

# TANNERY ARTISTS LOFTS

## Resident Selection Criteria and Process

Tannery Artists' Lofts, owned and operated by Artspace Projects, is a 100-unit affordable housing apartment community located at 1030 & 1040 River Street Santa Cruz CA with a tenant selection preference given to Santa Cruz County households who participate in and are committed to, the creative arts. The property is under the Low Income Housing Tax Credit program with an overlay HCD funding for the Multi-Family Housing Program (MHP). The property is managed by The John Stewart Company, a third party Property Management company.

Artspace Projects and The John Stewart Company are committed to attracting creative individuals with diverse backgrounds. The John Stewart Company and Artspace do business in accordance with Fair Housing Amendment Acts (FHAA), and do not discriminate against interested persons or residents on the basis of race, color, creed, religion, sexual orientation, gender identity, national origin, age, familial status, disability or socioeconomic class.

To ensure that all prospective residents are provided an equal opportunity to reside at Tannery Artists' Lofts, all interested persons undergo an evaluation process to meet our two-part tenant selection criteria:

- 1) **Financial and Background Evaluation:** This includes a credit/eviction report, background criminal check, and five (5) years acceptable landlord references. Interested persons must also meet established occupancy standards and have income that is a minimum of twice the monthly rent and also does not exceed the applicable maximum area income limits.
- 2) **Artist Selection Evaluation:** Anyone who qualifies for affordable housing may apply for residency at the Tannery Artist Lofts, but we give a preference for occupancy to those applicants who participate in and are committed to the arts. Applicants need not derive their income from their art. It is customary for artists to work in another field to support themselves, their dependents, and their art form.

The Artist Selection Committee will interview a self-identified artist applicant and will ask standard questions about your commitment to the arts, to the community and your interest in living at the Tannery Artist Lofts. Prospective residents are given an opportunity to answer questions, show their portfolio/examples of their work and ask any questions they may have at that time. In the Artist Selection Committee interview, you must be prepared to demonstrate that you are actively engaged in an art form, are willing and able to contribute to a cooperative/creative environment and show a commitment to engage in the greater community.



**Tannery Artists' Lofts is designated as a family complex.**

A family includes, but is not limited to:

1. A family with or without children (temporary absence of a child from home due to placement in foster care shall not be considered in determining family composition and family size.
2. An elderly family
3. A near-elderly family
4. A disabled family
5. A displaced family
6. The remaining member of a tenant family;
7. A single person who is not elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. [24CFR 5.403]
8. Joint custody of children - 50/50 child custody schedules that enable an equal amount of time with each parent documented in court custody agreement will enable all minor children to be counted as household members.

**SECTION I: APPLYING FOR AN APARTMENT**

At this time, Tannery Artist Lofts has no vacancy. The property maintains a Waiting List. When opened, the waiting list will be on the web at [www.jscotannery.com](http://www.jscotannery.com). The website will allow interested person to submit their application during a specific date/time period. The time will be publicly posted. The amount of time will be limited to the anticipated time to collect applications to reach a goal by preference. Applications will be collected on the Waiting List during the open period. After the waiting list period closes, a lottery will be run for all applicants by preference group. A lottery position rank on the waiting list does not ensure applicant of housing. All eligibility requirements must be met. The Waiting List may be closed to any further applicants when the number of applicants equals target goal for each preference group.

There are four (4) preference groups for the Tannery Artists' Lofts.

1. Artists who reside in Santa Cruz County
2. Artists who reside outside Santa Cruz County
3. Non-artists who reside in Santa Cruz County
4. Non-artists who reside outside Santa Cruz County

When a Waiting List is opened, complete instructions of the dates and times will be posted. The Waiting List may be opened for a specific unit size, income target level or preference group as needed. The new applicants will be collected during the open period. A lottery will be run at the close of the open period by Preference Class and the new applicants will be added to the Waiting Listing after any existing Waiting List candidates in lottery position order by unit size.



If an applicant on the Waiting List is offered an apartment he or she may refuse the apartment one time and still remain on the Waiting List if the refusal reason is considered valid by Management.

When a unit becomes available, Households requiring a different unit (handicap or larger/smaller unit) will be housed appropriately *before* Management moves in an applicant from the Waiting List. Transfers will be granted to Households for medical reasons or household size only.

All rejected applicants will receive their rejection notice in writing, and if applicable, a copy of their credit or criminal background report(s).

**Rental Application:** Rental Applications must be completed in its entirety to be considered, including a copy of a government issued picture identification for each applicant 18 years of age and older, a copy of the Social Security card or ITIN for each household member, and any other documents that may be required by the program. One rental application may be completed for all household members.

1) **What is Collected with Rental Application when being processed for Vacancy:**

- a) **Identity** - All adult family members must provide 2 forms of ID: One must be SS card and the other can be Driver's license or other picture ID. Copies of birth Certificates are required for all minors.
- b) **Household Size** - Prospective Residents must accept an apartment based on their household size at move-in per the household size chart below.

Section 8305 (b) of the Uniform Multifamily Regulations states that the minimum number of persons in household per the chart below. A sponsor may assign tenant household to units of sizes other than those indicated as appropriate if the Sponsor reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenants' file. To wisely use Affordable Housing opportunities, the MHP program has created minimum occupancy standards as a unit requirement for each household.

i) **Bedroom Size:**

- (1) When assigning an apartment, every household member is to be counted for determining bedroom size. If a household indicates a preference for bedroom size for which they are not eligible because of their household size, the bedroom size for which they are eligible for will be offered, if available. For example, a couple might request a 3 BD unit for which they would not qualify. They would instead be offered a studio, 1 BD or 2 BD units, if available.



(2)

<b>Unit Size</b>	<b>Person Count</b>
Studio	1-2 Persons
1 Bedroom	1-3 Persons
2 Bedroom	2-5 Persons
3 Bedroom	3-7 Persons

**SECTION II: TENANT SELECTION CRITERIA:**

- c) **Rental History, Behavior and Conduct** - The Management Agent will contact current and prior landlords for the past five years. In addition, the Management Agent will research unlawful detainer records to determine the applicant's prior history as a tenant. Based upon these verifications, the Managing Agent will determine if the applicant has demonstrated an ability and willingness to live peacefully with neighbors and refrain from behavior that jeopardizes the safety and security of the housing community. Artspace Tannery Lofts has a "No Smoking" policy that applies both in the units and inside the common areas of the property.
- d) **Reasonable Accommodation** – Laws and regulations regarding requests for Reasonable Accommodation will be respected. Further, management will work with applicant and his/her representative, if any, to determine any additional accommodations that can be made for the applicant or resident that are financially feasible and are not an administrative burden.
- e) **Criminal Background Checks** – A check will be made of criminal records for the past seven years for all adult members of the household. Persons with a criminal record with current illegal drug usage, other drugs related offenses, or violence related offences **will not be admitted.**
  - i) ***Other criminal offenses:*** which may be grounds for rejection are offenses involving illegal weapons possession, physical violence to persons or property, domestic violence, any form of assault, fraud, theft, breaking and entering or burglary. Applicants who are deemed ineligible because of these past criminal records will be provided a copy of the criminal background record and provided an opportunity to respond.
- f) **Additional Criteria that will be considered:**
  - i) Willingness to sign release forms for income verifications and to sign the rules and regulations.
  - ii) All income and assets from all sources must be disclosed and verified in writing directly from the source prior to move-in.
  - iii) Good housekeeping habits.



- iv) Prior profile history must indicate compatibility with existing residents.
  - v) Interested persons pay \$39 for each adult applicant in a form of a money order or cashier's check only. This fee is only collected when being processed for a current vacancy.
- g) **The Credit Report** will be obtained through National Tenant Network. An unsatisfactory credit history will disqualify an applicant from renting an apartment at Tannery Artists' Lofts. An unsatisfactory credit history is one that reflects past or current bad debts, late payments or unpaid bills, liens, judgments or bankruptcies (within the last 7 years). Upon request, if an applicant is rejected for poor credit history, the applicant will be given the name, address and telephone number of the credit reporting agency that provided the credit information, as required by the FCRA.
- (1) Income to Payment Ratio - measures the ability to handle indebtedness and ability to pay average monthly bills.
  - (2) Number of Recent Credit Inquires - measures desire for new credit & potential over extension.
  - (3) Average Age of Trade Lines – measures performance since establishment of credit.
  - (4) Revolving Debt to Limit – measures the ability to absorb cash flow difficulties.
  - (5) Percent of Bankcard Trades Relation to Total Trades – measures interested persons' previous credit behavior.
  - (6) Total Trade Lines – measures responsible use of credit.
  - (7) Percent Never Delinquent – indicator of negative credit performance.  
Number of Major Derogatory Items – flags serious credit issues.
  - (8) The following point system will be used:
    - (i) **Accept:** Based on above mentioned guidelines. Application will be approved if all other program eligibility requirements are met.
    - (ii) **Deny:** Interested persons with poor and/or “deny” credit ratings will be determined to be ineligible.
    - (iii) However, interested persons may be admitted if there are mitigating circumstances regarding the poor credit history and approval to accept an applicant with this rating is given by the management agent's Regional Manager and/or Director of Property Management. Interested persons who are denied will be mailed a Rental Application Determination letter. Interested persons may appeal the



rejection within seven (7) days of receipt of the notice in writing to discuss this determination by mail to: Tannery Artists' Lofts, 1030 River Street #114 Santa Cruz, CA 95060.

- (9) The Unlawful Detainer Action Report will be processed through National Tenant Network. Interested persons will be disqualified if they have been evicted from any prior residence.

**h) Income Verification**

- i) Three (3) current consecutive months' worth of pay stubs for each applicant employed.
- (1) Income to Rent Ratio - measures the ability to handle rent payments (set per property). Minimum income of applicant to be twice the rent payments.
- (2) Social Security award letter or any other source of income verification.
- ii) **Provide bank statements** for six months for each bank account for each applicant. And any other documents that may be required by the program.
- iii) **Transfer List**
- (1) Apartment transfers are only approved when a household's size changes and they no longer meet the occupancy standards; either under or over housed, or under a reasonable accommodation to accommodate resident's disability.
- (2) Persons with disabilities who require a modified apartment will be given preference for the modified apartment when it becomes available. All apartment transfers must be approved by the Regional Property Manager.
- iv) **Landlord References:** All references provided by the applicant will be verified in writing. If attempt to collect it in writing is unsuccessful, telephone verifications may be substituted, but only after a thorough attempt to collect it in writing has been completed.
- (1) 5 years residential history is required and all residential history will be verified. Unfavorable landlord references will be basis for denial of tenancy.
- v) **Initial and Continued Income Certification:**
- (1) Eligibility to reside at Tannery Artists Lofts is based on information that applicant has provided to Management regarding household income and assets. Employment and/or other sources of income, including non-earned income must be verified by a third party to ensure the applicant meets income requirements, which applicants must help obtain when



needed. Once a household is accepted for tenancy the household will be required to recertify their income and assets at least once each year prior to their anniversary date of move-in.

This requirement is for the purpose of the LIHTC program. Note: Failure to participate in the recertification in a timely manner will be failure to meet the program requirements. Program participation is a requirement of occupancy. Failure to participate will be grounds for eviction.

**5. Unit Inspections:**

Once a household is accepted for tenancy an inspection of the dwelling unit will be conducted at move-in and annually. Additional unit inspections may be required annually by various institutions and agencies. All inspection dates will be notified in advance with at least a 24 hour notice.

**SECTION III: INCOME REQUIREMENTS:**

**1) Income Requirements:**

- a) Income – Annual gross income cannot exceed the Area Median Income (AMI) for Santa Cruz County per the chart below. The AMI income limits are updated and published yearly by California Tax Credit Committee. Management is required to obtain third party income verification on all sources of income. Income calculations are based upon the applicant’s *expected* annual gross income. For purposes of determining income eligibility, the income of personal care attendants will not be counted as household income but they will be included for the purpose of determining unit size. For reference: <http://www.treasurer.ca.gov/ctcac/compliance.asp>
- b) The following maximum income limits apply and are subject to change. The household minimum income is twice the annual rent.

<b>INCOME LIMITS (Effective 12/18/2013)</b>	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6 Person</b>	<b>7 Person</b>
<b>30%</b>	\$21,180	\$24,210	\$27,240	\$30,240	\$32,670	\$35,100	\$37,500
<b>40%</b>	\$28,240	\$32,280	\$36,320	\$40,320	\$43,560	\$46,800	\$50,000
<b>50%</b>	\$35,300	\$40,350	\$45,400	\$50,400	\$54,450	\$58,500	\$62,500



**4. Rent Amounts/Security Deposit:** The Low Income Housing Tax Credit Rents and Security Deposit for Tannery Artists’ Lofts is equal to one month’s rent. For Voucher holders one month’s rent for the 50% AMI.

**NOTE:**

The property is under the Low Income Housing Tax Credit program and rents are established annually by California Tax Credit Committee. Rents, therefore, vary depending on resident’s income.

<b>Rent Limits</b> (Effective 12/18/2013)	<b>Studio</b>	<b>1 bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>
30%	\$498	\$523	\$625	\$717
40%	\$675	\$712	\$852	\$979
50%	\$851	\$901	\$1,079	\$1,241

**SECTION IV: APPLICATION/INTERVIEW PROCESS**

**1. Taking Applications:**

For every one vacancy available, three (3) to six (6) applications will be processed from the waiting list as described in Section I-2.

**2. Procedures Governing Receipt of Application:**

The rental application constitutes the basic record of each household applying for admission to Tannery Artists Lofts. Each applicant will be required to sign and date the rental application attesting to the accuracy of the data provided, and provide documentation as needed to verify the information supplied on the Rental Application. Corrections and/or changes are to be made by lining through the original entry and entering the correct information. Any corrections and/or changes must be initialed and dated by the applicant.

**3. Application Interview:** Interested persons will be interviewed in person at *Tannery Artist Lofts Office located at 1030 River Street #114 Santa Cruz, CA.* During the interview the Property Manager and/or other designee will do the following:

- Review, confirm, and update all information provided on the Rental Application.





- Collect the required signatures on third party verification forms, authorization to release information forms, and collect all other necessary documents to determine income eligibility.
- Explain to the applicant the program requirements, verification process, and the consequences for submitting false information, to include denial of tenancy, fines, and possible imprisonment.
- If the applicant declines the unit anytime after the interview the applicant will be removed from the waiting list.

#### **4. Rental Application Determination Notice:**

Interested persons who are disqualified for renting a dwelling unit at Tannery Artists' Lofts will be mailed a letter identifying the reason(s) for disqualification. Interested persons may appeal within seven (7) calendar days of receipt of the notice in writing to discuss the determination. The appeal request should be submitted in writing and mailed to:

*Tannery Artists' Lofts 1030 River Street #114 Santa Cruz Ca 95060  
Attention: Property Manager.*

Appeal Process: The Regional Property Manager will respond in writing within seven (7) calendar days of receiving the written appeal or meeting with the applicant. In the interest of minimizing vacancies, no unit will be held for an applicant once the "Rental Application Determination Notice" has been mailed. However, should the Regional Property Manager determine that the applicant is qualified for tenancy, or if another applicant has already been accepted for tenancy for the available unit before the review process has been completed, the applicant's name will be replaced in its original position on the Waiting List, without prejudice.

#### **5. Additional Factors** that may disqualify an applicant:

- a. Management reserves the right of disqualification to ensure agreeable and pleasant surroundings for all residents. An applicant can be disqualified if they display, or have displayed behaviors that contravene or would contravene the rules and regulations of the property.
- b. An applicant must complete/provide and return all the paperwork requested within the stated deadlines or will automatically be passed over for the next applicant in chronological order, unless the Regional Property Manager gives the applicant authorization, in writing, for an extension.
- c. The applicant will be given five (5) full business days from the time the information is requested to submit the information to complete the



application. If the applicant is passed over **one time**, they will remain the next household in chronological order.

**EXCEPTIONS:**

- 1) All exceptions to these policies and procedures must be approved by the Regional Property Manager, in writing, in order to be honored.
- 2) Where errors are made by the on-site Manager administering these policies and procedures, the applicant's file will be submitted to the Regional Property Manager for disposition.
- 3) The on-site Property Manager will submit all requests for exceptions to the Regional Property Manager, by facsimile, and a return response will be within seven (7) days.
- 4) Any written response from the Regional Property Manager may be copied for the applicant.
- 5) No credit may not be declared bad credit. If a household pays all bills in cash, and can demonstrate this fact, then no credit may be classified as the most commonly approved exceptions are listed
- 6) **Grievance and Appeals Procedure:**

Management has adopted a procedure in accordance with applicable state or federal Program Regulations for the resolution of disputes arising out of this Rental Agreement or Resident's occupancy of the premises. The procedure establishes Resident's or Applicant right to a hearing on grievances related to Resident's occupancy and appeal of Management's decisions regarding Resident's occupancy, including notices of termination and eviction. Management has elected to determine that this grievance procedure shall not be applicable to any termination of tenancy or eviction that involves criminal or drug related activities.

A copy of the Grievance and Appeals Procedure is available upon request.

**SECTION V: ADDITIONAL INFORMATION**

**1. Non-Smoking Community:**

Tannery Artists' Lofts has been designated as a non-smoking living environment. Resident and members of Resident's household or their guests shall not smoke anywhere in the apartment rented by Resident or the building where the Resident's dwelling is located or in any of the common areas or adjoining grounds of such building or other parts of the rental community, nor shall Resident permit any guests or visitors under the control of Resident to do so. Resident shall inform Resident's guests of the Non-Smoking policy. No Smoking signs are posted at entrances and exits, common areas, hallways and in



conspicuous places adjoining the grounds of the apartment community. Smoking is NOT permitted within 25 feet of the Apartment Community except in the two designated smoking areas on the property.

**1. Management not a guarantor of non-smoking environment:**

Management's promotion of a non-smoking living environment and the efforts to designate the rental community as non-smoking do not make the Management or any of its managing agents the guarantor of Resident's health or of a non-smoking condition of the Resident's apartment and common areas. However, Management shall take reasonable steps to enforce the non-smoking terms of its leases and to make the community non-smoking. Management is not required to take steps in response to smoking *unless* Management is put on notice of the presence of tobacco smoke, via agent, personal knowledge, and/or written notice by a Resident.

**2. Service Animals:**

Tannery Artists' Lofts will allow **Service animals** that provide assistance to the disabled residents. Service Animals are not pets. If a member of resident's household requires the services of an assistive animal to provide them with equal access to housing, then they should contact Management to discuss the accommodation request.

**Pets** are permitted at the Tannery Artist' Lofts. One pet per household is permitted household per Tannery Artist's Lofts Pet Policy. Pets require a deposit of \$400 per pet. If you have a pet, please ask management for the ATL pet policy.

**3. Accessibility:**

The common areas of the Tannery Artists' Lofts building are fully accessible. Prospective and current residents who require a reasonable accommodation due to a disability please contact the Property Manager

**4. Unit Transfers:**

Transfers from one unit to another require that both household are recertified and qualify in accordance all criteria set forth in this document.

**5. Change of Household Composition:**

When the Head of Household leaves the unit, a new Head of Household is identified. To qualify for the artist, a Santa Cruz preference household, the new Head of Household or other adult member of the household must be an artist approved by the Artist Interview Committee.

- If the proposed candidate is not a member of the original household, the household must qualify for occupancy as set forth in Tenant Selection



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Criteria. If the new household does not qualify, they will be given 60-days' notice to quit their unit.

**Disclaimer:**

The processing and acceptance of the Rental Application and its application fee does not constitute a guarantee of acceptance for housing at Tannery Artists' Lofts. All interested persons must undergo and pass the tenant selection, program, and income selection criteria as described herein prior to acceptance. Acceptance or denial of tenancy will be communicated in writing.

I have read and received a copy of the Tannery Artists' Lofts Tenant Selection Criteria.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

