



## City of Ann Arbor

### Affordable Housing Waitlist Policy

*Applies to below-market affordable units created through City Brownfield, Zoning or other City ordinances.*

**Purpose:** The City of Ann Arbor has adopted policies to encourage the inclusion of affordable housing in market-rate developments, 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 of designated 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 City's Housing and Human Services Advisory Board adopted a policy to implement an online waitlist for these properties; the City contracts with the Washtenaw County Office of Community and Economic Development (OCED) to administer this program.

#### **Online Waitlist:**

OCED developed an online portal ([www.annarborwaitlist.com](http://www.annarborwaitlist.com)) for interested parties to sign up on a waitlist for affordable housing units developed through the City's brownfield financing and zoning regulations. The website provides 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 notes that this waitlist is for the properties listed on the website only and will continue to be updated as new units are added.

The website requires 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 an affidavit that the information is accurate and complete. When an applicant is pulled from the waitlist, the applicant is responsible for providing current income and tax information for review for income qualification.

The website launched in July 2020. The property owner or designee must notify OCED when an apartment is available. OCED staff will pull applicants from the top of the waitlist and contact applicants to conduct an income verification. In the case of an immediate vacancy, staff discusses with applicant their current lease situation to ensure move-in can align with the vacancy being filled. If applicant wants to move forward with the application, staff provides their information, with the consent of the applicant, to the property manager. The applicant will then 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. Additionally, the tenants and property managers must provide annual income and rent verifications to OCED upon request 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 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

OCED 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 then provide their property's standard rental applications to those who are income pre-qualified through OCED for the affordable apartment.

The waitlist began with a single property in 2020. The website will expand 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 HUD or other rental subsidy administrator.

***Adopted policy for City-required affordable housing waitlist ([www.annarborwaitlist.com](http://www.annarborwaitlist.com))***

#### Applying to the Waitlist

- Each property will be listed on the [website](#) 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, fees, 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 (email and phone), household size, indicate head of household, and provide basic demographic information including annual income.
- Applicants can sign up for as many unit sizes as they are interested in. At the time that an applicant is pulled from the waitlist for a specific apartment, the applicant must provide income information for all household members that will be living in the apartment. Household income is based on the income of all household members over the age of 18.
- **Rent for these apartments does 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 household's income. These apartments do not have rental vouchers attached to them; they are simply below-market rate rents.



### Managing the Waitlist

- After applying online, applicants will receive an email 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 responsible for keeping their contact information current on the waitlist website. At least once annually, staff will email all applicants and request that contact information be updated. Annual email will also include relevant updates about new properties being added to the waitlist.

### Waitlist Selection and Approval

- Applicants will be pulled, typically in batches, 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 email 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 timeframe 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 timeframe of availability, the applicant will be removed from the waitlist.
    - If an applicant is selected from the waitlist but is *over income* for **all** waitlist units, they will be removed from the waitlist.
    - If an applicant selected is *over income* for the particular unit available -- but would qualify for an 80% AMI unit -- they will retain their position and be first in line for the next available 80% AMI unit.
    - If an applicant is selected and meets income qualifications but does not meet the additional application requirements of the individual property, they will be removed from the waitlist.
    - Applicants who are removed from the waitlist may choose to re-apply to the waitlist in the future.

### Selection and Income Qualification

- Because the income qualification method is based on the most recent tax return, the applicant/s will be determined eligible or ineligible based on the income of all of the people on the tax return. In some cases that means the applicant could be a dependent or file a joint tax return with a spouse.
  - In the case of divorce where the last tax return was joint, the tax return would be used to determine the applicant's individual income, in conjunction with documentation of alimony payments received (if applicable).
  - If the applicant is claimed as a dependent on another person's tax return, then the entire income on that tax return must be used for the qualifying income for the applicant who is a dependent.
    - The income qualification will be based on the number of people on the tax return. i.e. 2 people will be income-qualified as a 2-person household and 3 people will be income-qualified as a 3-person household.



- This income qualification does not require that all people on the income tax return move into the apartment. The applicant can income qualify as a 3-person household on the income tax return and move into the apartment as a single person.
- If the applicant is applying to live in an apartment with additional people that are not on the applicant's tax return, all of the people moving in must provide an income tax return (unless a person does not have earned income or do not have a filing requirement). In that situation, the income on all the tax returns will be added together to determine the household income of the people who are applying to move into a waitlist unit together, i.e. 2 people will be income-qualified as a 2-person household and 3 people will be income-qualified as a 3-person household.
- 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 and ADA laws, including the [City's Non-Discrimination Ordinance](#) and the City's [Right to Renew and Relocation Assistance Ordinance](#).
- Property managers must notify staff whether or not a lease was signed with the applicant.
  - If applicants who are income eligible do not meet the property owner's screening requirements, the property manager must provide information in writing to staff as to the reasons why, along with any relevant supporting documentation.
- OCED staff will then refer the next income-qualified applicant from 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 as staff and the community learn more about how best to administer this as both policy and practice.

Participating owners may be asked to financially contribute to the ongoing development, management, and maintenance of the waitlist and website ([annarborwaitlist.com](http://annarborwaitlist.com)).

#### **Ongoing Compliance:**

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

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

#### **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).