



City of Morgan Hill / HouseKeys Affordable Rental Housing Program Application Guide Issued 06/17/2020

Note: Guide is subject to change as updated from time to time.



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Note: The application forms, exhibits and documents checklist that the applicant needs to fill out can be found at www.housekeys1.com

1. INTRODUCTION

HouseKeys is the City of Morgan Hill Affordable Housing Program Administrator. This Rental Application Guide includes the guidelines, policies, and procedures that comprise the Affordable Rental Program for Below Market Rate (BMR) units.

Applying for, renting, and following leasing rules on an Affordable Rental Unit differs in many ways from renting at market rate. These differences include maintaining income eligibility during the entire lease term. It is important that prospective tenants understand the rules and procedures of the City's Affordable Housing Program ("Program") fully.

The Program Application Guide and other relevant information (e.g., Ordinances, procedures, and income limits), will be amended and updated from time to time. All proposed changes are subject to approval by the City Council prior to implementation and shall comply with state and federal affordable housing laws. The agreements between the City and owner of the development may vary, please refer to them for specific information and rules for a particular apartment complex.

Updates to this Program Application Guide and other relevant information will be posted on the [HouseKeys website](#)

HouseKeys makes every effort to successfully execute all Opportunity Drawing Lotteries and Applicant Selection Methods. Over our History, we've had a 99.08% success rate. That said, there is a chance that an error or omission can be made by our team or systems that negatively impacts an applicant. While HouseKeys will make every effort to correct mistakes, we cannot make any guarantees to any one applicant.

Please contact HouseKeys with any questions or concerns regarding this document or any other question regarding the City's affordable housing program:

Online: www.myhousekeys.com
www.housekeys1.com
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Phone: 1-877-460-KEYS (5397)






ALL GUIDELINES ARE SUBJECT TO CHANGE WITHOUT NOTICE

2. ONLINE WEB PORTAL DASHBOARD OVERVIEW

		
<p>Information Profiles</p>	<p>Program Center</p>	<p>Program File Cabinet</p>
<p>Information Profiles are used to gather important facts that determine your eligibility and qualification. These profiles will be used by the Program Administrator to complete your Program application and determine your eligibility to participate in Program activities.</p>	<p>All Application, Opportunities, Opportunity Drawings, and Participation Activities are captured in your Program Center. As soon as you complete your initial registration, this is where you'll spend the most time participating in the Program.</p>	<p>As you start to apply for and participate in Program activities, your file cabinet is where you'll track progress, exchange information, and communicate with Program administrators.</p>

3. ESTABLISHING AN ACCOUNT (HOUSEHOLD PROFILE) IN THE MYHOUSEKEYS (WWW.MYHOUSEKEYS.COM)

The following five (5) actions are the initial steps needed to establish your household’s affordable housing account.

REGISTRATION PROCESS	ACTION OR MILESTONE
1. Initial Signup	 <p>Start out by completing our simple registration form. This step collects very basic information from you to establish a User Account, including your name, contact information, and your household size and income.</p>
2. Complete the Registration Wizard	 <p>The next step includes additional details about your address, household members, income profiles, and preference criteria. The preference criteria are described on Step 5 of the Registration Wizard. Completion of the Wizard will create a summary of your household and provide you with access to additional features of the Administrator Platform.</p>
3. Browse the Program Center	 <p>Go into the Program Center and browse the list of Programs. Under each Program Title, you’ll see a button that allows you to Request an Application I.D.</p>
4. Request an Application I.D.	 <p>The Application I.D. allows the Program Provider and Administrator to identify your household as a prospective applicant household. It also puts you on the notification list to receive information and updates.</p>
5. Find an Opportunity and Enter an Opportunity Drawing	 <p>Each Opportunity is placed into an Opportunity Drawing that allows HouseKeys to facilitate multiple applicant interest. Application I.D.s are prioritized through a Random Selection Process (Lottery) or by Time and Date Stamp (First-Come-First-Serve).</p>

4. HOUSEHOLD INFORMATION PROFILES

HouseKeys holds orientation classes to introduce the Program and help applicant Households organize their application files and prepare for the application process. The application packet is broken down into 10 **Household Information Profiles**:

#	Information Profile Name	Description	Purpose
1	Location Profile	Where you live and where you work	The address where you live and work is an important factor in determining your eligibility. The county you presently live in, or may be moving to, is often used to determine how to categorize your household.
2	Member Profile	The people who live in your housing unit	The number of people in your household determines your household size and household size is used to determine income category.
3	Income Profile	Documenting the total income of all household members.	Income documentation is required by all household members who are 18 years of age or older
4	Expense Profile	Documenting monthly expense obligations	It's important to ensure that your total monthly expenses show that you can afford the monthly rent for the unit you are applying for
5	Asset Profile	Deposit Funds and other Assets	You need to document your rental deposit funds. Please note that Assets are included in income calculations using the income shown on statements or calculations used by the Program Underwriter (or the party who is underwriting the file). See Asset Limits below.
6	Liability Profile	Your Debt	Your debt adds to monthly expenses and the maximum monthly rent that you can afford is an important qualification factor
7	Credit Profile	Your Credit Score	All three credit bureaus (Equifax, Experian, and TransUnion) are evaluated to ensure you meet minimum credit requirements or rental scoring system used by the property manager/Leasing Team
8	Public Record Profile	Collections, Liens, Bankruptcies and Foreclosures	These are evaluated to determine whether or not there is any risk that the finalization of lease signing or meeting any of the property management requirements.
9	Demographics Profile	Applicant Characteristics	Demographic information is critical to ensure fair housing compliance and to track how Program Providers are meeting their housing goals.
10	Program Preference Profile	Program Factors that determine Applicant Priority	While all applicants may apply for a housing program, applicants that live and work where the program is located are prioritized in many jurisdictions.

5. APPLICATION PROCESS

5A. APPLICATION PROCESS (ORIENTATION, PRE-APPLICATION, AND PREFERENCES)

The application process is summarized below and on the following pages:

ORIENTATION

- All applicants, co-applicants, married couples, domestic partners, and any person that can or will be on the lease, must complete the Orientation before being eligible to participate in an Opportunity Drawing. Any exceptions to this rule will be posted in the Opportunity Drawing details. Applicants can sign up for an orientation class on the HouseKeys website. If HouseKeys makes an online orientation class available, attendees will visit the website, review the orientation materials, and take an online quiz. As stated above, all applicants, co-applicants, married couples, domestic partners, and any person that can or will be on the lease must take the online quiz if this option is provided.

PRE-APPLICATION AND APPLICATION ID ASSIGNMENT

- Request an Application ID in the Program Center
- Answer all of the Pre-Application Questions in the Request Wizard
- Application ID will be assigned immediately. If there is a system delay or malfunction, Application IDs can take up to 10 business days to be assigned.
- An Application ID does not mean you are eligible or approved for the Program. It provides the applicant Household with the ability to enter Opportunity Drawings.

PREFERENCES AND RANKING

In all instances, the applicable preferences (described in Preference Section) will be used and verified by HouseKeys during the application process. Applicant Households that meet the stated preference criteria will be assigned a higher ranking. Once the list of Preference-Holding Applicant Households is exhausted, HouseKeys will begin processing the files for the Applicant Households who don't hold a Preference.

5B. OPPORTUNITY DRAWINGS

Affordable Rental Opportunities are marketed through an Opportunity Drawing that is identified by an Opportunity Drawing Index Number. An Opportunity Drawing can contain one (1) or more available rental units that are up for sale or rent. The primary process for determining the order in which applicants will be chosen in each Opportunity Drawing is called a Lottery. Through a Lottery, a randomized number is assigned to each eligible Opportunity Drawing Applicant who entered before the deadline. In certain circumstances, a second process may be used where we choose entrants in the Opportunity Drawing based on the timestamp using what is called a “First-Come-First-Served” process. No matter which process is used to determine the order, the first opportunity will only go to applicants who have entered the Opportunity Drawing before the deadline.

Please note: HouseKeys does leave Opportunity Drawings open for applicants to enter after the deadline as “backup” tenants. With backup tenants, Preference and Occupancy Requirements may not apply.

OPPORTUNITY NOTIFICATION (EACH OPPORTUNITY DRAWING IS ASSIGNED AN INDEX NUMBER)

- A notification email will be sent out to Application ID holders. When a new Opportunity Drawing is released it will be posted in the Program Center and identified by its Opportunity Drawing Index Number
- Follow the instructions and review the terms in each Opportunity Drawing Notification. It is the applicant Household’s responsibility to follow all instructions in each Opportunity Drawing. Each Opportunity Drawing announcement will include the selection method, file submission instructions, and the deadlines that Applicant Households must meet.

OPPORTUNITY ENTRY

- Once the applicant reviews the Opportunity Drawing information and is certain that he/she can meet ALL listed requirements, the applicant can follow the instructions to Enter Drawing
- Applicant must complete **Exhibit D (Rentals): Authorization Form** for verification and sharing information with Registered Lenders or Property Managers
- Applicant must complete the **Application Packet Part 3: Intent to Abide Form** to confirm that the applicant understands the Program Requirements
- Applicant Households can only apply for one Opportunity Drawing at any one time. If an Opportunity Drawing has ranked applicants, and it is discovered that an Applicant Household has entered more than one drawing, the lowest ranked entry will be chosen. Applicant Households are allowed to opt out of any drawing as long as the “opt out form” is submitted before an applicant Household enters another drawing.
- If there is another Opportunity Drawing available at the same time, the applicant can opt out of one Opportunity Drawing to enter another, if it is done before the Opportunity Drawing entry deadline.
- In some cases, the Opportunity Drawing will remain open until all applicable units are sold or rented. Anyone who enters their Application ID into an Opportunity Drawing after the first deadline will be added to the end of the list using the time and date stamp of their Opportunity Drawing entry. These are labeled as “back up tenants”
- Ranking and file request numbers are issued to set the application file processing order for each Opportunity Drawing. A new ranking and file request number will be issued every time an applicant Household participates in a new Opportunity Drawing. Ranking, file request, and Application ID numbers are not transferable.

5C. APPLICATION PROCESS (OPPORTUNITY DRAWING METHOD)

When an Opportunity becomes available, HouseKeys uses the methods outlined below to determine the order in which Application IDs and files will be ranked and organized for review.

LOTTERY: RANKING NUMBER ASSIGNMENT THROUGH RANDOMIZED PROCESS:

Step 1:	Step 2:	Step 3:	Step 4:
All Applicants: Opportunity Drawing Entry Time and Date Stamp	All Applicants: Ranking Number Assigned through Randomized Lottery Process	Applicants w/ Preference Listed based on Preference Type and Ranking Number	All Applicants: Final Ranking is issued to determine the order in which files will be processed. Preference-Holders first and then all remaining Applicants

All Applicants that enter their Application ID numbers into an Opportunity Drawing will receive a Ranking Number. Applicants enter the Opportunity Drawing using the Program Center Portal at www.myhousekeys.com and **must enter by the deadline stated** in the Opportunity Drawing instructions. Each entry is given a time and date stamp to confirm whether the Applicant entered on time. The Lottery is the randomized process used to assign Ranking Numbers. When the Lottery is held, each Application ID in the Opportunity Drawing will be assigned a Ranking Number and the list is published with selection order and Application ID number.

SAMPLE DRAWING ON NEXT PAGE

Initial Ranking:

Opportunity Drawing Deadline: Wednesday, 2/5/2020 at 5 PM	Preference(s) for Opp. Drawing	Lottery held Friday, 2/7/2020 at 3 PM
Timestamp and Application ID	Live/Work	Initial Ranking # Assigned
2/1/2020 at 10:10 AM App ID 92-8-235	Pref: N/A	3
2/2/2020 at 3:30 PM App ID 92-8-100	Pref: Live/Work	4
2/3/2020 at 8:05 AM App ID 92-8-72	Pref: N/A	2
2/4/2020 at 1:02 PM App ID 92-8-300	Pref: Live/Work	1
2/6/2020 at 8:12 AM App ID 92-8-25	Pref: Live/Work	Missed Deadline; Backup Tenant

Final Ranking:

Opportunity Drawing Deadline: Wednesday, 2/5/2020 at 5 PM	Preference(s) for Opp. Drawing	Lottery held Friday, 2/7/2020 at 3 PM	This Final Ranking # is used to Request Application Files
Timestamp and Application ID	Live/Work	Initial Ranking # Assigned	Final Ranking # Assigned
2/4/2020 at 1:02 PM App ID 92-8-300	Pref: Live/Work	1	(1) 92-8-300
2/2/2020 at 3:30 PM App ID 92-8-100	Pref: Live/Work	4	(2) 92-8-100
2/3/2020 at 8:05 AM App ID 92-8-72	Pref: N/A	2	(3) 92-8-72
2/1/2020 at 10:10 AM App ID 92-8-235	Pref: N/A	3	(4) 92-8-235
2/6/2020 at 8:12 AM App ID 92-8-25	Pref: Live/Work	Missed Deadline; Backup Tenant	Missed Deadline; Tenant

Both Preference Holders and Non-Preference Holders receive a ranking and are listed in the Final Application File Selection Order. Applicants who enter their Application ID after the Opportunity Drawing deadline will be added to the end of the ranked list based on the time and date stamp that their entry form was completed. Late entrants have an opportunity to rent if all ranked and selected files don't work out. Once the tenants are identified, the website will display a message with the status and the participants will be released from the drawing so they can enter another one. A household that enters an Opportunity Drawing can Opt Out at any time by logging into their account via www.myhousekeys.com, going to the Program Center and clicking the Opt Out Button for the Drawing that they entered.

Note: If a household fails to provide sufficient evidence that they meet the preference they stated, they will need to be re-ranked on the list without the preference.

5D. APPLICATION PROCESS (APPLICATION REVIEW) TENANT

APPLICATION REVIEW AND LANDLORD SCREENING

- The Administrator will determine the processing order of the applicants and their priority ranking based on stated information.
- Once the Administrator has finalized the application ranking and processing order, a list will be sent to the Property Manager/Leasing Team to begin to request application files, start the background and credit check process and determine program eligibility.
- The Property Manager/Leasing Team will verify with supporting documents if the household meets the City Preferences. If a household fails to provide sufficient evidence that they meet the preference they stated, they will need to be re-ranked on the list without the preference
- The Property Manager/Leasing Team should keep notes on the status of each applicant as they are moving down the list. The Administrator will request a status report as needed. The notes on the list and each file should include dates of when the applicant was contacted, if an Adverse Action or Denial Notice was issued, Appeals, approvals, and milestones. The Administrator may request files for all the households on the list.

PROGRAM APPLICATION PACKAGE COMPLETION

- Property Manager/Leasing Agent will contact Applicants in ranking order with an application file request. The request will be sent by email and it will include instructions, application forms, document checklist and a deadline. The applicant will have 3 business days from the day of the notice to provide the Property Manager/Leasing Agent all necessary documents.
- Documentation needs to be current and dated within 30 days of submission.
- Applicants/Co-applicants, and or household members who submit inaccurate information, altered documentation, or false documentation or certifications, will be disqualified.
- Once all documents are received, the Applicant will be provided with a Submission ID which will be their file in line for Processing and Underwriting (or the party who is underwriting the file).

APPLICATION REVIEW

- The application package will be reviewed, and if complete, will be submitted to the processor or the person doing an initial review.
- If the application is incomplete, applicants will be given written notice to respond with any file updates or missing items. The applicant will have 2 business days from the date of the notice to submit all the items.
- Applications that remain incomplete after notifications and applicable grace periods, will not be processed or forwarded to the underwriter (or the party who is underwriting the file) for final review. An Adverse action with the status of the application should be issued to the applicant to document the file.

5E. APPLICATION PROCESS (APPLICATION UNDERWRITING AND APPEAL)

APPLICATION UNDERWRITING (or the party who is underwriting file)

- The Underwriter (or the party who is underwriting the file) will complete the review and issue a Program Eligibility and Qualification Certification (AKA “Approval Letter”).
- It is important to note that the Program Underwriter (or the party who is underwriting the file) may request additional items from the applicant. If the applicant does not respond within the grace period (24 hours from the date of the notice or next business day if it lands on a weekend or holiday), or a denial is issued, the Underwriter (or the party who is underwriting the file) will move to the next Submission ID holder.
- If approved, the Property Manager should notify the Administrator that an eligible household has been identified so that the applicant can move on with the leasing documentation and lease/contract signing as described in the next section.
- A copy of the lease, application and supporting documents needs to be submitted to the Administrator.

APPEAL

- If a denial letter (aka Adverse Action Notice) is issued and if the applicant does not agree with the Property Manager’s decision, the applicant Household will have 3 business days from the date of the notice (sent via email) to appeal. The applicant Household will need to submit clear and sufficient documentation, along with an appeal form that details why they feel the decision is inaccurate, within the timeframe given.
- Property Manager will review the Appeal and all documentation.
- Property Manager will contact the applicant regarding the status of the appeal approximately 7 business days from the date the complete Appeal Package was submitted. Administrator may require additional time as will be indicated during the status notification
- Administrator is unable to hold properties for households in the application or appeal process. Administrator will move on to the next Application ID holder after the initial appeal review

Disclosure: The deadlines and timelines on this guide are general and some Property Managers/Leasing Agent’s deadlines and timelines may vary. Please be very cautious and be sure to adhere to the deadlines indicated on each notice or correspondence issued by the apartment complex, leasing agent or administrator that you are applying for so you don’t jeopardize your eligibility.

6. Restricted Affordable Housing Program MAXIMUM RENTAL RATES (Updated Annually)

Maximum Rental Rates: Maximum BMR rental rates are updated annually using the formula defined in the City's [Inclusionary Ordinance](http://www.morgan-hill.ca.gov/1780/Housing-OrdinancesResolutions). <http://www.morgan-hill.ca.gov/1780/Housing-OrdinancesResolutions>

Important: Please refer back to any affordable housing agreements for more information or rules about a specific apartment complex

"Affordable rent" means a monthly rent and utility allowance that does not exceed the limits as defined in Section 50053 of the California Health and Safety Code, as may be amended from time-to-time. (Ordinance 2278, page 4, Definitions, number 2)

Section 50053 of the California Health and Safety Code:

(1) For extremely low-income households the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.

(2) For very low-income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(3) For lower income households whose gross incomes exceed the maximum income for very low-income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

Assumed Household Size means, for the purpose of establishing Affordable Sales Prices and Affordable Rent, a household with a total number of members equal to the number of bedrooms in the Dwelling, plus one consistent with Section 50052.5(h) of the California Health and Safety Code and subject to applicable federal rules (if any). For example, the assumed household size for a 3-bedroom home is a 4-person household. (Ordinance 2278, page 4, Definitions, number 6).

Area median income or "AMI" means the median household income of households in Santa Clara County, adjusted for household size, as determined and published by the California Housing and Community Development Department (HCD). (Ordinance 2278, page 4, Definitions, number 5).

Rent Adjustments: The BMR rental rate may be increased once in a 12-month period. Rent adjustments will be based on the updated income limits published by the California Department of Housing and Community Development (HCD) annually and posted on the Administrator website.

The allowance for utilities is based on estimates published by the Santa Clara Housing Authority and the California Department of Housing and Community Development (HCD).

The United States Census Bureau uses a series of terms to determine the definition of a household. The basic meaning of Household is an occupied housing unit. A Householder (Primary Applicant) is the person whose name the housing unit is rented to or owned by. Members of the household share familial ties, living space, expenses, debts and/or assets with the Householder.

7. TENANT SELECTION, LEASE SIGNING, AND MOVE IN

Once an applicant is selected and their file is fully underwritten, and a Program Approval is issued, the Landlord/Leasing Team will contact the Administrator and provide the name of the selected applicant so the Unit can be removed from the Market Place or Opportunity Drawing. The Property Manager/Leasing Team will coordinate the next step which is signing the lease agreement and all Program related documents.

Caution: Do not offer or lease a unit to an applicant if the people on the list before them have open files or appeals.

1. Lease/Contract Signing:

- a. The landlord/leasing team will schedule an appointment with the applicant to go over all documents and sign the lease agreement.
- b. The landlord may ask the tenant for other documents needed to finalize the move-in (e.g. renter's insurance).
- c. The applicant must comply with all Landlord/leasing team requirements.

2. Move in Process:

- a. The landlord/leasing team may start the move-in process with the applicant once all of the rules and regulations for the project are explained and accepted by the applicant.
- b. The landlord/leasing team shall provide Administrator staff with a copy of the lease agreement, renter's insurance, and all other documents deemed necessary to document the file for Administrator records.
- c. Once all documents have been approved by the landlord and Administrator and signed by the applicant, the "applicant" becomes a "participant" and must comply with all BMR Program rules and regulations, including but not limited to submitting all required Annual Certification documentation described on the following page.

8. PARTICIPANT / TENANT COMPLIANCE, RESONSIBILITIES, AND ANNUAL RECERTIFICATION

Participant/Tenant Compliance and Responsibilities:

1. The tenant shall comply with all rules and regulations set forth by the Landlord or development.
2. The tenant shall also comply with all Affordable Program (BMR) requirements for the duration of the lease.
3. Tenant must notify Owner/Manager within ten (10) working days of any and all changes in family structure, family size, employment income etc.
4. The Landlord needs to comply with the Affordable Housing Agreement and ensure they tenants are too.

Annual Recertification Process:

1. All BMR tenants shall be recertified once per year, for compliance with all Program requirements including, but not limited to assets, income, and family size.
2. The Property Manager will initiate the Recertification Process as described in the next section.
3. The Property Manager will require a full and complete application package for any household asking for a lease extension or a new lease.
4. The tenant will be required to sign the "Intent to Abide" disclosure/form aka Below Market Rate Rental Disclosures and Acknowledgement.
5. The tenant will have 30 days to submit all required documentation, following notification of the annual recertification process.
6. If the documents and/or partial documents are not submitted an Adverse Action will be issued with a deadline (3 business days from the date on the emailed notice).
7. If the tenant fails to resolve issues listed on the Adverse Action Notice and submit all the items requested by the Property Manager by the deadline on the Adverse Action Notice, will result in a 60-day Termination of Lease and a Notice to Vacant will be sent out.

Enforcement

1. If tenant fails to cure the violation before the deadline on the Adverse Action Notice, the Property Manager/City/Administrator will exercise its legal right to coordinate with Property Owner, Landlord, and/or the Management Company to initiate Unlawful Detainer proceedings.
2. The Property Manager/City/Administrator reserves the option to apply to a court of competent jurisdiction if it deems legal action is appropriate.

9. THE APPLICATION FILE STRUCTURE & APPLICATION CRITERIA

Program Eligibility and Qualification Criteria

The primary role of a Property Manager and its staff is to determine the eligibility and qualification of applicant Households. They also serve the role of gathering the documents needed to evaluate the application and review the application to determine if it meets Program requirements.

It is important to understand that there is a lot of information needed to determine whether an application meets all the Program requirements. The application criteria used to determine whether an applicant Household will be approved fall into one of two categories:

- **Program Eligibility Criteria:** These are standards that define the characteristics of the target households who are best served by the Program and help the Program provider meet its intended goals. These standards often follow legal definitions and published documentation requirements. Property Managers evaluate Program Eligibility Criteria to determine if households “check eligibility boxes” that include, but are not limited to, residence address, employment address, household size requirements, assets, total household income requirements, and whether an applicant meets the legal standards.
- **Program Qualification Criteria:** Once it is determined that an applicant is eligible for the Program, the Property Manager must also make sure that the rental opportunity is affordable for the applicant and that they are tenant ready. In addition to requiring applicants attend orientation classes, the underwriter (or the party who is underwriting the file) ensures that the tenant understands what they are signing up for and is comfortable with the annual income recertification.

10A. ELIGIBILITY FACTORS AND PREFERENCE CRITERIA FOR RENTAL OF BMR UNITS

The City has established a priority system for allocating the limited number of affordable rental units. Priority shall be given to income eligible residents who live in Morgan Hill or employees of companies located within the City limits.

The preference system will be used to establish a ranking of applicants. An eligible household will be ranked according to where they live or work. While an applicant who lives or works within the city limits will have priority over an applicant who does not, residency/employment status is not a requirement for the Program, and all individuals and households may apply. Households comprised of applicants who do not reside or work in Morgan Hill may occupy a BMR unit if there are no eligible Morgan Hill residents or workers on the eligibility list for occupancy.

BMR PREFERENCE CRITERIA	
Priority: Live in City	Must currently live and must have lived in Morgan Hill for at least 6-months*
Priority: Work in City	Must currently work at a business located in Morgan Hill at least 20-hours per week, and held position for at least 6-months* *This category includes employees of the Morgan Hill School District even though their physical office or school building may be located in San Jose

*Eligibility will be evaluated at the time of opportunity drawing submission and verified again prior to occupancy. . If it's discovered that an applicant does not meet the preference or lacks evidence that they meet the preference, they will lose their ranking number.

10B. OCCUPANCY STANDARDS FOR PROGRAM UNITS

Applicant/Co-Applicants must occupy the property as their principal residence. This means that the Applicant/Co-Applicants must use the property as their primary place of residence and the property must be tenant-occupied upon renting for the term of the lease agreement. Use of the property for additional rental purposes, including temporary leases, sub-leasing or room rentals are not allowed under the Program and will trigger immediate action.

To ensure that the City's limited BMR units are used efficiently, a household must be of a size equal to the number of bedrooms in the BMR unit. Pursuant to fair housing laws, the maximum occupancy allowed in a BMR Unit is two people per bedroom, plus one additional person. The table below shows the minimum and maximum household size based on the number of bedrooms. In some cases, an exception to the minimum standard may be made where no other qualified renters are remaining in the Opportunity Drawing or within 30-days from the time that the first file is requested from Opportunity Drawing entrants.

The Property manager/leasing Team will verify household occupancy once per year for the Term of the Lease Agreement between the City and the renter(s). The Administrator may audit the files.

Note: Maximum Household size is subject to change per property management or Affordably Housing Agreement documents.

PROGRAM OCCUPANCY STANDARDS		
Number of Bedrooms	Minimum Household Size	Maximum Household Size
Studio	1	2
One	1	3
Two	2	5
Three	3	7
Four	4	9
Five	5	11

10C. INCOME ELIGIBILITY CRITERIA

Income Eligibility is based on household size (number of persons in the household) and whether a household's income is below income category limits published annually by the California Department of Housing and Community Development (HCD) on their [HCD website](#) as well as the Program Website. These resources should be used to determine the income percentage and income category that is applicable to your household.

The City of Morgan Hill's housing ordinance presently defines the two income types most often used in their affordable Rental program

Important: Please refer back to the any affordable housing agreements for more information or rules about a specific apartment complex

- "Very low-income Household" means household with a Gross Annual Household Income that does not exceed 50% of AMI for Santa Clara County. This definition corresponds to the definition of very low-income household used for state-and federally assisted programs. Very Low-Income Households are a subset of Low-Income Households. (Ordinance 2278, page 6, number 28).
- "Lower-Income Household" means a household with a Gross Annual Household Income up to 80% of AMI for Santa Clara County. This definition corresponds to the definition of lower income household used for state- and federally assisted housing programs. (Ordinance 2278, page 6, number 22).

It is very important for the applicant Household to know BOTH:

- Applicant Household Income as a percentage of the published County Median Income (calculated by dividing Household Income by the published Median Income Amount) applicable to your household size (This formula is not used for Program Eligibility)
- Whether or not applicant Household Income is below the published income category limit applicable to your household size (e.g. Extremely Low, Very Low, Low, Median, or Moderate)

Income earned from assets, such as dividends, interest, rental income, business income, etc., is included in the household's annual income pursuant to the [Code of Federal Regulations](#), Title 24, Part 5 income inclusions (§ 5.609). Income calculation is also guided by [California Code of Regulations](#), Title 25, Chapter 6.5 Program Operations, Gross Income (§ 6914).

- **Gross Annual Household Income** means the combined adjusted gross (pre-tax) income of all adult persons in a household who is an Applicant for an Inclusionary Unit, or who are residing in an Inclusionary Unit, as calculated pursuant to the Section 8 Program under the United States Housing Act of 1937, as amended, or its successor. (Ordinance 2278, page 6, number 18).

To qualify for the City of Morgan Hill BMR Program, your household's combined gross annual income cannot exceed the maximum income limit for your household size, as established by the HCD. All household members ages 18 or older must have their income verified. Household members that do not work or will not have any income in the next 12 months must complete a zero-income affidavit.

Note: The income categories for a development may vary in accordance with the Affordable Housing Agreements for each specific development.

10D. ASSET LIMITATION

Asset limit = N/A (does not apply)

11. QUALIFICATION FACTORS

RENT-TO-INCOME RATIO

- At initial lease up, to qualify, applicants must have income (gross) at least 2 times the tenant paid rental amount for Below Market Rent (BMR) rental units. Applicants may be accepted with conditions, such as additional security deposit or guarantor.
- If a guarantor is required, the guarantor's income must be 5 times (or less if the landlord approves) the tenant paid rental amount. Guarantor cannot occupy the unit and their income will not be included with the applicant's income calculations for program eligibility determination.

GENERAL CREDIT GUIDANCE

Credit requirements may vary per landlord/development and be more/less stringent and may not have to be re-evaluated at annual recertification.

- The applicant shall pay the required non-refundable fee to the landlord (check with Leasing Team for acceptable forms of payment).
- A credit report is required for all applicants and co-applicants
- All applicants/co-applicants must pass the landlord's credit check and a background check.
- The minimum credit score is 620 (in addition to Landlord Requirements) or an acceptable rental score used by the property manager
- An applicant with an unsatisfactory credit report will be denied.
- Excessive collection accounts, including utility accounts (regardless of status) will result in denial of the rental application. All utility collection accounts within the last 2 years must be paid in full and confirmation presented with the application in order to be approved.
- An applicant whose credit report contains more negative than positive history may be approved subject to an additional deposit.
- Bankruptcy (regardless of discharge) or repossession within the last 2 years will be grounds for denial of the application or may require an additional deposit for approval.
- Applicants with a foreclosure history over 2 years old may be accepted without an additional deposit. Applicants with a more recent foreclosure history may be approved with an additional deposit.
- Rental housing debt, evictions, or collections will result in automatic denial of the application.
- Any unresolved tax liens will negatively impact the overall applicant screening result.

11. QUALIFICATION FACTORS (CONTINUED)

BACKGROUND SCREENING

- All applicants will be screened for criminal history at initial application.
- A felony conviction or adjudication for a felony offense against persons or property in the last seven years will result in an automatic denial of application.
- A misdemeanor conviction may result in denial of application or lease renewal with consideration given to the nature of the conviction.
- Applicants or current residents appearing on the list of known terrorists and/or wanted fugitives as provided by the Office of Foreign Asset Control (OFAC), federal agencies (including the FBI or other state and local law enforcement agencies) will be denied.
- Some apartments may not require a back ground screening and some senior housing may require health assessments.

GUARANTORS

- Acceptable guarantors must reside in the United States and qualify in each of the above categories. An additional deposit may be accepted if a qualified guarantor is not available. Grantors may not live in the affordable unit.

RENT HISTORY

- Applicants (except first time renters) must have at least 12 months of verifiable and positive residency history immediately preceding application.
- Residency history that includes prior evictions, multiple late payments, returned checks, poor housekeeping, conduct disturbing the rights and comforts of other residents, unauthorized occupants, property damage or failure to adhere to the policies and regulations of the community or management company will result in automatic denial of the application.
- Landlord reference indicating the landlord would not re-let to the applicant due to lease violation is grounds for automatic denial of the application.
- If the applicant owned (or owns) his/her immediate prior residence, mortgage history will be verified through a credit report or other documentation of homeownership.

IDENTIFICATION

All applicants will be asked to provide positive identification including a copy of a valid driver's license or CA ID

12. INCOME INCLUSION AND EXCLUSION

- The Federal and State government both have [rules](#) that determine how Gross Income is calculated and what income types are included and excluded from the Gross Income total. [California Code of Regulation, Title 25, 6914](#)

25 CCR § 6914

§ 6914. Gross Income.

“Gross income” shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. If the circumstances are such that it is not reasonably feasible to anticipate a level of income over a twelve-month period, a shorter period may be used subject to a redetermination at the end of such a period. “Income” shall consist of the following:

(a) Except as provided in subdivision (b), all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

(1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;

(2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);

(3) Interest and dividends;

(4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see subdivision (b)(3)).

(6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,

(7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse (but see subdivision (b)(5)).

Where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 2.5% (percent) of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

(b) The following items shall not be considered as income:

(1) Casual, sporadic or irregular gifts;

(2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

(4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;

(5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;

(6) Relocation payments made pursuant to federal, state, or local relocation law;

(7) Foster child care payments;

(8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;

(9) Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.

(B) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

Note: Authority cited: Sections 50053 and 50093, Health and Safety Code. Reference: Sections 50052.5, 50053 and 50093, Health and Safety Code.

Income Review Procedures

Income maximums are based on “gross” income derived from all sources as detailed in Internal Revenue Code (26 USC Section 61), whether or not exempt from federal income tax. Future income is projected based on the gross income on each applicant’s past income. In addition to other items deemed necessary to make this income determination, the underwriter may request up to 4 of the most recent year-to-date pay statements and the previous year’s final pay statement. The underwriter must review income documentation for all Household members 18 years and older, regardless of dependency status. Applicants without income will need to sign a Zero-Income Affidavit Form. Unemployment benefits are considered income.

Please Note: All Variable Income is subject to Underwriter (or the party who is underwriting the file) Approval. Each circumstance is different and must be considered using the documentation in the file. The terminology in this Guide is meant to be used as a basic guide to help prospective applicant Household’s understand how this income type is considered during the underwriting process.

For employed applicants, annual income is generally derived by dividing the year-to-date gross income by the current pay period count and then by annualizing an estimated pay period amount by the total pay period count over one year (12 months). Please note that a Verbal and Written Verification of Employment may be required to be completed by the Employer issuing the pay statements.

#	How Often Paid	How to Determine Annual Income
1	Paid Annually	Annual Gross Pay
2	Paid Monthly	Use monthly gross payment x 12
3	Paid Twice Monthly	Twice monthly gross pay x 2 pay periods x 12
4	Paid Biweekly	Biweekly gross pay x 26 pay periods
5	Paid Weekly	Weekly gross pay x 52 pay periods
6	Paid Hourly	Hourly gross pay x average # of hours per week x 52 weeks
7	Government Employees with Annual Award Letters	Income may be derived by referring to the Annual Award Letter

Variable Income (Tips, Overtime, Bonuses, etc.)

Please Note: All Variable Income is subject to Underwriter (or the party who is underwriting the file) Approval. Each circumstance is different and must be considered using the documentation in the file. The words below are meant to be used as a basic guide to help prospective applicant Household's understand how this income type is considered during the underwriting process.

Tips, Overtime, Bonus, and other "variable income amounts" (amounts that change with each pay period) will be annualized separately from the base income outlined on the chart above. All income will be annualized and totaled unless the applicant can provide documentation from the employer. The employer must be available to complete a verbal verification of employment. In cases, where the variable income item is a one-time occurrence, the amount will be removed from the annualized calculation of income and added in a one-time total to determine the annual income.

Example: An applicant earns \$60,000 per year based on base monthly pay statements of \$5,000 ($\$5,000 \times 12$). In addition to the base income show, the applicant received a \$2,500 one-time bonus in the first quarter of the year. If annualized, the \$2,500 quarterly bonus would total \$10,000 and the total income would be **\$70,000** (\$60,000 base + \$10,000 annualized bonus income). If proper documentation shows that the \$2,500 is a one-time payment, and the underwriter is able to verify and validate this information, the \$2,500 would be added to the \$60,000 base. The alternative total income would be **\$62,500** (\$60,000 base + \$2,500 one-time bonus).

Seasonal Workers: Administration will not annualize current income for seasonal workers who provide a Verification of Employment from their employer (s) verifying that the work does not occur year-round

Self-Employed Income: All self-employed applicants must submit a notarized Self-Employed Affidavit. If self-employed for 2 or more years, the underwriter will use verifiable (verified using Form 4506-T) federal income tax returns and review the net income for as many as 3 years of tax returns to determine the projected annual income. If self-employed less than 2 years, the underwriter will review the submitted Profit & Loss Statement and use it to determine projected annual income. Additional documentation may be needed from the Self-Employed Household Member in order to determine projected annual income.

Calculating Income from Cash Income: In the case of an applicant who is paid cash for employment, the underwriter will require a Verification of Employment from the applicant's employer to confirm annual income and IRS Tax Verification Form 4506-T to confirm that no taxes were paid.

Variable Income (Continued)

Income from Commercial Property or Land Owned: The net income from any commercial property or land owned by any applicant shall be counted toward the annual Household income.

Unemployed Applicants: Unemployed applicants who are receiving no income at all should submit a Zero-Income Affidavit in place of income statements. Applicants receiving unemployment benefits do not need to complete the Zero-Income Affidavit as unemployment benefits are considered income.

Additional Notes on Income Calculation

If applicant has recently changed positions with employer, the person underwriting the file will determine the effect of the change on the applicant's eligibility and opportunity to receive bonus or overtime pay in the future

If applicant who has historically been employed on a part-time basis indicates that he or she will now be working full time (or vice versa), obtain written confirmation from borrower's employer

A verbal verification of employment (VOE) may be required for each employer

All material alterations, and/or omissions from the initial Registration, Application ID Questions, Opportunity Drawing Entry Form, Application Submission and Supporting Documents; including but not limited to household size, income and asset information, etc., are not permissible and will render all future re-submissions ineligible for review and approval for a period of one year. Exceptions for re-submissions are significant life events such as a job/career change, marriage, death, or the birth of a child and are at the discretion of the person underwriting the file and the Administrator.

13. REASONABLE ACCOMMODATION AND EXCEPTION REQUESTS

Accommodations in Program rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities, or a household with a member with disabilities, equal opportunity to apply for a BMR Rental Unit. The requested accommodation must be reasonably related to the particular disability of the household member, and must be necessary in order to provide the household with equal access to housing.

Households or individual applicants unable to produce any particular document required in the application form for legitimate reasons beyond their control (natural disaster, military service, refugee status, domestic violence, witness protection program, disability etc.) may request an exception for that particular document. The exception will not be automatically granted.

Upon such request, Administrator or Leasing Team may request a reasonably equivalent alternative document, and/or any additional supporting documentation deemed necessary by the Program Processor and Program Underwriter (or the party who is underwriting the file) to verify eligibility of the Applicant/Co- Applicant and/or their entire Household.

Exceptions related to disabilities (reasonable accommodations) may be requested according to this procedure, with a brief description of the exception(s) needed due to the Applicant's disability. The City and Administrator or the Leasing Team will consider the requested exception and will provide a written response within 14 calendar days, stating if the requested exception can be granted in full or part and the reason for such decision. The Administrator or Leasing Agent may approve or deny such request. If denied, Applicants may submit an appeal of such denial to the Leasing Team first and may be escalated to the Administrator or the City.

14. LANDLORD COMPLIANCE AND OWNER / MANAGEMENT RESPONSIBILITIES

1. **General Compliance:** The landlord shall comply with all Program requirements and provide requested documentation to the City/Administrator in accordance with these Program Guidelines, the Developers/Landlord Affordability Agreement, and the City's Inclusionary Housing Ordinance.
2. **Current Records.** The landlord/leasing team shall keep current and updated BMR tenant/participant records that relate to Program eligibility (e.g. household member occupancy changes, employment loss, income changes, etc.).
3. **Annual Recertification:** Owner / Leasing Team / Property Manager shall, upon request, provide Administrator with all required Annual Audit documents listed on the Program checklist, for review and approval, as part of the annual recertification process.
4. **Tenant Income Changes:** Following notification to and verification by the Property Manager/Leasing Team, the Owner / Manager shall terminate the tenant's lease and send the tenant a notice to vacate if the tenant's income level exceeds the maximum income limit for that particular PROGRAM unit unless the affordable housing agreement signed between the owner and city has an increased income allowance guideline; then that guideline needs to be followed.
5. **Vacancies:** Owner / Manager shall notify Administrator in writing, using Exhibit A of the rental guide, upon vacancy of any BMR unit.
 - a. After the Property Manager/Leasing Team submits a complete Exhibit A to the Administrator a drawing will set up.
 - b. Administrator will provide a list of potential tenants to the Owner / Manager for processing, review and approval.
 - c. Owner / Manager shall provide Administrator with the following documents for all approved tenants:
 - 1) Copy of the credit report or rental scores
 - 2) Copy of the background check.
 - 3) Letter of approval once a tenant has been approved by the Owner / Manager for occupancy.
 - 4) Copy of the signed lease agreement
 - 5) Updated rent roll
 - 6) All other relevant reports or documents, as requested by the Administrator / City
 - 7) All application forms and supporting documents
6. **Audits by the Administrator:** The Landlord/Property Manager will need to submit the following items (according to the schedule on the agreement between the City and Landlord/Developer):
 - a) Rent Roll
 - b) Rent Increase letters
 - c) A Self certified letter stating all tenants are eligible and in compliance
 - d) Other items needed per City/Landlord agreement

HouseKeys Affordable Rental Housing Application Guide
Exhibit A - Notice of Vacancy (or Unit Delivery Notice)

NOTE: This Exhibit is to be filled out by the Property Managers not the applicants

Development or Apartment Complex Name: _____

Property Address: _____ Unit _____ City _____ Zip Code _____

Unit Type: Below Market Rate Apartment/ Affordable Housing Rental Unit

Date the Property Manager Received Intent to Vacate Notice form current Tenant: _____ **OR** - Date Notice to Vacate was issued _____

Date Current Tenant scheduled to move out: _____

Unit Delivery Date (Date unit will be ready for move in): _____

Applicant's Maximum Income Limits for the Unit: (Area Median Income): Extremely Low (up to 30%AMI) Very Low Income Unit (up to 50%)
 Low Income Unit (up to 80%) Moderate Income Unit (up to 120%)

Senior Housing: No yes - If yes, what is the age restriction: _____ Does this restriction apply to all household members? _____

Monthly Net Rent Amount: \$ _____ (Net Rent is the amount the tenant will pay and the utility allowance has been subtracted out, if applicable)

List the utilities included in net rent (if any): _____ (These are the utilities that are covered by the landlord)

List any other amenities provided in cost of the net rent: _____

Which utilities will the tenant have to pay separately from the net rent? _____

Holding Deposit: \$ _____ Total Security Deposit: \$ _____ (total security deposit amount includes the holding deposit)

Is Section 8 accepted or other housing assistance programs accepted? Yes No

Bedroom and Bath Count: Studio - or - Bedroom(s) _____ bathroom(s) _____ Approximate Square Footage: _____

Minimum Household Occupancy Standard _____ person(s)

Maximum Household Occupancy Standard _____ person(s) (check the City Rental Guide/rules to see if it's applicable)

Number of parking spaces assigned to this unit: _____

Guest Parking: Available NOT Available Available on a first come first serve

Washer and Dryer: Machines provided in the unit only hook ups are provided in the unit Community Laundry Room Other _____

Open House Location: _____ OR No Open House – only showed only to final candidate

Open House Date and Time: _____ or By Appointments only - Please call: _____ at (____) _____

Property Manager's/Leasing Agent Contact Information: (a person the applicants can reach with questions)

Name _____ Phone: _____ Email _____

Property Manager's Application Fee: _____ PER adult household member - Fees are NOT refundable.

With my signature below, I authorize HouseKeys to market and release this unit in an Opportunity Drawing.

Staff Completing this Form: Name: _____ Title _____ Signature: _____ Date _____

SAMPLE EXHIBIT D

THIS FORM ANT THE REST OF THE APPLICATION FORMS CAN BE FOUND AT WWW.HOUSEKEYS1.COM

Exhibit D – Applicants’ Authorization to Release Information

ALL HOUSHOLD MEMBERS 18 YEARS AND OLDER MUST COMPLETE THIS FORM

The Undersigned certify and agree with the following:

1. I/We understand and agree that the City, the Property Management Company, and the City Administrator, HouseKeys and their staff reserves the right to verify information provided on and with my/our application with my/our employers, financial institutions, government agencies, landlords, credit reporting bureaus, lenders, etc.

To Whom It May Concern:

2. I/we authorize the Property Management Company, Landlord, the Administrator and the City to share and review all the information contained in my BMR Rental application file and all my/our documentation.
3. As part of the application process the City, the Property Management Company, and HouseKeys (the City Administrator), and their staff may verify all the information contained in my/our BMR Rental Program Application file and documentation required to determine if I/we meet the Owner/Landlord criteria and Program Eligibility to rent the BMR Apartment.
4. I/We authorize you to provide the City, the Property Management Company, and the City Administrator, HouseKeys and their staff or any staff member in connection with the rental of a BMR Unit, any and all information and documentation that they may request. Such information includes, but is not limited to, employment history, income sources, investment accounts, bank account balances, credit history, mortgage information, real estate ownership, rental history verification, and income tax returns, etc.
5. A copy of this authorization may be accepted as an original.

ALL HOUSHOLD MEMBERS 18 YEARS AND OLDER MUST COMPLETE AND SIGN THIS FORM

Date _____

Print Name _____ Signature _____ SS# _____

Print Name _____ Signature _____ SS# _____

SAMPLE PART 3 OF THE APPLICATION PACKAGE

THIS FORM AND THE REST OF THE APPLICATION FORMS CAN BE FOUND AT WWW.HOUSEKEYS1.COM

Part 3 – Affordable Rental Program Application Packet Below Market Rate Rental Disclosures and Acknowledgement (AKA Intent to Abide)

All adult applicants please read, review and Initial:

_____ A. I/We are applying for a Below Market Rate (BMR) restricted rental housing unit and I/we understand that our household size, income, assets, liabilities and other factors are subject for review at initial application and every year thereafter (annual re-certification) to ensure that we meet and continue to meet the Landlord's/Property's (Qualification Criteria) and Program's (Eligibility Criteria) to occupy the unit;

_____ B. I/We certify under penalty of perjury that all of the information in my/our BMR Program Application file and supporting documents is true and complete. I/We made no misrepresentations and did not omit any pertinent information. I/we understand that if one or more members of the household misrepresent any information, provide any conflicting, inaccurate or false information in order to obtain an approval to rent the Program Unit, our household will be deemed ineligible to participate in the program and will be denied immediately. I/we authorize Property Owner/Property Manager, the Administrator or City to immediately terminate my/our application or tenancy where one (1) or more members misrepresented any fact material as a qualifying or an eligible household;

_____ C. If I/we understand that if I/we fail to provide information in a timely manner as requested by Owner, Property Manager or City Administrator then our application and/or tenancy shall be subject to immediate denial and/or termination.

_____ D. I/we understand and agree that I/we must annually submit a complete file with all the updated supporting documentation for review and meet all of the Owner's/Property criteria and Program Eligibility requirements. I/we also agree that if our household's income exceeds the income limits applicable for the unit, I/we will be required to vacate the unit upon request; unless the property's Agreement containing Covenants and Restrictions and/or Affordable Housing Agreements indicates otherwise.

_____ E. I/we understand that the income limits may change on an annual basis. I/we also understand that the rent amounts may be adjusted annually or at the time the income limits are updated. In some cases, our income may impact our rent amount depending on the rent calculation formula. I/we understand that we are subject to rental increases.

_____ F. I/we agree to report changes in household size, assets or income to the Landlord/Property Manager and City Administrator in writing within 10 business days to: Attn: HouseKeys 409 Tennant Station #495, Morgan Hill, CA 95037 **AND** the Property Manager's Office.

_____ G. Any household composition changes may require the household to go through another full review in order to determine if the new household is eligible and qualified by the Property and the Program.

All adult household members: I/we certify, that I/we read, understand and agree to abide with the Program policies and rules mentioned above.