

# TAX CREDIT SECTION 42 CRITERIA FOR RESIDENCY RESIDENT SCREENING AND SELECTION PROCESS



**CAMBRIDGE**  
real estate services

Thank you for applying to live at our community. This criteria is provided to you to define the process we use to select our residents. Cambridge Real Estate Services is an Equal Housing Opportunity provider, and seeks to process all applicants in a fair and consistent manner.

## OCCUPANCY POLICY

1. Occupancy is based on the number of bedrooms in a unit. A bedroom is defined as a habitable space within the premises that is used primarily for sleeping, with at least one window and a closet space for clothing.
2. Two persons are allowed per bedroom plus one additional occupant will be allowed for the apartment.
3. In addition to maximum occupancy guidelines, certain communities which have received funding from the HOME program may require minimum occupancy of 1 person for a one bedroom; 2 persons for a two bedroom; 4 persons for a three bedroom; and, 6 persons for a four bedroom apartment. Exceptions may be granted based on demonstrated need and following approval by government agencies and/or their designated program compliance administrators. Contact the site manager for further information regarding program restrictions and exceptions.
4. In order to provide housing to the greatest number of qualified individuals and comply with state and federal regulations, Cambridge Real Estate Services reserves the right to follow HUD, Rural Development and Tax Credit program guidelines designed to encourage the optimal utilization of housing. This may require that Cambridge declines applications in cases where the minimum number of occupants is less than one individual per bedroom for the apartment selected. This condition shall apply throughout the entire term of tenancy and may, if violated, require that the tenant vacate the premises following the legally required procedures for termination or, if all other conditions of residency continue to be met, relocate within the community upon re-screening) to the next available apartment of appropriate size upon written notification from the landlord.

## APPLICATION PROCESS

*Steps to become a resident.*

1. Select your apartment.
2. Complete the LIHTC (Low-Income Housing Tax Credit) Rental Application (one for each adult), Certification of Tenant Eligibility, and Section 42 Certification. Note: Inaccurate or falsified information will be grounds for denial.
3. Pay your non-refundable screening charge of \$45.00. The screening charge is the cost of ordering a resident screening report. Screening entails verification that individual applicants meet the requirements listed below. For those who wish to pay using an on-line portal, payment processing fees may apply. Such fees are not charged by or collected by either the property management agent or the rental community, but rather by a third-party on-line processor of payments.
4. Be prepared to wait 5-7 business days for the application verification process to be completed. More time must be allowed if the information proves difficult to verify. All verification forms including, but not limited to, Income Verifications, Employment Verifications and Asset Verification must be completed by qualified third parties before your application will be approved.
5. If the application is approved and you accept the available unit, you will be required to: 1) sign a minimum 6-month lease in which you will agree to abide by all the rules and regulations; and 2) pay your security deposit and pro-rated rent for the month. (After the 25th of the month, the following month's rent will be required as well.)
6. If the application is approved and you decide not to rent, or the application is denied, you will forfeit your \$45.00 non-refundable screening charge.
7. You are encouraged to read the lease agreement at the time of application. If you require assistance in completing the application, please contact the Manager.

## GENERAL REQUIREMENTS

1. Positive identification with a picture will be required for each adult applicant (a photocopy may be kept on file).
2. A complete and accurate Rental Application listing your current and at least one previous rental reference with phone numbers will be required (incomplete applications will be returned to the applicant).
3. Each legal applicant will be required to qualify individually. Any applicant who fully meets the criteria for this property may be admitted regardless of the qualification status of any co-applicants.
4. Applicants must be eighteen years of age or older, married, emancipated, or under the age of 18 and a) and/or b):
  - a) pregnant and expecting the birth of a child who will be living in the primary applicant's physical custody;
  - b) the parent of a child or children living in the physical custody of the person.
5. Households consisting solely of full-time students may not qualify. Consult Manager for exceptions.
6. Except for the birth, adoption or custody of a minor dependent, there shall be no changes in the household composition within the first six months of residency.

## INCOME REQUIREMENTS

1. Monthly household income should be at least 2.5 times the stated monthly rent.
2. Some form of lawful, verifiable evidence of income will be required for all applicants. Under California law, applicants with a government rent subsidy have the option, at the applicant's discretion, of providing lawful, verifiable evidence of income, including, but not limited to: bank statements, alimony/child support, trust accounts, social security, unemployment benefits, insurance benefits, AFDC, grants/loans, retirement funds, government benefit payments, and pay records. If you are unemployed and have no other source of income, evidence of at least six months of living expenses on hand will be required. "Living expenses" will be defined as the minimum required household income as specified in the rental criteria. If an eligible applicant elects to submit such alternative evidence, Landlord will consider that alternative evidence instead of the applicant's credit history.
3. Self-employed applicants will be required to show proof of income through copies of the previous year's tax returns.

4. If monthly income falls \$500 or more below 2.5 times the stated monthly rent, then evidence of at least six months of living expenses on hand will be required. You will be denied if your source of income cannot be verified.

## RENTAL REQUIREMENTS

1. One year of positive verifiable rental history from a third party reference will be required that falls within the past two years from the date of application.
2. A security deposit in the amount of up to one full month's rent for all renters will be required.
3. Home ownership will be verified through the county tax assessor's office. Home ownership negotiated through a land sales contract must be verified through the contract holder.
4. Five years of eviction free rental history.
5. Four or more non-payment of rent notices within a period of one year where the rent was paid within the time allowed in the notice, will result in a denial.
6. Three or more NSF checks within a period of one year will result in denial.
7. Rental history reflecting unpaid damage and/or past due rent will be denied.
8. Rental history demonstrating documented noise or disturbance complaints caused or contributed to by applicant, will be denied.

## CREDIT REQUIREMENTS

1. Landlord intends to request an investigative consumer report regarding the Applicant's character, general reputation, personal characteristics, and mode of living. Under Section 1786.22 of the California Civil Code, the files maintained on you by the investigative consumer agency shall be made available to you during business hours and on reasonable notice, provided you furnish proper identification, as follows: (1) You may appear at the investigative consumer reporting agency identified below in person, (2) you may make a written request for copies to be sent by certified mail to a specified addressee, or (3) you may make a written request for a summary of the file to be provided over the telephone. The agency may charge a fee, not to exceed the actual duplication costs, if you request a copy of your file. The agency is required to have personnel available to explain your file to you, and the agency must explain to you any coded information appearing in your file. If you appear in person, a person of your choice may accompany you, provided that this person furnishes proper identification. If you are accompanied by a person of your choosing, the agency may require you to furnish a written statement granting permission to the investigative consumer reporting agency to discuss your file in the other person's presence. The agency that will prepare the report(s) identified in this section is listed below: Background Investigations

27600 SW 95th Avenue, Suite 100 Wilsonville,  
OR 97070

If you would like a copy of the report(s) that is/are prepared, please check the box below:

- I would like to receive a copy of the report(s) that is/are prepared

If the box above is checked, Landlord agrees to send the report to Applicant within three (3) business days of the date the report is provided to Landlord. Landlord may contract with another entity to send a copy of the report.

## CRIMINAL CONVICTION CRITERIA

Upon receipt of the Rental Application and screening fee, Owner/Agent will conduct a search of public records to determine whether applicant or any proposed resident or occupant has a "Conviction" (which means: charges pending as of the date of the application; a conviction; a guilty plea; or no contest plea), for any of the following crimes: drug-related crime; person crime; sex offense; crime involving financial fraud, including identity theft and forgery; or any other crime if the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right of peaceful enjoyment of the premises of residents, the landlord or the landlord's agent. Owner/Agent will not consider a previous arrest that did not result in a Conviction or expunged records.

If applicant, or any proposed occupant, has a Conviction in their past which would disqualify them under these criminal conviction criteria, and desires to submit additional information to Owner/Agent along with the application so Owner/Agent can engage in an individualized assessment (described below) upon receipt of the results of the public records search and prior to a denial, applicant should do so. Otherwise, applicant may request the review process after denial as set forth below, however, see item (c) under "Criminal Conviction Review Process" below regarding holding the unit.

A single Conviction for any of the following, subject to the results of any review process, shall be grounds for denial of the Rental Application.

- a) Felonies involving: murder, manslaughter, arson, rape, kidnapping, child sex crimes, or manufacturing or distribution of a controlled substance.
- b) Felonies not listed above involving: drug-related crime; person crime; sex offense; crime involving financial fraud, including identity theft and forgery; or any other crime if the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right of peaceful enjoyment of the premises of the residents, the landlord or the landlord's agent, where the date of disposition has occurred in the last 7 years.
- c) Misdemeanors involving: drug related crimes, person crimes, sex offenses, domestic violence, violation of a restraining order, stalking, weapons, criminal impersonation, possession of burglary tools, financial fraud crimes, where the date of disposition has occurred in the last 5 years.
- d) Misdemeanors not listed above involving: theft, criminal trespass, criminal mischief, property crimes or any other crime if the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right of peaceful enjoyment of the premises of the residents, the landlord or the landlord's agent, where the date of disposition has occurred in the last 3 years.
- e) Conviction of any crime that requires lifetime registration as a sex offender, or for which applicant is currently registered as a sex offender, will result in denial.

### Criminal Conviction Review Process.

Owner/Agent will engage in an individualized assessment of the applicant's, or other proposed occupant's, Convictions if applicant has satisfied all other criteria (the denial was based solely on one or more Convictions) and:

- (1) Applicant has submitted supporting documentation prior to the public records search; or
- (2) Applicant is denied based on failure to satisfy these criminal criteria and has submitted a written request along with supporting documentation.

Supporting documentation may include:

- i) Letter from parole or probation office;
- ii) Letter from caseworker, therapist, counselor, etc.;
- iii) Certifications of treatments/rehab programs;
- iv) Letter from employer, teacher, etc.
- v) Certification of trainings completed;
- vi) Proof of employment; and
- viii) Statement of the applicant.

Owner/Agent will:

- (a) Consider relevant individualized evidence of mitigating factors, which may include: the facts or circumstances surrounding the criminal conduct; the age of the convicted person at the time of the conduct; time since the criminal conduct; time since release from incarceration or completion of parole; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts. Owner/Agent may request additional information and may consider whether there have been multiple Convictions as part of this process.
- (b) Notify applicant of the results of Owner/Agent's review within a reasonable time after receipt of all required information.
- (c) Hold the unit for which the application was received for a reasonable time under all the circumstances to complete the review unless prior to receipt of applicant's written request (if made after denial) the unit was committed to another applicant.

Criminal History that will not be considered by Owner/Agent:

- (a) Arrests that did not lead to a conviction;
- (b) Information indicating that an individual has been questioned, apprehended, taken into custody, detained, or held for investigation by law enforcement;
- (c) Infractions;
- (d) Referral to or participation in a pre-trial or post-trial diversion program or a deferred entry of judgment program, unless the applicant offers this information as mitigating information;
- (e) Criminal convictions that have been sealed, dismissed, expunged, or otherwise rendered legally inoperative, unless the applicant offers this information as mitigating information;
- (f) Adjudications or matters processed in the juvenile justice system, unless pursuant to an applicable court order or unless the applicant offers this information as mitigating information.

## REJECTION POLICY

You have the right to dispute the accuracy of any information provided to the landlord by a screening service or credit reporting agency. If your application is rejected due to unfavorable information received during the screening process you may:

1. Contact the screening company that supplied the information to discuss your application. The screening company that processed your application is Background Investigations. Their name and the reference number for your file will be printed on the acceptance or denial letter.

Background Investigations  
27600 SW 95th Avenue, Suite 100 Wilsonville,  
OR 97070

2. Contact the credit reporting agency to identify who is reporting unfavorable information.
3. Correct any incorrect information through the credit reporting agent as per their policy.
4. Request the credit reporting agency to submit a corrected credit check to the appropriate screening company.
5. Upon receipt of the corrected and satisfactory information, your application will be evaluated again for the next available apartment. Be advised:
  - Incomplete, inaccurate or falsified information will be grounds for denial.
  - Any applicant that is a current illegal drug user or addicted to a controlled substance or has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance shall be denied.
  - Any individual whose tenancy may constitute a direct threat to the health or safety of an individual, or whose tenancy would result in physical damage to the property of others will be denied.
  - Applications and background screenings will be valid for a 90 day period from the date of submission. If the applicant(s) fails to execute a rental agreement within the stated 90 day period, an updated application/background screening will need to be obtained with costs paid by the applicant.
  - The Criteria for Residency applies throughout the duration of tenancy. Management reserves the right to update records to confirm continued eligibility for housing.

If your application has been denied and you feel that you qualify as a resident under the criteria set out above, you should do the following:

Write to: Equal Housing Opportunity Manager  
Cambridge Real Estate Services  
PO Box 2968, Portland, OR 97208

OR  
Email to: [info@cambridgeres.com](mailto:info@cambridgeres.com)  
And in the Subject Line of the email, put the name and the property you are applying for, your last name, and the words "Denial Appeal."  
For Example, "King Plaza – Smith – Denial Appeal"

In the letter explain the reasons you believe your application should be approved and request a review of your file. Within seven working days of receipt of your letter, your application file will be reviewed and you will be notified of the outcome of the review. Please be aware that an apartment cannot be held during the appeal process.