
**LOHO (The Hamlet) Rental Policy:
FOR “MODERATE RATE” COTTAGES
Approved December 2014
Updated March 2025**

Background:

The Hamlet is a senior housing facility owned and operated by a non-profit charitable organization named Lopez Housing Options (LOHO). “The Hamlet” consists of the Hamlet Cottages and the Hamlet House. The Hamlet Cottages are independent living homes for seniors 55 or older.

The “affordable” (moderate rate) Cottages are 7 units set aside to meet the requirements of the County planning permit as described below. This policy has been developed to clarify the special rental requirements that apply only to the moderate rate cottages and to assure that residents understand how The Hamlet meets these requirements.

Requirements Unique to Moderate Rate Cottages and Hamlet Implementation

Those applicants wishing to rent a “moderate rate cottage” are subject to certain restrictions and requirements. The Hamlet’s February 2006 County “Planned Unit Development (PUD) and provisional use permit,” sets out the requirements for The Hamlet’s moderate rate cottages in the Conditions section (Conditions language from the permit document is shown below in italics and quotation marks).

1. *Number of moderate rate cottages:*

“7. ...will be developed with 14 single-family cottage apartments, seven of which will be rented at rates for moderate affordable housing or less.”

2. *Income level (HUD classifications) restrictions:*

“7. ... will be rented at rates for moderate affordable housing or less. None of the affordable units may be offered to middle-income families.”

The “moderate” affordable housing category is defined (in accordance with HUD and USDA) as 80% to 95% of the current year San Juan County median income. *Note: “Moderate” is the term used by the County and HUD; it is not the same as “middle income.”*

3. *Resident income calculation*

The Hamlet requires gross income information from residents in (1) the application process and (2) to re-qualify for annual lease renewal by May 1 of each year. This documentation consists of the prior two years’ IRS 1040 tax returns. If the “adjusted gross

income” reported on the 1040 form changes, the rent for the next lease period will be adjusted to reflect that change.

Moderate rate Cottage residents 65 or older whose income, excluding social security, is less than \$11,500, do not have to file 1040 tax return forms. In that case we require:

- Verification of the social security income;
- Copies of any 1099-Rs received (earnings from pensions, annuities, retirement or profit-sharing plans, IRAs, etc); and
- Signature at the bottom of the appropriate Hamlet form.

HUD uses three different definitions of income; The Hamlet has been using the IRS Form 1040 definition which includes the taxable income from assets, but not the value of those assets.

If the resident owns a home and thus is required to sell that home (see below), The Hamlet will not count the proceeds from the sale of the home as income.

If a resident has a spouse or obtains a new spouse, the joint income will be considered. Spouse is defined to include a husband or wife, registered Domestic Partner or other person with whom the Resident has a committed relationship.

4. Home Ownership Restrictions

“10. Renters of affordable housing units shall provide a signed and notarized affidavit to Community Development and Planning that the affordable unit will be their primary residence and that they own no other home.”

The affidavit is on file in the The Hamlet office and available for inspection by the County Community Development and Planning Department.

If the home is sold for less than fair market value or transferred to another party, there may be negative impacts on the resident’s future Medicaid payments. Residents should discuss this with their attorneys or advisors.

5. Restrictions on Improvements

“21. LOHO shall develop rules for the occupancy of the affordable apartment units, including restrictions prohibiting the erection of accessory structures ... or making additions to the units. The lessees shall have no right to make exterior or interior improvements.”

The Hamlet lease permits affordable residents to make interior and/or exterior improvements with the Executive Director’s approval.

Guarantors

If the applicant’s income is deemed by the Executive Director to be insufficient, uncertain, or requiring support to pay the monthly rent, then a Guarantor Agreement must be signed by a family member or other responsible party who agrees to guarantee that the rent will be paid by the due date.

Policy Statements

New Cottage residents who wish to reside in a “moderate rate cottage” must meet certain requirements set forth by the County. The Hamlet cannot waive these County requirements. This policy clarifies how The Hamlet implements those requirements. Moderate rate residents will be asked to sign this policy to assure that they recognize these special rules exist and that they understand the process needed to conform to those County rules.

Waivers: Depending upon individual circumstances, the Hamlet Executive Director may waive portions of this policy, but each waiver must be approved by the Board’s Executive Committee after determining that such waiver will not violate the County requirements.

Non-Discrimination: LOHO does not discriminate based upon race, color, national origin, religion, familial status, gender, disability, marital status, gender identity, sexual orientation or veteran’s status. In accordance with the August 12, 2010 Board motion, the Hamlet accepts residents age 55 and older. In accordance with the October 15, 2008 Board approved memo, residents need not be residents of the San Juan Islands.

Attachments

The following forms and documents are incorporated into this policy. These forms and documents may be revised from time to time and do not need further Board approval, provided the revisions conform to the policy statements.

- Affidavit of Primary Residence
-

Board Approval of this Policy

This policy has been approved by The Hamlet Board on the date shown below and has become a part of the Residential Lease Agreement.

Board approved, Date of Approval: December, 2014

Resident Acknowledgement of this Policy

I have read and understand all provisions of this Hamlet Moderate Rate Cottage Rental Policy. I understand this may be revised from time to time and any revisions will be provided to me in writing.

Resident

Date _____

Resident

Date _____

AFFIDAVIT OF PRIMARY RESIDENCE

NOTE: This affidavit must be filled in and signed before a notary.

I, _____ (print name), state that upon _____ (the Occupancy Date stated in the Residential Lease Agreement) the leased cottage at The Hamlet on Lopez Island will be my primary residence. I further state that I do not own any other home or am in the process of selling any other home and do not intend to return to reside in said home.

Signed: _____

Date: _____

NOTARY:

Sworn to and subscribed before me:

This _____ day of _____, 20____.

Name: _____

Signature: _____

My Commission Expires: _____
