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Subject: Standard and Processes - Rental housing entry

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Standards and Processes that Lower Barriers to Rental Housing Entry

Introduction

In March 2018, Florida Housing convened a workgroup to address a 2017 Affordable Housing Workgroup recommendation regarding lowering barriers for extremely low-income (ELI) households to access rental housing in Florida Housing's portfolio. The workgroup's charge was to help Florida Housing develop comprehensive low barrier entry standards and requirements that the Corporation could consider adopting and incorporating into future requests for applications. The workgroup was comprised of members with expertise in affordable housing development, property ownership and management, provision of supportive housing and support services, fair housing, and advocacy for homeless households or persons with special needs. The organizations represented were the Florida Supportive Housing Coalition, Coalition of Affordable Housing Providers, Florida Housing Coalition, Florida Coalition for the Homeless, Florida Legal Services, Atlantic Pacific Management, and Gracepoint.

The following are the recommendations developed by the workgroup over a series of five meetings. This set of recommendations is a consensus document that includes proposed requirements, standards and processes to reduce or alleviate application and selection barriers for households seeking tenancy at a Florida Housing financed rental development. During the workgroup's discussions, many of the recommendations developed from being ELI household specific to ones that should be considered for all income-eligible households.

Tenant Selection Criteria and Approach Requirements (All households)

- Owners must maintain written Tenant Selection Criteria following Florida Housing requirements pursuant to the Request for Application (RFA). The criteria and approach under which an applicant was screened must be included in the household's file. Agree

Tenant Application Packet (All households)

- The development's tenant application package must prominently and distinctly provide the following items:
 - A description of reasonable accommodations or reasonable modifications for persons with disabilities, pursuant to Section 504 of the Rehabilitation Act of 1973. The description shall include accommodations that must be considered by the Development such as physical dwelling unit modifications for greater accessibility and use, as well as individualized assessments of mitigating factors related to a disability that adversely affected a household's credit, eviction or criminal history. The description shall also include the process of requesting a reasonable accommodation, the determination approach, and decision-making timelines. Agree
 - A description of an applicant or existing tenant's protections pursuant to the Violence Against Women Reauthorization Act of 2013. Agree
 - The approach regarding a household's notification and appeal process and timeline, if the household's application is rejected or determined ineligible. Agree

Application Fees (ELI households)

- A fee of no more than \$35 may be charged to each adult in an extremely low-income household for processing a tenancy application, including conducting credit and background checks.

\$35 per adult applicant

Deposits (ELI households)

- A rental deposit for a unit set aside for an extremely low-income household will be no more than one month's rent. Agree
 - The development should offer a payment plan to split the deposit in at least two to three payments. Disagree - standard should apply to all applicants, ELI applicants have advantage of lower rents = lower deposit.
 - A deposit or fee to hold a rental unit for a stated period of time until the tenant pays the first month's rent or security deposit is prohibited regardless of whether the fee is applied toward the security deposit. Disagree - there is no guarantee applicant will take possession of unit. A minimum of \$200 which is standard holding fee should be allowed. Unless vacancy loss will be covered by FHFC.

Income Requirements (All households)

- The eligibility income requirement for an applicant's household income must not be more than 2 times the monthly rent. Disagree - community standard should be applied to all applicants
- All eligibility income requirements must consider any rental assistance that an applicant household receives from a federal or state program, such as HUD Section 8 Housing Choice Vouchers. Developments must exempt households with rental assistance from the income requirement policy itself or base the income requirement on a household's tenant paid portion of the rent. Disagree

Credit Record Checks (ELI households)

- Credit history related to medical expenses, cable and internet services may not be taken into consideration when conducting credit checks for applicants that are income eligible for units set aside for extremely low-income households. Why weren't student loans included? Cable and internet should be removed.

Criminal History (All households)

- Florida Housing shall emphasize in its RFAs and relevant closing documents that Developments must adhere to the criminal history check guidelines entitled, "Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records" issued by HUD on April 4, 2016. The guidelines include:
 - Arrest records alone may not be used as a selection criterion; and There are industry standards in place which protect applicants.
 - The development must offer each applicant the option to request that the development conduct an individualized assessment that gives the applicant the opportunity to submit, with the application, evidence of mitigating circumstances related to a criminal conviction(s); Credit/criminal reports are blocked from management staff
- When an individualized assessment is conducted by the development, the determination should include assessing the following factors:
 - Onsite staff isn't able to view credit nor criminal information related to an applicant. 3rd party vendors usually don't offer this service.

- the seriousness of the criminal offense;
 - the relationship between the criminal offense and the safety and security of residents, staff and property;
 - the age of the household at the time of the offense;
 - the number of and nature of any other criminal convictions;
 - evidence of rehabilitation, such as employment, participation in a job training program, education, recommendations from professionals or employers in the community relevant to the rehabilitation and mitigating factors; and
 - formal tenancy supports or other risk mitigation services the applicant will receive during tenancy.
- Florida Housing should convene a workgroup to develop a comprehensive tenant selection approach regarding a household applicant's criminal history. The focus of the workgroup would be to develop standardized procedures and tenant selection criteria that take into consideration the type of conviction, exclusion timeframes, and mitigating circumstances as determining factors. The workgroup should include members that have experience/expertise in affordable housing rental management and tenant selection policies, provision of supportive services for ELI households, and Fair Housing. Agree

Evictions (ELI households)

- Developments must establish no more than a 5-year look-back period when reviewing evictions of applicants eligible to lease an extremely low-income unit. Disagree
 - Applicants with one eviction during a 5-year look-back period will not be disqualified from tenancy, unless the eviction was due to causing physical harm to development staff, tenants or intentional property damage. Agree, if applicant has also established positive landlord referral
 - Applicants with more than one eviction within the look-back period may be required to pay a security deposit equal to no more than two times the monthly rent. More than 1 eviction over 5 years = problem
 - The development will give the applicant the opportunity to submit, with the application, evidence of mitigating circumstances related to evictions. Individual mitigating circumstances should be reviewed as part of the development's standard application review process. Staff unable to verify nor view applicants credit report.

Rejected or Ineligible Applicant Notification (All households)

- Rejected or ineligible applicants must be notified of the property's decision through a documented process such as a written letter or email to the address provided by the applicant. In addition to the written notice, a telephonic notification should be considered to alleviate any difficulties in attempting to notify the applicant within the required timeframe. Applicants must be provided information on the reason for the denial and/or how ineligibility was determined. The notification must be provided to the applicant within 3 business days after a determination is made and must include information on how an applicant may appeal the decision.

This procedure has been established through crediting processing regulations.