

WD Phase I, L.P.
1501 St. Louis St., Orleans Parish
New Orleans, LA 70112
Office Phone no.: (504)264-3240

RESIDENT SELECTION AND QUALIFICATION CRITERIA

To assist you with your decision on your new home, we are providing a list of guidelines used to qualify applicants for residency in our communities. MBM follows specific resident selection and qualification criteria for each property it manages, which may vary from property to property based on different HUD, tax credit, state, local, or other requirements applicable to the project. You may read or review a copy of the applicable Resident Selection Plan and Qualification Criteria for this property at our office or request a copy from the manager to take with you. Nothing contained in these requirements shall constitute representation by McCormack Baron Management (MBM) that all residents and occupants currently residing in our community have met or currently meet these guidelines. Our policy is to require everyone over 18 to be a leaseholder and therefore, must be approved as a leaseholder. We make very limited exceptions. Qualification standards include but are not limited to the following criteria.

The resident selection procedure applies to all adult applicants expected to reside in the household. This also includes all persons who become members of the household during occupancy. Eligibility criteria are required elements that cannot be mitigated. In accordance with the attached documentation, screening criteria may be eligible for mitigation.

ELIGIBILITY CRITERIA

I. INCOME

Maximum income limits may apply on certain units. See Appendix B for specific limits.

Minimum Income Requirement

- Applicants must show proof of ability to pay rent. Income will be verified on all applicants 18 years of age and older, without regard to the source of income (i.e., social security income, vouchers, or other sources of income will be considered)
- Applicants must have a combined verifiable income in an amount in accordance with current community guidelines no less than 2.5 times the non-subsidy portion of the rental rate. If an applicant has no income, a guarantor (if applicable) must be obtained, or the applicant may be conditionally denied.
- All income must be verifiable, regardless of the source of income.

II. Age

- The age restriction for this property is N/A

SCREENING CRITERIA

All applicants for admission to any unit who meet the income eligibility requirements must satisfy certain screening criteria after consideration of applicable mitigating circumstances, if any, unless otherwise specified. Specific lookback periods for screening criteria will be outlined in Appendix A if applicable.

III. RENTAL HISTORY

The following outlines some of the criteria that may result in a conditional denial:

- Failure to provide written rental verification.
- Evictions and foreclosures within the last 5 years.
- Unpaid judgments, rent, and/or damages owed to prior landlords will result in a conditional denial.
- Misrepresentation: willful or serious misrepresentation in the application procedure for the apartment or certification process for any apartment.

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- Applicants must be in good standing with all Housing Authorities.

Note: Rental history will be reviewed. Manager will evaluate past performance of financial obligations, including references from landlords.

IV. CREDIT HISTORY

The following outlines some of the criteria that may result in a conditional denial:

- Outstanding landlord debt
- Collections
- Civil judgments

Note: Our credit reporting agency evaluates credit and rental history against indicators of future rental payment performance. An unsatisfactory finding may result in the requirement of an additional deposit, guarantor, or conditional denial. Medical collections or student loans will NOT affect your credit score calculation. No credit history will equal good credit history.

V. CRIMINAL HISTORY AND SAFETY

Housing providers must show that policies accurately distinguish between criminal conduct that indicates a demonstrable risk to resident safety and criminal conduct that does not. The following outlines some of the criteria that may result in a conditional denial:

- Certain criminal convictions depending on severity of crime and how recent the conviction.
- Reasonable cause to believe:
 - Any household member is currently engaging in illegal use of a drug.
 - A household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Records of disturbance of neighbors, destruction of property or other disruptive or dangerous behavior.
- Violent behavior
- Unsanitary or hazardous housekeeping

Note: Our investigation includes criminal background screening. It is possible your application may be conditionally denied due to criminal convictions or charges. Management reserves the right to require criminal background checks at each recertification/renewal.

INFORMATION

VI. OCCUPANCY STANDARDS

All applicants must meet the established occupancy standards. As a general policy, there should be no more than 2 persons per bedroom. The only exception to occupant limitations are households protected based on familial status (i.e., families with children) under Federal, State, and local fair housing laws. MBM will consider exceptions to the general policy based upon the size of bedrooms/units, age of children, configuration of units, physical considerations, state/local law and other relevant factors.

VII. PETS

Pets are allowed at this community.

For communities that allow pets, the following restrictions apply:

No more than 2 pets will be allowed. Maximum weight limit is 75 pounds per pet. All pets must be approved by MBM prior to move in and current vaccination records will be required. A refundable pet deposit of \$250 and a nonrefundable pet fee of \$25 per pet is required. Unauthorized pets are considered a violation of the resident's lease

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agreement. Lease violations will be sent immediately to the resident upon confirmation of an unauthorized pet(s). Residents are responsible for cleaning up after their pet(s). Failure to clean up pet waste is a violation of the resident's lease agreement and may result in a \$N/A fine.

Further pet restrictions vary at each community. If you have pets, please see your leasing representative for more information.

VIII. ASSISTANCE/SERVICE ANIMALS

A person with a disability may be permitted an assistance or service animal(s) upon completion of the MBM reasonable accommodation process. Applicants/Residents may be required to provide a statement from a medical professional, caseworker, or someone who can verify that the applicant/resident has a disability as defined in the Fair Housing Act and which verifies there is a disability-related need for the animal(s). Alternatively, applicants/residents can use MBM's accommodation verification form. The Animal Addendum must be completed, and vaccinations documented before the animal(s) moves in. Specific animal, breed, number, weight restrictions, pet rules, and pet deposits will not apply to households having a qualified service/assistance animal(s). A pet deposit and pet rent are not required for assistance/service animals.

IX. STUDENT RULE

Some of the apartment homes in our community are governed by Low Income Housing Tax Credit (Tax Credit) requirements. Households consisting **entirely** of full-time students attending institutions of higher learning are not allowed to reside in Tax Credit units UNLESS they meet one of the following exceptions:

- At least one member of the household receives assistance under Title IV of the Social Security Act (i.e. payments under AFDC or TANF)
- At least one member of the household is currently enrolled in a job training program that receives assistance under the Job Training Partnership Act (JTPA) or is funded by a state or local public agency
- The head of household is a single parent of any children who are part of the household and the parent is not a dependent of another individual for tax purposes, and the children are not claimed as a dependent by someone other than the parent
- The members of the household are married and eligible to file a joint federal tax return.
- At least one household member was previously under the care and placement responsibility of the State agency responsible for administering Plan B or E of Title IV of the Social Security Act (Foster Care).

The full-time status of a student eligibility is based on the criteria used by the student's educational institution. Students who will attend an institution of higher learning on a full-time basis during each of 5 calendar months during the calendar year will not be admitted unless one of the exceptions listed above is met.

X. ACCESSIBILITY AND REASONABLE ACCOMODATION STATEMENT

MBM and the Owner are committed to compliance with the Fair Housing Act, Section 504 of the Rehabilitation Act, and the American with Disabilities Act, as applicable, by making reasonable accommodations based on a request by an applicant or tenant with a disability.

XI. SERVICES/UTILITIES PROVIDED

☒ Trash Removal ☒ Pest control ☒ Water ☒ Sewer ☐ Gas ☐ Electricity

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XII. FEES

\$17 non-refundable application fee per adult household member. Certain programs have no application fee. See property staff for details.

\$250 holding fee for deposit (non-refundable after 72 hours if applicant fails to enter the lease agreement after approval of application). Refundable minus the processing fee incurred by the property for debit or credit card payment.

XIII. SECURITY DEPOSIT

1 month rent equivalent Security deposit with approved credit. No rental history deposit equal to N/A.

XIV. IDENTIFICATION

Applicants will need to present:

- a valid government issued photo identification card for each person age 18 years and older that will be living in the apartment.
- Social Security numbers will be requested from every applicant and verification of any and all social security numbers **provided** will be necessary.. The number may be verified with: Driver's license with SSN, Identification card issued by a medical insurance provider, or by an employer or trade union, Earnings statements on payroll stubs, Bank statement, Form 1099, Benefit award letter, Retirement benefit letter, Life insurance policy or Court records. In appropriate circumstances, the Company will accept approved secondary forms of identification to validate your identity.
- Proof of age may be verified with: Birth certificate, Baptismal Certificate, Valid Passport, Census document showing age, or a Naturalization certificate are required for all minors in the household.

XV. GUARANTORS

If a guarantor is allowed, he/she must meet the entire qualifying criteria as presented above. All guarantors must have a verifiable source of income in an amount no less than five (5) times the rental rate. A guarantor may be accepted for lack of rental history, lack of credit, or lack of income. The guarantor must pay an application processing fee, sign the Guarantor Addendum, reside in the United States, and may be subject to criminal screening.

XVI. FAIR HOUSING STATEMENT

MBM and the Owner are committed to compliance with all federal, state, and local fair housing laws. It is our policy to comply with all laws prohibiting discrimination, including all those that prohibit discrimination based on race, color, sex, religion, familial status, disability, national origin, marital status, ancestry, gender identity, age, pregnancy, sexual orientation, source of income or any status protected by federal, state or local law, regulation or ordinance in the leasing or management of the Units and the Residential Community.

XVII. APPLICATION PROCESS

All adult applicants (18 and over) must complete a separate application. However, married couples may complete a joint application. An application fee may be collected for each application. A unit cannot be reserved without the following items:

1. Completed and signed application agreements
2. Application fees paid

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If applicants do not meet the criteria above, they will be conditionally denied. Applicants will be notified of the conditional denial of their application in writing. All households have the right to appeal the conditional denial within 14 days. A written response will be sent to the applicant following the review with the final decision.

XVIII. PRIVACY POLICY

We are dedicated to protecting the privacy of your personal information, including your Social Security Number and other identifying or sensitive personal information. Our policy and procedures are designed to help ensure that your information is kept secure, and we work to follow all federal and state laws regarding the protection of your personal information. While no one can guarantee against identity theft or the misuse of personal information, protecting the information you provide us is a high priority to our company and staff. If you ever have concerns about this issue, please feel free to share them with us.

- **How personal information is collected:** You will be asked to furnish some of your personal information when you apply to rent from us. This information will be on the rental application forms or other documents that you provide to us or to an apartment locator service, either on paper or electronically.
- **How and when information is used:** We use this information only for our business purposes involved in leasing a dwelling to you. Examples of these uses include, but are not limited to, verifying statements made on your rental application (such as your rental, credit and employment history), reviewing your lease for renewal and enforcing your lease obligations (such as to obtain payment for money you may owe us in the future).
- **How the information is protected and who has access:** We allow only authorized persons to have access to your personal information, and we keep documents and electronic records containing this information in secure areas and systems.
- **How the information is disposed of:** After we no longer need or are required to keep your personal information, we will store or destroy it in a manner designed to prevent unauthorized persons from accessing it. Our disposal methods will include shredding, destruction or obliteration of paper documents and destruction of electronic files.
- **Locator services:** If you found us through a locator service, please be aware that locator services are independent contractors and are not our employees or agents—even though they may initially process rental applications and fill out lease forms. You should require any locator services you use to furnish you their own privacy policies.

Signature of Applicant

Date

Signature of Applicant

Date

Signature of Applicant

Date

Signature of Property Representative

Date



Appendix A

CITY SQUARE 162 PHASE 1 DEVELOPMENT

MANAGEMENT PLAN

Article I. DESCRIPTION OF PROJECT

WD Phase I, LP, a Louisiana limited partnership (“**Owner**”) owns and operates the City Square 162 Phase 1 rental development (the “**Residential Community**”). The Residential Community contains the residential units as set forth on **Exhibit A** (“**Units**”).

Owner has engaged the services of McCormack Baron Management, Inc., a private management company (the “**Manager**”) to manage the Residential Community on behalf of Owner. The Manager has responsibility for providing property management services for the Residential Community under a management contract with Owner (the “**Management Agreement**”) and carries out the management of the Residential Community under the direct supervision of the Owner.

Article II. DEFINITIONS AND PROJECT REQUIREMENT COMPLIANCE

Section 2.01 Definitions

As used in this Management Plan, the terms set forth on **Exhibit A** to this Agreement shall have the meanings set forth therein.

Section 2.02 Governing Laws, Programs and Documents

Manager’s management of the Residential Community is carried out under the direct supervision of the Owner, and is subject to all applicable laws, regulations, ordinances, including specifically, but without limitation those identified on **Exhibit B**.

The Residential Community is subject to various special programmatic considerations, operational requirements, agreements, and restrictions arising out of the governmental programs under which the Residential Community is financed or assisted, as well as other requirements contained in the Owner’s organizational documents and project financing documents. **Exhibit B** contains a list of the most significant of such documents and program requirements. The Manager acknowledges that the Owner has provided it with copies of all documents listed in **Exhibit B** and that it has reviewed such documents.

Exhibit B is not deemed an exclusive list of Project Requirements, and Manager will be expected to review and comply with all Project Requirements of which it becomes aware or of which it should reasonably become aware in the course of managing the Residential Community. The Manager shall request copies of any documents containing Project Requirements of which it becomes aware. The Owner shall provide any documents not listed in **Exhibit B** that affect the operation of the Residential Community and therefore contain Project Requirements.

In performing its duties hereunder, the Manager will comply with, and cause the Residential to comply with, all Project Requirements.

Section 2.03 Conflicts Among Documents

In the event of any conflict between the provisions of the Management Agreement and this Management Plan, the provisions of the Management Agreement will govern. Other conflicts will be governed as set forth on **Exhibit B**, if applicable.

Section 2.03. Screening Criteria

All applicants for admission to any dwelling unit in the Residential Community must satisfy the screening criteria set forth below, after consideration of applicable mitigating circumstances, if any. All determinations of satisfaction by an applicant of the screening criteria set forth below, or of the adequacy of mitigating circumstances, will be made by the Manager.

- (a) Screening Criteria. The following screening criteria will be used to determine an applicant's past practices relating to lease compliance and occupancy issues. Screening criteria will be publicized and made available to applicants upon request. An applicant shall not be determined to be ineligible unless information available demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment, or that a substantial risk exists that the applicant will not fulfill its rent obligations timely or otherwise comply with the Resident Lease. Relevant past or present information to be considered in making such determinations is as follows:
 - (i) An applicant's past performance (within past five (5) years) in meeting financial obligations, especially rent, will be considered in determining if there is a substantial risk that such applicant will not fulfill its rent obligations. Factors to be considered are as follows:
 - 1) The household annual income exceeds the applicable Tax Credit/HOME income limits;
 - 2) All members of the household cannot be full-time students unless one of the exemptions is met;
 - 3) Poor credit history, which is indicated by:
 - i. Monies owed to electric companies;
 - ii. Civil judgements and tax liens;
 - iii. Past due monies to landlords/Section 8;
 - iv. Overdue balances that are being addressed through a repayment plan will not be a basis for denial.
 - 4) Prior landlord, property owner, or mortgagee nonpayment or other rental lease violation;
 - 5) Poor landlord reference;
 - 6) Are unable to secure utilities in the head of household's name;
 - 7) Poor housekeeping which is indicated by a previous landlord;
 - 8) Material reported delinquent consumer debt balances (excluding medical bills and student loans) within three months of date of application or written off within one year of date of application;
 - 9) A history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months; and

- 10) If management believes that a household member's illegal use of drugs or pattern of illegal use demonstrated by failing treatment programs may cause harm to another resident;
 - 11) Abuse or pattern of abuse of alcohol such as showing up to interviews intoxicated, which may lead to interfering with the right to peaceful enjoyment of the premises by other residents;
 - 12) Any indication that the applicant will not be able to upkeep the unit or control dependents so as to disturb the property or other residents;
 - 13) A personal interview that indicates an unstable or potentially hazardous relationship between the applicant household and other residents;
 - 14) A personal interview that reveals an applicant may be unable to control their anger and therefor will be a potential threat to their neighbors; and
 - 15) In the case of an applicant for admission to a Market Rate Unit, taking into account other financial obligations, the monthly income of the applicant must not be less than 2.5 times the monthly rent amount, supported by verifiable income that has been in place for ninety (90) days and expected to continue over the subsequent twelve (12) months, or evidence of six-month payment history above or equal to the proposed rent level of the Market Rate Unit.
- (ii) Satisfactory home visit to applicant's current home by representative of the Manager. Home will be inspected, after notice of at least forty-eight (48) hours, for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because applicant lives outside the recognized housing market area, personal references will be checked in lieu of the home visit.
- (iii) Criminal record check, as allowable by law with respect to all applicants for occupancy in the Residential Community, showing no record of past criminal activity by a household member as follows:
- 1) Five (5) years from date of arrest for:
 - a) Drug-related activities, including but not limited to eviction or termination from federally assisted housing;
 - b) Violent criminal activities that include any criminal activity that has as one (1) of its elements: the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, non-trivial bodily injury or property damage; provided however that the violent criminal activity described under 2(c) below will be treated as provided therein;
 - c) Non-violent criminal activities that may threaten the health, safety or right to peaceful enjoyment of the premises by other residents. Examples are crimes that involve disturbing the peace, crimes against property such as burglary, larceny and robbery, and crimes that impose a financial cost such as vandalism, bribery and fraud, including fraud in connection with federally assisted housing;

- d) Alcohol abuse or pattern of abuse, if the Manager has reasonable cause to believe that the person's abuse or pattern of abuse of alcohol may interfere with the healthy, safety or right to peaceful enjoyment of the premises by other residents;
- 2) Permanently from date of arrest for:
 - a) Any felony conviction;
 - b) Methamphetamine manufacturers;
 - c) Sex offenders subject to a lifetime registration under a state sex offender registration program; and
 - d) Violent criminal activities, including but not limited to murder, arson, aggravated felony battery and sex-related crimes not subject to lifetime registration under state sex offender registration programs.
- (iv) Arrests that result in charges being dropped or an acquittal will not be used as the basis for denial.
- (v) Declaration from head of household that no family member under 18 years of age has been convicted of a crime classifying him or her as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release to the Manager of police information for the purpose of verifying whether any such conviction for that family member exists. If such consent shall not be sufficient to obtain release of such information to the Manager, the parent or guardian of such member shall be required to obtain and submit such information to the Manager.
- (b) Denial of Admission. Before the Manager denies admission to the Residential Community on the basis of a criminal record, the Manager shall notify the head of household of the proposed denial and shall provide the subject of the record and the head of household with a copy of the record and an opportunity to contest the accuracy and relevance of the record. If a criminal record is obtained based on a "name hit" and the putative subject of the record denies that the record applies to him or her, the subject may be required to submit to fingerprinting to verify identify as a condition of further consideration of the household's application for admission.
- (c) Criminal Conviction. Upon receipt of the criminal conviction records from a law enforcement agency, the Manager may only disclose the records to officers or employees of the Owner, the PHA, or to authorized representatives of the Owner or the PHA who have a job-related need to have access to the information. Improper release of this information may result in civil and/or criminal penalties.
- (d) Mitigating Circumstances.
 - (i) If negative information is received about an applicant, the Manager shall consider the time, nature, and extent of the conduct and factors that may indicate a reasonable probability of favorable future conduct. To be considered, mitigating circumstances must be verifiable.
 - (ii) Mitigating circumstances are facts relating to the applicant negative rental history or behavior, that, when verified, indicate: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and applicant's prospect for lease compliance is an

acceptable one, justifying admission. Mitigating circumstances would overcome or outweigh information gathered in the screening process.

- (iii) Examples of mitigating circumstances may include:
 - 1) Evidence of successful rehabilitation. The household member who engaged in drug-related criminal activity or alcohol abuse has successfully completed a supervised drug or alcohol rehabilitation program verified by Manager;
 - 2) Circumstances leading to the eviction or criminal activity no longer exist (for example, the criminal household member has died or is imprisoned);
 - 3) Evidence of the applicant family's participation in social service or other appropriate counseling service; or
 - 4) Evidence of successful and sustained modification of previous disqualifying behavior.
- (iv) If the applicant asserts that mitigating circumstances relate to a change in disability, medical condition or treatment, the Manager may evaluate the evidence and verify the mitigating circumstance. Manager shall also have the right to request further information to verify the mitigating circumstance. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation which will be used by Manager as the source document to process a reasonable accommodation request for people with disabilities.
- (v) In its decision to deny housing, the Manager may consider the seriousness of the conduct and the effect of denial of housing on other family members who are not involved in the action or failure to act. The Manager, if it admits such a family to be housed, may impose as a condition of housing, the requirement that family members (other than the head of household), who participated in or were culpable for the action or failure to act will not reside in the apartment. In circumstances where the offending family member is the head of household, the entire family shall be recommended for denial of housing.
- (vi) Consideration of mitigating circumstances does not guarantee that applicants will qualify for admission. Manager will consider such circumstances in light of:
 - 1) The ability to provide documentation to verify the mitigating circumstances and prospects for improved future behavior;
 - 2) The overall performance with respect to all the screening requirements; and
 - 3) The nature and seriousness of the criminal activity, especially drug related and criminal activity that appears in the applicant's record.

Section 2.04 Privacy Rights

- (a) Families applying for admission to the Residential Community are required to sign Form HUD 9886, "Authorization for Release of Information and Privacy Act Notice." This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

APPENDIX – B: HUD-Published Income Limits*

*The limits shown below represent those published by HUD for the predominant housing program at **WD Phase I, L.P.** and may vary to some degree depending on unit availability and applicable housing program.

# of people in household									
Income Limit	AMI	1	2	3	4	5	6	7	8
30 % TaxCr Income Limit	30	\$16,470	\$18,840	\$21,180	\$23,520	\$25,410	\$27,300	\$29,190	\$31,050
50 % TaxCr Income Limit	50	\$27,450	\$31,400	\$35,300	\$39,200	\$42,350	\$45,500	\$48,650	\$51,750
50 % Home Income Limit	50	\$27,450	\$31,400	\$35,300	\$39,200	\$42,350	\$45,500	\$48,650	\$51,750
80 % Home Income Limit	80	\$43,900	\$50,200	\$56,450	\$62,700	\$67,750	\$72,750	\$77,750	\$82,800