

TENANT SELECTION PLAN GUIDELINES

QUEEN CITY ADU PROGRAM

Revised September 2025

PURPOSE

All property management firms participating in the Queen City ADU Program must develop and follow a Tenant Selection Plan (TSP) that describes how tenants will be screened, selected, and approved for ADUs funded or supported through the program.

This framework outlines the minimum standards and required elements that each firm's plan must include. The City will review submitted plans to ensure alignment with program goals, compliance with applicable laws, and consistency with fair and transparent tenant selection practices.

City Review and Approval

Each firm must submit its Tenant Selection Plan as part of its proposal under the Queen City ADU Request for Proposals (RFP). Plans will be reviewed to ensure:

- Alignment with program requirements
- Transparency and fairness in the selection process
- Compliance with city and state civil rights standards

Approved plans must be implemented consistently for ADUs managed under the Queen City ADU Program.

Submission Instructions

Use this document as a guide to develop your firm's Tenant Selection Plan. Include both:

- The City's required elements (as described in this framework), and
- Your firm's specific screening and selection policies

CITY-REQUIRED STANDARDS

Each Tenant Selection Plan must clearly describe the eligibility requirements, evaluation criteria, and screening processes that will be used to determine tenant suitability. The plan should provide transparent and consistent information about who is eligible to rent units with the program and how applications will be reviewed.

Property managers are encouraged to consider barriers that may affect applicants' ability to meet standard criteria, particularly for households with lower incomes or limited rental histories. Screening and evaluation criteria should be structured in a way that is fair, objective, and consistent with Fair Housing and North Carolina Landlord-Tenant laws.

At a minimum, the Tenant Selection Plan must include the following requirements established by the City of Charlotte for the Queen City ADU Program:

Eligibility Requirements

- Tenants must earn no more than 80% of the Area Median Income (AMI).
- Tenants with Housing Choice Vouchers (HCVs) or other rental assistance must be accepted.
- Tenants may not be denied housing solely because they hold a voucher or receive rental assistance.
- Rent must not exceed the published Fair Market Rent for a studio unit at 70% AMI.

Fair Housing and Civil Rights Compliance

All Tenant Selection Plans must reflect the property management's firm commitment to fair and equitable treatment of all applicants in accordance with federal, state, and local civil rights laws. Property managers must ensure that their tenant selection, screening, and leasing practices are consistent with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, and the City of Charlotte and State of North Carolina civil rights ordinances.

Equal Opportunity and Non-Discrimination

Property managers must not deny housing, apply different terms or conditions, or otherwise discriminate against any applicant based on race, color, religion, sex, national origin, familial status, disability, age, sexual orientation, gender identity, marital status, or source of income, including participation in the Housing Choice Voucher (HCV) program. Screening criteria must be applied uniformly and may not create barriers for protected classes under federal or state law.

Applicants with Disabilities and Reasonable Accommodations

Property managers must make reasonable accommodations and modifications for individuals with disabilities to ensure equal access to housing opportunities. This includes adopting and following a written reasonable accommodation policy and ensuring that staff are trained to receive and respond to accommodation requests at all stages of the application process.

The Tenant Selection Plan must include a statement confirming that the firm's reasonable accommodation policy is available to applicants upon request. Housing providers may not impose conditions requiring applicants to demonstrate the ability to live independently or meet additional criteria not applied to other applicants.

Affirmative Compliance

Property managers are expected to identify and eliminate any policies or procedures that create barriers to equal housing opportunity. They must ensure that all advertising, outreach, and application practices are inclusive and accessible to all eligible households.

Application and Screening process

The Tenant Selection Plan must clearly describe how the property management firm will advertise available units, accept applications, and evaluate prospective tenants. The process should be transparent, equitable, and consistent with Fair Housing and North Carolina Landlord–Tenant laws. Screening criteria must be applied uniformly and must not have a discriminatory impact on protected classes.

Property managers are encouraged to adopt screening procedures that balance responsible risk management with equitable access to housing, recognizing that some applicants may face barriers such as limited credit history, previous eviction filings, or other circumstances that do not necessarily predict current rental ability.

At a minimum, the Tenant Selection Plan should address the following components:

1. **Application Process.** Describe how applicants will be informed of available units and how they may apply. Indicate whether applications will be accepted online, by email, or in person, and outline the steps for submitting and reviewing applications. Explain how applicants will be notified of approval, denial, or the need for additional information.

2. **Screening Criteria.** Provide a clear explanation of all screening standards that will be used to determine eligibility. This may include:
 - a. **Credit History:** Outline whether a credit check will be performed and how results will be evaluated. Consider how applicants without traditional credit histories will be reviewed.
 - b. **Criminal Background Checks:** If used, specify which types of offenses (if any) are considered relevant and include any lookback periods or mitigating factors. Blanket denials based on criminal history are prohibited.
 - c. **Rental History:** Describe how prior rental performance, landlord references, or eviction history will be assessed, and note how extenuating circumstances will be considered.
 - d. **Screening Fees:** If any fees are charged for application processing or background checks, list the amount, who pays, and whether fees are refundable.

All screening practices must be reasonable, relevant to tenancy, and applied consistently across all applicants.

3. **Applicant Communication.** Property managers must provide timely written notice to applicants who are denied, including the general reason for denial and information on how to request reconsideration or provide additional context.

Selection Procedures

The Tenant Selection Plan must clearly describe how applicants will be prioritized and selected once they have been determined eligible. The process should be transparent, equitable, and designed to give all qualified applicants a fair and consistent opportunity to secure housing.

If multiple eligible applicants apply for the same unit, the Tenant Selection Plan must outline how selection decisions will be made. Acceptable methods include first-come, first-served, a lottery, or a waitlist system that is managed consistently and fairly. Whatever method is chosen, it must be described in sufficient detail for the city to verify that it can be implemented uniformly and without bias.

Waitlist Management

If a waitlist is used, the Tenant Selection Plan must describe how the list will be established, maintained, and updated. Procedures for contacting applicants as units become available must also be documented, including how long an applicant has to respond before being removed from the list.

Prioritization and Preferences

Property managers may not apply preferences or prioritize applicants unless those preferences are approved in advance by the City of Charlotte. Any approved preference must comply with Fair Housing and be applied consistently.

Recordkeeping

Property managers must maintain records of all applicants, including the date and time each application was received, the outcome of the screening process, and the reason for acceptance or denial. These records must be made available to the City of Charlotte upon request to verify compliance with program requirements.