



## City of Ann Arbor

### Affordable Housing Waitlist Policy

*Applies to units created through Brownfield Policy, Zoning Requirements and/or  
Purchase Agreements and/or Deed Restrictions)*

**Purpose:** The City of Ann Arbor has recently adopted a series of policy changes to encourage affordable housing through the use of incentives (such as Brownfield Tax Increment Financing) and changes to zoning (Downtown D1 and D2 zoning premiums and Planned Unit Development (PUD) zoning).

When utilized, these tools require the development and long-term maintenance of committed affordable apartments for households with incomes up to a specific Area Median Income (AMI) as well as caps on rent that can be charged.

To assist in marketing these units to the broader public, and ensuring standardized review for household income, the Office of Community and Economic Development (OCED), which serves as the City's Community Development Department, is proposing a policy for developing and implementing an online waitlist for these properties.

#### **Online Waitlist:**

OCED is developing an online portal for interested parties to sign up on a waitlist for affordable housing units required through the City's brownfield financing and zoning regulations. The website will provide links to information about how to apply to other waitlists such as other affordable housing and voucher waitlists managed by state and local housing authorities, but will note that this waitlist is for the properties listed on the website only, and will continue to be updated as units are added.

The website will require interested parties to create an account, and provide contact information, which they will be responsible for keeping up to date at a minimum, annually. . Additional information will be collected related to household size, household income, basic demographics, and a series of assurances, noting the information is accurate and complete, that applicants are responsible for updating contact info, and that when the applicant is pulled from the waitlist, applicants are responsible for providing current income and tax information for review for income qualification.

The website is scheduled to launch on Friday, July 24, 2020 with the waitlist going live on Monday, July 27. The first lease-up is expected in August/early September of 2020. Once the openings are confirmed, OCED staff will pull the first names on the waitlist, contact applicants to conduct income verifications, and then provide this information, with the consent of the applicant, to the property manager. The applicant will also need to complete the property's application and review process.

This process will be conducted for initial lease-up of affordable units, and then repeated in the case of vacancies. The tenants and property managers must provide annual income and rent verifications to OCED to ensure ongoing compliance with City requirements.

Income verification will be done according to the IRS 1040 method – and will require the following documentation at a minimum:

- Annual Income (most recent year)
  - Most recent annual tax return

- Current income sources may be required:
  - 4- 6 current pay stubs for additional verification, and/or social security or disability award letters, payee letters, etc.
  - Individuals who receive Housing Choice Vouchers, VASH vouchers or similar will be automatically considered income qualified.
  - Qualification in other state and federal programs that meet income qualifications can also be used in lieu of tax return income qualification
  - Other formal income documentation as requested

Staff will verify the applicant's income and for those that meet the income requirement for that particular apartment, the applicant's income approval will be provided to the property manager for the relevant property. The property manager will provide rental applications to those who are income pre-qualified for the affordable apartment.

The waitlist will begin with a single property with 8 affordable apartments in 2020 and another 7 affordable units in 2021. The website and waitlist will grow as additional City required affordable units are added. However, in the event that a property includes affordable housing through the City's zoning or brownfield requirements that also have HUD or other rental subsidies that have waitlist requirements, then the waitlist may be administered by the HUD or other rental subsidy administrator.

Recommended policy for City required affordable housing wait list

#### Applying to the Waitlist

- Each property will be listed with information about income limits and available units, as indicated in the formal approval, affordability agreement and related legal documents including qualifying Area Median Income, maximum rent, etc.
- The waitlist will be open to all people over age 18.
- All applications must be entered online. If individuals need support with online applications, OCED staff will assist with the application.
- Only one application is allowed per household.
- Applicants must provide their name, contact information (e-mail and phone), household size, indicate head of household, and provide basic demographic information
- Applicants must indicate all properties they are interested in (as more properties are added).
- Applicants can sign up for as many properties and unit sizes as they are interested in. At the time that an applicant is pulled from the waitlist for a specific apartment size, the applicant must provide income information for all household members that will be living in the apartment. The household income is based on the income of all household members over the age of 18.
- The rent for these apartments will not change based on the size or income of the household. The rent is fixed by the agreement between the City and the owner. Each apartment will have both a rental cap and an income cap and any household whose income is at or below the income cap, can move into the apartment even if the rent exceeds 30% of the tenant's income. These apartments do not have rental vouchers attached to them, they are simply below-market rate rental rates.

#### Managing the Waitlist

- After applying online, applicants will receive an e-mail notification that they are on the waitlist, and a reminder to keep contact information up to date.
- Placement on the waitlist does not indicate that the applicant will be eligible for an available affordable unit. A final determination of eligibility will be made when the applicant is selected from the waitlist and income is verified.



- Applicants are required to keep information current in the waitlist website. At least once annually, staff will e-mail all applicants and request that contact information be updated.
- Staff will also e-mail applicants when new properties or units are added to the website, so applicants can update their preferences.

#### Waitlist selection and approval

- Applicants will be pulled from the waitlist for consideration on a first come, first serve basis.
- Once pulled from the waitlist an applicant:
  - Will be contacted by staff by e-mail and/or phone and will have 10 business days to provide required income documentation
    - If an applicant does not respond by the stated deadline, they will be removed from the list.
    - If an applicant does respond but is unable to move at that time due to a lease or similar obligation based on the time-frame for that unit's availability, the applicant will retain their waitlist position. If another unit becomes available, and the applicant again is unavailable to take the unit due to lease or similar obligation based on the time-frame of availability, the applicant will be moved to the bottom of the waitlist.
    - If an applicant is selected from the waitlist but is over income for all available units, they will be removed from the waitlist.
    - If an applicant is selected is over income for a particular unit, but may qualify for another unit that they have indicated interest in, they will retain their position. However, on a subsequent selection if the applicant is selected but over income a second time, they will, they will be removed from the waitlist.
    - If an applicant is selected and meets income qualifications, but does not meet the additional application requirements of the individual property, they will retain their waitlist position.
    - Applicants who are removed, may choose to apply to the waitlist again in the future.

#### Selection and income qualification

- For applicants who are claimed on their parents or other's individuals' tax returns, the family income must be used for the qualifying income for the applicant who is a dependent.
- Once an applicant is selected, and their income is qualified, they will be contacted within 3 business days along with the property manager/owner – and will then begin the landlord/tenant application process for the particular property
- All property owners are subject to local, state and federal Fair Housing laws, including recently adopted changes to the [City's anti-discriminations ordinance](#)
- Property managers must notify staff whether or not applicants were provided a unit.
  - If applicants who are income eligible do not meet the property owner's requirements, they must provide information to staff as to the reasons why in writing
- Staff will then select the next individual on the waitlist for income verification.
- This process will continue for both lease-up and regular turnover of affordable housing units.
- This policy may be revisited annually as units are added, and staff and the community learn more about how best to administer this as both policy and practice.

Property managers/developers may be asked to financially contribute to the ongoing development and maintenance of the waitlist and website.

#### Ongoing Compliance:

The property manager/owner must provide annual income and rent recertification materials as requested by community development. They are also subject to on-site monitoring of renter files to ensure income and rent compliance. The property must maintain compliance with the City of Ann Arbor building and rental inspection program.

Staff will conduct periodic review of this policy with the Housing and Human Services Advisory Board and City Council.

**Opening and closing the waitlist.** Staff will carefully monitor the waitlist, with the intent of keeping it open, but with the option of closing it if deemed necessary. Notification of changes to the waitlist will be noted on the City's website and on [www.annarborwaitlist.com](http://www.annarborwaitlist.com).

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