within the jurisdiction of these Guidelines.

- BMR Units shall not be materially different from market rate units in the same development in terms of size, amenities, services, utilities, maintenance standards or any other aspect that will materially affect the value of the unit to a tenant, except as specified in these Guidelines;
- Prior to receiving a Certificate of Occupancy, the owner of any development subject to a BMR requirement as a condition of development must record an Affordability Plan approved by the Zoning Board on the Stamford Land Records.

III. Affordability Plans.

No Affordability Plan will be approved unless, at a minimum, it:

- Identifies the BMR Units;
- Evidences that BMR Units have been distributed throughout the development;
- Designates an entity responsible BMR Management, as defined herein;

- Notwithstanding the foregoing, the Affordability Plan shall acknowledge the City's intent and right to designate an Affordable Housing Manager (AHM), either an individual or organization, to manage a citywide BMR program and shall state the owner's agreement to pay reasonable compensation to the AHM and to fully delegate BMR Management to the AHM, including such additional activities as required to ensure an orderly transition;
- Describes any credit and reference standards employed in tenant selection and certifies that these standards will be uniform with respect to market rate and BMR applicants;
- Describes any site-specific requirements that may impact the management of BMR Units; and
- States a commitment to provide affordable housing in compliance with these Guidelines, the zoning regulations, and the ordinances of the City of Stamford, as each may be amended from time to time.

IV. BMR Management.

For the purposes of these Guidelines, BMR Management shall include the following activities as specified in these Guidelines:

- Marketing the availability of BMR Units to the public if there are not sufficient applicants on a waiting list to fill anticipated vacancies;
- Accepting applications from the public for BMR dwelling Units;
- Determining the eligibility of those applicants;
- Implementing tenant-selection preferences;
- Maintaining waiting lists for BMR Units;
- Selecting eligible tenants for BMR Units;
- Performing annual recertification of tenant eligibility;
- Ensuring that rents are set in accordance with these Guidelines;
- Ensuring that amenities are provided in accordance with these Guidelines;
- Implementing procedures for changes in tenant circumstances;

- Monitoring owner compliance with these Guidelines and the approved Affordability Plan;
- Providing at least annual reports of activities, program compliance, and program finances as requested by the Zoning Board.

The Zoning Board may appoint an Affordable Housing Manager (AHM) to implement these Guidelines. In the event that no AHM has been appointed, the entity designated in the approved Affordability Plan will be responsible for BMR Management. Oversight of the above-mentioned activities will be undertaken by the Director of Public Safety, Health and Welfare.

V. Applications.

Applications shall be accepted from the public for BMR housing units except if the waiting list for any particular size unit cannot reasonably be expected to be housed within two (2) years.

An application shall be complete once it contains sufficient documentation to verify preferences and income eligibility, provided that a reasonable opportunity will be provided to applicants to produce additional documentation.

In the event that a prospective applicant is unable to apply because a waiting list is closed, information will be provided about how the next opening of the waiting list will be publicized and any other relevant information about the application process.

VI. Eligibility – Household Size.

Eligibility for each class of BMR Units shall be based on household size or other factors. Typical eligibility will be as follows:

- A household consisting of two or fewer individuals may be eligible for a studio BMR unit or a one bedroom BMR Unit.
- A household consisting of three or four persons may be eligible for a two bedroom BMR Unit.
- A household consisting of four or more persons may be eligible for a three bedroom BMR Unit.

No household shall occupy a BMR Unit with more bedrooms than the household has numbers. For example, a household consisting of two individuals shall not be eligible to occupy a BMR Unit with more than two (2) bedrooms.

Notwithstanding these general Guidelines, any documented special needs of household members, any particular household configuration, and income-eligibility may be considered by the AHM when determining the appropriate class of BMR Unit.

VII. Eligibility – Income.

Eligibility at the time of application, at the time of initial leasing, and during occupancy of any BMR Unit shall be determined based on the most current statistics of Area Median Income (AMI) for the Stamford Standard Metropolitan Statistical Area (SMSA) as published and periodically revised by the U. S. Department of Housing and Urban Development (HUD).

Income limits (Maximum): The income of a household at the time of initial occupancy in a BMR Unit shall not exceed the AMI, adjusted for household size, times the affordability percentage specified in the zoning regulations and the Affordability Plan. If no income limits are specified in the applicable zoning regulations, the HUD Low-Income standard, as annually published by that agency, shall be used. The income of an applicant household seeking to be placed on the waiting list for a BMR Unit shall not exceed the AMI, adjusted for household size, times 60 percent.

Minimum income: The income of a household at the time of initial occupancy must be at least three times the annual rent

Gross Income means the total annual income from all sources of all members of the household except income received by a family household member (other than the head of household or spouse) who is under 18 years old or a full-time student of any age. Income includes but is not limited to compensation for employment services, interest, dividends, rent, pension benefits, government benefits, unemployment compensation, welfare payments, disability income, support payments, and return-on-assets income as defined below.

Return-on-Assets Income shall include the dollar amount resulting from multiplying the value of the net household assets by 10 percent after excluding the first \$5,000 in assets.

Net Household Assets means the total value of equity in real property, including gains from the sale of real property, savings and other forms of capital investment of all household members, but not including equity in a business operation where that business operation is the principal means of support of the household, amounts in an irrevocable trust fund or the value of personal property (e.g., car, furniture, etc.).

For holders of Section 8 Vouchers or certificates or other similar instrument of governmental housing subsidy, or in the case of project-based Section 8, minimum income will be calculated based on the Net Rent less the amount of assistance provided under the relevant program.

The appendix to these Guidelines shows income limits and sample rents. This appendix will be updated at least annually by the Director of Public Safety, Health & Welfare.

VIII. Preferences.

In determining eligibility of applicants for placement in BMR Units, any preferences or other criteria included in the Zoning Regulations for the relevant zoning district, or any special exception or other conditional approval by the Zoning Board, shall be implemented.

IX. Waiting List.

At the time of initial leasing of BMR Units, or when an insufficient number of applicants is available on an existing waiting list, an affirmative marketing effort should be undertaken to publicize the availability of BMR Units, the process for application, and the waiting list system.

If there are more eligible applicants for any class of BMR Units (*i.e.*, one bedroom) than there are units, a waiting list for that class shall be established. The AHM may utilize a lottery or time-of-application system to determine waiting list order. Eligible applicants shall be placed on the waiting list for the appropriate class of apartment and shall be ordered by the results of a lottery or time-of-application system.

An applicant may refuse an available appropriate BMR Unit one time and remain on the waiting list. Upon a second refusal, the applicant will be removed from the waiting list. Applicants shall be notified of their options with regard to refusing a unit at the time that a unit is offered.

Based on the annual determination of eligibility, ineligible applicants shall be removed from the waiting list. Such applicants shall be notified by certified mail at least 5 working days prior to such removal.

X. Credit And Reference Checks.

Prior to occupancy in a BMR Unit, an eligible applicant may be required by the owner to meet specific credit and reference standards, as included in the Affordability Plan for the relevant development and approved by the Zoning Board.

XI. Rents.

The monthly net rents charged for BMR Units shall be calculated as follows: The BMR rent for a studio BMR Unit shall be based on the AMI adjusted for a household size of 1.0 (70 percent of AMI). The BMR rent for a one-bedroom BMR Unit shall be based on the AMI adjusted for a household size of 1.5 (75 percent of AMI). The BMR rent for a two bedroom BMR Unit shall be based on the AMI adjusted for a household size of 3 (90 percent of AMI). The BMR rent for a three bedroom BMR Unit shall be based on the AMI adjusted for a household size of 4.5 (104 percent of AMI). The monthly gross rent shall be equal to the appropriate AMI, times the affordability level of the BMR Unit, divided by twelve, multiplied by 0.3. If any utilities are separately billed throughout the development, a utility allowance must be deducted from the

gross rent to determine the net rent. Utility allowances shall be the Section 8 utility allowances determined annually by the Housing Authority of the City of Stamford. A schedule of BMR rents shall be made available by the City of Stamford and updated regularly.

XII. Amenities.

Rents for BMR Units are net rents that include all amenities, whether provided free of charge or bundled in a mandatory package, including one parking space, but not including telephone, cable television, or other telecommunications services.

XIII. Changes In Tenant Circumstances.

In the event that a tenant's income increases beyond the income limit for the BMR Unit, based on annual recertification of income, the following restrictions shall apply:

- If a tenant's income exceeds the income limit for the BMR Unit by less than 10 percentage points (i.e., a tenant at 59 percent of AMI in a BMR Unit designated for a household at 50 percent of AMI), no restrictions shall apply.
- If a tenant's income exceeds the income limit for the BMR Unit by 10 percentage points or more but still has income below 80 percent of the Area Median Income (i.e., a tenant at 60 to 79 percent of AMI in a BMR Unit designated for a household at 50 percent of AMI), The tenant will be able to occupy the unit for no more than one year following the recertification. However, if the tenant's income remains below 50 percent of AMI (i.e., in the case of a tenant with income at 45 percent of AMI in a BMR Unit designated for a household at 25 percent of AMI), the tenant shall be permitted to remain in the unit until a BMR Unit at the appropriate affordability level is available.
- If a tenant's income exceeds 80 percent of the AMI at an annual recertification, that tenant Shall be notified in writing that they will no longer be eligible to occupy BMR Unit and that within 90 days after such recertification, the tenant must vacate the unit.

If a tenant in a BMR Unit experiences an increase in household size, they may be placed at the top of the waiting list for an appropriate sized BMR Unit.

XIV. Annual Rent Changes.

At the annual income recertification for each tenant, the rent for each BMR Unit will be set based on the latest rents set by the City of Stamford and utility allowances released by HACS.

XV. Security Deposits.

Tenants in BMR Units shall be responsible for paying security deposits. Owners of BMR Units shall not charge more than two (2) times the monthly rent for the BMR Unit as a security deposit. The AHM shall advise all applicants on the waiting lists of this requirement.

APPENDIX

BMR rent calculations as of March, 2012:

			Studio
Family Area Median Income for the Stamford Standard Metropolitan Statistical Area (2012)			\$128,400
Household Size and income adjustment			1.0 – 70%
Family income adjusted for Household Size			\$89,880
Family income @ 50% Affordability Level			\$44,940
Maximum annual housing expense @ 30%			\$13,482
Maximum monthly housing expense			\$1,124
HUD Allowances for Tenant-Furnished Utilities (3/2012)			
Utility	Provider	Type	Cost
Heating	Tenant	Heat Pump	\$17
Cooking	Tenant	Electric	\$8
Other Electric/Lighting	Tenant		\$33
Air conditioning	Tenant		\$4
Water Heating	Tenant	Electric	\$20
Water and Sewer	Landlord		-
Trash Collection	Landlord		-
Range/Microwave	Tenant		\$7
Refrigerator	Tenant		\$7
Total			\$96
BMR Rent			\$1,028

NOTE: The US Department of Housing and Urban Development (HUD) provides updates to area median income estimates each spring. Utility allowances are calculated based on a schedule determined by the Housing Authority of the City of Stamford and updated annually.

EXHIBIT B

This Exhibit intentionally left blank.

EXHIBIT C

Procedures and Timetables For Initial Leasing of BMR Units at 800 Summer Street

1. The "Initial Leasing Period" for 800 Summer Street, for the purposes of this Exhibit and Plan, shall be from the date that this Plan is approved through the completion of initial occupancy for all 14 BMR Units, or 180 days from the start of the Initial Leasing Period, whichever is later.
2. Notices of the availability of BMR Units for initial leasing shall comply with Section VI of the Plan.
3. During the Initial Leasing Period of the BMR Units, if any category of applicants for tenancy in BMR Units, including those applicants who are subject to preferences as set forth in the Guidelines and this Plan, is oversubscribed (*i.e.*, the number of applicants exceeds the number of available units), the Affordable Housing Manager ("AHM") shall conduct a lottery among all applicants who have completed a preliminary application package. Any such lottery shall be preceded by reasonable notice with respect to the deadlines for receipt of applications, eligibility for the lottery, the timing of the lottery, the timing of notice of lottery results, and post-lottery deadlines and obligations. As set forth below, a separate lottery shall be held for each preference class after completed, preliminary application packages have been sorted based on household size, applicant preference, and qualification for each unit/bedroom size of BMR Unit. Those not selected in a lottery will be assigned to the waiting list in accordance with Section IX of the Guidelines.
4. The following procedures and timetables have been/shall be used for the Initial Leasing Period:
 - a. Notice of BMR Unit availability will be advertised in the Stamford Advocate within 5 business days of the issuance of a certification of occupancy ("C.O.").
 - b. Applicants will be permitted to obtain application packages immediately.
 - c. The initial application period will run for two (2) weeks from the initial date of advertisement of the BMR units.
 - d. If there are more applications than available BMR units, the AHM shall oversee a lottery to choose applicants.

- e. Lottery-chosen applicants shall be notified by telephone and in writing within two (2) business days.
- f. Those not chosen in the lottery shall be placed on the waiting list, based on lottery results, and notified in writing of their position on the wait list for an apartment at 800 Summer Street within ten (10) business days of the lottery or acceptance of this Affordability Plan, whichever is later.
- g. AHM personnel shall make at least three (3) efforts to contact lottery-chosen applicants by telephone over a period of two (2) business days, using the information stated in the preliminary application package, before contacting the next household on the waiting list.
- h. Lottery-chosen applicants shall be required to file a completed application package, with \$50 application fee within two (2) business days of receiving notification of lottery selection, and all supporting documentation within three (3) business days thereafter. All applications will be governed by rules and qualification standards stated in the application package and this Plan.
- i. A household whose completed application package is certified by the AHM as satisfying all rules and qualification standards shall execute all lease paperwork within ten (10) business days of being offered a lease, and shall pay the security deposit and shall become rent responsible within thirty (30) calendar days from being offered a lease.
- j. Households who are selected through the lottery for tenancy and who file a completed application package which is rejected shall be provided a written statement of reasons for such rejection within three (3) business days of such rejection. Rejected applicants shall be granted three (3) business days to address or correct the reason for rejection before Garden Homes resorts to the next lottery or wait list position.

5. Reporting Requirements. During the Initial Leasing Period, on or before the last business day of each month, the AHM shall file, with the agencies and officials listed in Section V of the Plan, the information stated in Subsections A through F of that Section, as follows:

- a. Total number of units available for occupancy, with unit vacancies listed.
- b. Total number of units occupied.
- c. Total number of BMR Units available for occupancy, with unit vacancies listed.
- d. Total number of BMR Units occupied.

- e. The total income reported by the tenant household during the application process and certified by the AHM as satisfying the BMR Unit program criteria; the total number of persons occupying the unit; the occupation of each adult resident of the unit, as reported during the application or recertification process; and the gross and net rent, utility allowance, and any mandatory fees paid for the current occupancy of the unit. Such information shall be reported without inclusion of or reference to the names of the occupants. The receipt, handling, custody, access to, and storage of application materials and household income information shall be subject to the enforcement and inspection provisions set forth in Section XIV of this Plan.
- f. A summary, without names, addresses, or other identifying information, of reasons given in writing by the AHM for the rejection of any household after completion of an application package, or for dismissal from the waiting list.
- g. The total number of persons/households on the Waiting List, reported by preference category and unit size qualification.

EXHIBIT D

Qualification Standards For Prospective Residents

Fair Housing

Garden Homes complies with the Federal Fair Housing Act. Garden Homes does not discriminate on the basis of race, color, religion, national origin, sex, familial status or disability, or any other basis protected by applicable state, Federal or local fair housing laws.

Applications

Each person that will occupy the apartment who is 18 years old or older must complete an application and sign the lease. Each applicant that is 18 years of age or older, and not a full time student who can be claimed as a dependent on the primary applicant's tax return, will be qualified by Garden Homes in accordance with these qualification standards. Applications are to be completed in full. Applications containing untrue, incorrect or misleading information will be declined. Each application is evaluated with a scoring method that weighs the indicators of future rent payment performance. The score is based on statistical analysis of prior renters' indicators and subsequent payment performance. Based on the score, we may choose to accept or decline an applicant, or seek additional requirements for approving the lease. These additional requirements include an additional deposit or a Guarantor.

NOTE: The following **MUST** accompany **ALL** applications:

- The two most recent original pay stubs or Leave and Earnings Statement or signed offer letter on company letterhead (copies to be maintained in resident file).
- A valid driver's license, age of majority card, military ID or state issued Photo ID card (view and document only).
- All applicants in the United States on a VISA must list the number on the Application For Residency.
- Emancipated minors presenting court appointed documentation are eligible to qualify as long as they meet the noted criteria.

Credit History

- Credit reports will be run on each applicant and will be considered in the overall credit worthiness of the application. Unsatisfactory credit history can disqualify an applicant from renting an apartment home at this community. An unsatisfactory credit report is one that reflects past or current bad debts, late payments or unpaid bills, liens, judgments or bankruptcies. If an applicant is declined for poor credit history, the applicant will be

given the name, address and telephone number of the credit reporting agency that provided the report. An applicant declined for unsatisfactory credit is encouraged to obtain a copy of the credit report from the credit reporting agency.

- Applicants who meet all other qualifying criteria but do not have credit, maybe required to pay an additional deposit or re-qualify with a Guarantor.

Rent/Mortgage Payment History

Any legal proceedings/judgments/evictions/skips may result in a declined application.

Employment History

- Employment must be verified. In the case of new employment, applicant must present a signed offer letter on company letterhead stating income. Employment must begin within 30 days of the lease start date.
- Self-employed applicants must provide the most current annual tax return (submission of 1099's only is not sufficient) or a notarized statement from a Certified Public Accountant or attorney indicating the amount of anticipated annual income.

Income Requirements

- Gross monthly household income must be sufficient to cover the rent and other typical household obligations. Household income of less than three times the annual rent is automatically considered insufficient. For savings to be considered in lieu of income, applicant may provide a current savings account statement showing proof of at least three (3) times the annual rent.
- Official documentation must be submitted to support the following, and any other, sources of additional income you wish us to consider:

*Investment Account *Dividends *Child Support *Interest
*Retirement Income/Savings *Military Housing Allowance *Trust Fund Income *Alimony

Conviction Information

The application of any person who has been convicted or plead guilty or "no contest" to a misdemeanor or felony involving sexual misconduct shall be declined.

Nothing set forth in these Qualification Standards should be construed to be a guaranty by Garden Homes that residents of this community have not been convicted or plead guilty or "no contest" to any misdemeanor or felony involving sexual misconduct.

Guarantors/Increased Security Deposits

- Guarantors may be permitted based on the applicants' score. Guarantors' gross annual income or savings must be sufficient to cover the annual rental rate in order to support their current housing payments and that of the applicant(s). Guarantors must meet all other qualification standards listed. All lease-associated paperwork signed by Guarantor must be notarized if not signed at the Leasing Information Center in the presence of an Garden Homes office associate.
- Increased security deposits may be permitted based on the score. The increased security deposit will be equivalent to one (1) month's rent unless otherwise dictated by law.
- A Guarantor may be permitted in lieu of an increased security deposit based on the above criteria for Guarantors.

Roommates

Each resident and Guarantor is jointly and severally (fully) responsible for the entire rental payment as well as all community rules and policies. Management will not refund any part of a security deposit until the apartment is vacated by all leaseholders.

Affordable Housing Program/Below Market Rent Programs

Applicants for the Affordable Housing Program/Below Market Rent Program (if applicable at this community) must be qualified based on the governing authority's income classifications. The income ranges are derived from the maximum low/moderate income. Please reference the Affordable Housing Rent/Income Guidelines to determine eligibility. Affordable Housing Program/Below Market Rent Program guidelines supersede these Qualification Standards.

Occupancy Guidelines

Governed by state, city, and local ordinances. In the absence of any more stringent requirements by the aforementioned agencies, the standard occupancy guidelines will be a maximum of two (2) residents per bedroom. Residents under the age of 18 months will not be considered in the occupancy guidelines. An occupant will be considered a resident and must be listed on the lease agreement if they reside at the premises more than 50 percent of the time.

