

LEGENDS SOUTH PHASE C-3 *LP TSP*

ADMISSIONS AND CONTINUED OCCUPANCY POLICY

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1.0 PURPOSE

This Policy governs admission and occupancy of units at Legends South Phase C-3 in the City of Chicago. Legends South Phase C-3 is a mixed income community consisting of 71 apartments, to be known as "Phase C-3" of Legends South. There will be 55 low-income tax credit units, 30 of which will receive public housing assistance, and 16 market rate units.

This policy is subject to the United States Housing Act of 1937, as amended, Title VI of the Civil Rights Act of 1964, and all other civil rights requirements, regulations promulgated by the U.S. Department of Housing and Urban Development (HUD), Annual Contributions Contract, Regulatory and Operating Agreement, Section 42 of the Internal Revenue Code of 1986, and state and local laws, the CHA Leaseholder Housing Choice and Relocation Right's Contract (hereinafter "RRC") and CHA Relocation Rights Contract for Families with Initial Occupancy After 10/01/1999. Applicants who are governed by the Relocation Rights Contract (as defined in that contract) will be referred to as "RRC applicants".

The Agent will not discriminate on the basis of race, color, creed, national origin, religion, age (when age eligibility is not a factor), sex, disability, sexual orientation (including gender identity), order of protection status, military discharge status, source of income status, or familial status in any phase of the occupancy process. The occupancy process includes, but is not necessarily limited to, application processing, leasing, transfers, access to management and services, access to common facilities, treatment of residents and termination of occupancy.

2.0 DEFINITIONS

Definitions are identified in appendix A.

NOTE: Definitions may be modified from time to time because of issuance of Federal, State or local regulations.

3.0 DETERMINATION OF ELIGIBILITY AND SUITABILITY

Prior to the execution of any lease between the Agent and the applicant, the Agent will certify in writing that the family meets, or, in the case of an RRC applicant, is engaged in activities to

meet, all conditions governing eligibility and suitability. The specific requirements for eligibility and suitability are critical to the success of the property and are outlined below.

3.1 Eligibility for Admission

Eligibility for Public Housing Units:

- A. Applicant must qualify as a family as defined in Appendix A;
- B. All of the Public Housing Units are also Low-Income Housing Tax Credit (LIHTC) Units. As such, they are regulated by Tax Credit Requirements and must also meet the eligibility requirements for LIHTC Units listed below.

Eligibility for LIHTC Units:

- A. Income. The income limits used by the Agent for admission are established by HUD and usually change on an annual basis. In no case will an applicant be admitted to a LIHTC unit if the applicant family's income exceeds the LIHTC income limits. Additionally, an applicant must earn enough gross income to satisfy Agent of an ability to pay the rental amount. Generally, except for persons who are using a housing choice voucher to rent the unit or Public Housing Applicants, the applicant must earn at least 3 times the rental amount. The Agent, based on market conditions, may adjust this amount from time to time.
- B. Students. Applicants whose household, in its entirety, consists of full-time students any of whom do not meet one of the exemptions listed below will not be considered eligible for housing. For the purposes of Section 42 of the Internal Revenue Code, a full-time student is one who attends, or plans to attend during the next twelve months, an educational organization which normally maintains a regular facility and curriculum for a minimum of five months per calendar year and is considered a full time student by the institution.

Exemptions Include:

- 1) Any one of the students filing a joint federal income tax return. A copy of the joint federal tax return must be included in the applicant's file;

- 2) A household consisting of a single parent (with custody) and a school age child or children, both of whom are not dependents of a third party;
- 3) A household receiving assistance under Title IV of the Social Security Act;
- 4) A household receiving Temporary Assistance for Needy Families; or
- 5) A member of the household enrolled in and receiving assistance under the Job Training Partnership Act or similar governmental job training program.

Eligibility for Market Units:

Applicant must earn enough gross income to satisfy Agent of an ability to pay the unrestricted rental amount. Generally, except for persons who are using a housing choice voucher to rent the unit, the applicant must earn at least 3 times the rental amount. The Agent based on market conditions may adjust this amount from time to time.

3.2 Screening, Verification, Selection of Applicants

A. Screening (Property Specific Requirements)

Eligible applicants will be screened, and those who meet the screening criteria will be considered suitable for housing. In the effort to determine which applicants meet the screening criteria, the Agent shall work closely with the applicants to ensure they receive complete information on the history the applicant has on each of the screening criteria. The Agent shall consider all information received prior to making a determination on the eligibility of each applicant.

If a determination has been made that the applicant is eligible and satisfies all requirements for admission, the applicant shall be notified of the approximate date of occupancy insofar as that date can be reasonably determined.

The Agent shall not deny admissions to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence or stalking, if the applicant otherwise qualifies for assistance or admissions, and nothing in this section shall be construed to supersede any provisions of Federal, state or local law that provide greater protection for victims of domestic violence, dating violence or stalking.

The following property specific requirements apply for initial determination of suitability. Property specific requirements for continued occupancy are discussed under section 5.0 "Continued Occupancy".

1. Employment.

Applicants who are employed a minimum of 30 hours per week shall meet the employment requirement. An applicant means head of household or co-head of household. Additionally, all family members ages 18-61, other than the employed head or co-head of household, must be working 30 hours per week, be enrolled full-time and regularly attending secondary or post secondary education program or involved in at least 30 hours per week of any combination of (1) employment; (2) enrollment in and regular attendance in an economic self-sufficiency program; (3) enrollment in and regular attendance in a regular program of education including GED classes, secondary or post-secondary education, or English proficiency or literacy classes; and (4) a verifiable employment search or employment counseling.

Notwithstanding the foregoing, a member of a household shall not be required to comply with the employment requirements when such member of the household is: (a) age 62 or older; (b) blind or disabled as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C. 1382c and provides third party verification of same; (c) the primary caretaker of such a blind or disabled individual; (d) the primary caretaker of a minor and there is at least one additional adult member of the household who is employed at least 30 hours per week; or (e) retired and receiving a pension.

2. Criminal Background Screening.

- a. The Agent shall prohibit admission of applicant families with members:
 - i. Who were evicted from federally assisted housing for drug related criminal activity for three years following the date of eviction (unless the family can demonstrate that the person who engaged in the drug related activity has been rehabilitated or is no longer a member of the household); or
 - ii. Who are currently engaging in illegal use of a drug; or
 - iii. If the Agent has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or
 - iv. Who are subject to a lifetime or any registration requirement under a Sex Offender program, including a 10 year registration requirement under the Illinois Sex Offender Statute; or
 - v. If the Agent has reasonable cause to believe that a household member's abuse of alcohol or pattern of abuse of alcohol may threaten the health, safety or right to peaceful enjoyment of the premises by other residents; or
 - vi. Who have ever been convicted of arson; or
 - vii. Who have ever been convicted of drug related criminal activity for manufacture of methamphetamine on the premises of federally assisted housing or any premises.

- b. The Agent may prohibit admission of applicant families with members:
 - i. Who have any history of criminal activity, including arrest or conviction, in the past ten years involving violence to a person; or
 - ii. Who, in the past five years, have any history of arrest or conviction involving drug activity, violence to a person, theft, illegal use or possession of a weapon, or damage to property; or any pattern of such activity in the past 10 years.
- c. In the event of receipt of unfavorable information regarding conduct of the applicant, the Owner shall give consideration to mitigating circumstances as outlined in section 3.2 D below.

3. Drug Activity

Applicants who successfully pass a drug screening test shall meet the drug activity screening requirement. Drug screening tests shall only be administered to family members 18 years of age and older.

4. Credit History

Applicants who are current in their rent and utilities or are currently up to date on any payment plan for outstanding rent or utilities, have no record of having filed for bankruptcy within the last three (3) years and have no more than four (4) outstanding obligations over 90 days past due, exclusive of medical related charges and student loans (and excluding those obligations where an applicant is current in a payment plan) shall meet the credit history requirement, provided that a credit history covering the last 5 years will be used to conduct an overall review of an applicant's credit and current ability to pay rent. Telephone bills, cable bills and retail credit card accounts for \$300 or less will not

be counted. Individuals whose bankruptcy filing date is within the last three (3) years will receive further consideration in the case of mitigating circumstances such as excessive medical bills, loss of employment for an extended period, student loans, divorce and consideration for bankruptcies where bankruptcy debts do not include rental and utility payments. Such a review includes consideration of payment history, landlord judgments, consumer debt, and prior debts owed to public housing programs.

5. Landlord Reference

Applicants who, during their tenancy with their current landlord or the landlord immediately preceding their current landlord, have no history of rent delinquencies, conflict with other residents, damage to property, violations of lease provisions, or complaints in Landlord/Tenant court shall meet the landlord reference screening requirement.

6. Childcare

Applicants who can demonstrate their school-aged children attend school regularly and that there is adequate supervision of children under the age of 13 when school is not in session shall meet the childcare screening requirement. If a child legally drops out of school, that child must be engaged in at least 30 hours per week of any combination of (1) employment; (2) enrollment in and regular attendance in an economic self-sufficiency program; (3) enrollment in and regular attendance in a program of education such as GED classes, English proficiency or literacy classes; and (4) a verifiable employment search or employment counseling.

7. Housekeeping Habits

Applicants who successfully pass a housekeeping inspection that shows no signs of poor health habits, physical abuse of the facilities, negligent dependent care, unauthorized occupants, or habits that could be detrimental to the property or other residents such as poor care of appliances, plumbing fixtures, etc at their current residence, shall meet the housekeeping habit screening requirement.

The housekeeping inspection will look for poor housekeeping habits that could lead to an unhealthy environment for the applicant and other residents for example: food left open or out; dirty dishes left unattended; dirty floors and/or fixtures; excessive dirt and/or grease on stove; mold and/or mildew build up in kitchen or bathroom; excessive dirt on floors, walls, ceilings, cabinets or doors; excessive clothing or belongings strewn about in a disorderly fashion.

B. Engaged in Activities to Meet Property Specific Requirements.

Those RRC Applicant families who do not meet the screening criteria may be considered suitable for housing, after the processing of all Priority 1 RRC Applicants (as defined in the RRC) who meet the property specific requirements, if they are determined to be engaged in activities to meet the property specific requirements or if they can demonstrate the circumstances set forth below.

The Agent will promptly notify Applicant families that they have been determined to be engaged in activities to meet property specific requirements (such applicants are referred to herein as "working to meet"). When requested in writing by a working to meet Applicant, the Agent shall provide such Applicant, within 10 days of the written request, with an opportunity for an informal hearing to present information the Applicant may wish the Agent to consider in re-evaluating their designation. The Agent shall notify the Applicant within 10 days of the informal hearing of the Agent's determination to uphold their initial determination

(classifying such tenants as "working to meet") or overturning their initial determination.

Employment

The head or co-head of household of an RRC Applicant engaged in at least 30 hours of (1) employment; (2) enrollment in and regular attendance in an economic self-sufficiency program; (3) enrollment in and regular attendance in a regular program of education including GED classes, secondary or post-secondary education, or English proficiency or literacy classes; and (4) a verifiable employment search or employment counseling.

All other members of an RRC Applicant household between the ages of 18 and 61 engaging in one or a combination of the following activities for 30 hours each week: (1) employment; (2) enrollment in and regular attendance in an economic self-sufficiency program; (3) enrollment in and regular attendance in a regular program of education including GED classes, secondary or post-secondary education, or English proficiency or literacy classes; and (4) a verifiable employment search or employment counseling.

Notwithstanding the foregoing, a member of a household shall not be required to comply with the employment requirements when such member of the household is: (a) age 62 or older; (b) blind or disabled as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C. 1382c and provides third party verification of same; (c) the primary caretaker of such a blind or disabled individual; (d) the primary caretaker of a minor and there is at least one additional adult member of the household who is employed at least 30 hours per week; or (e) retired and receiving a pension.

Credit History

RRC Applicants who can demonstrate, to the satisfaction of the Agent, successful completion of a budgeting course and/or efforts, over the course of at least one year, to repay outstanding balances or other activities that demonstrate, to the Agent's satisfaction, that the family is working towards meeting the credit history requirement.

Childcare

RRC Applicants who can demonstrate, to the satisfaction of the Agent, successful completion of parenting classes and/or documentation of improved attendance record at school showing no significant absences of the applicant's child(ren) or other activities that demonstrate, to the Agent's satisfaction, that the family is working towards meeting the childcare requirement.

Housekeeping Habits

RRC Applicants who can demonstrate, to the satisfaction of the Agent, that they have successfully completed a housekeeping training course and can demonstrate improvement in their housekeeping habits or other activities that demonstrate, to the Agent's satisfaction, that the family is working towards meeting the housekeeping habits requirement.

C. Rejection and Grievance Hearings

If the Agent determines the applicant is ineligible, the Agent shall promptly notify the Applicant. When requested, and within 10 days after the receipt of the notice, the Applicant shall be provided an opportunity for an informal hearing to discuss the reason(s) for their ineligibility and to hear any other mitigating circumstances the Applicant may wish the Agent to consider relating to their application for housing. The Agent shall notify the Applicant within 10 days of the informal hearing of their determination to uphold their initial determination of ineligibility or to overturn their initial determination of ineligibility.

RRC applicants shall have the additional right to a grievance hearing with an independent hearing officer, in accordance with the Grievance procedure.

D. Mitigating Circumstances

In the event an ineligible applicant requests an informal hearing as described in section 3.2 C above, the Owner shall give consideration, on a case by case basis, to any mitigating circumstances presented by the applicant at the

informal hearing, focusing on the concrete evidence of the seriousness and recentness of the unfavorable information, to the time, nature, and extent of applicant's conduct, and to factors that might indicate a reasonable probability of favorable future conduct or financial prospects in determining eligibility of the applicant. Factors to be considered in such a case will include, but are not limited to, one or more of the following:

1. Evidence of rehabilitation;
2. Evidence of applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs and the availability of such programs;
3. Evidence of the applicant's willingness to attempt to increase family income and the availability of training or employment programs in the locality; and,
4. Evidence that any negative Landlord/Tenant court complaint was not caused by actions of the Resident but was due to other factors involving their tenancy.

Criminal History

In the event an applicant is rejected for admission because of criminal history, the Owner may consider admitting the applicant based on mitigating factors which indicate a reasonable probability of future favorable conduct, compliance with the obligations of tenancy, the likely impact on Legends South and the danger to the health and safety of residents and staff. No consideration will be given to households if any member of the household is subject to lifetime or any registration as a sex offender, or was convicted for the manufacture or production of methamphetamine on the premises of federally assisted housing or any other housing. Examples of mitigating factors include:

1. The culpable household member no longer resides in the household and is not expected to reside in the household in the future.
2. The incident occurred at a relatively distant time in the past.
3. The offense was an isolated incident, and is not part of a pattern of excludable behavior.
4. The seriousness or nature of the offense was minor.

5. The conduct was caused by a disability, and it is verified that the applicant is not likely to engage in excludable behavior in the future.

6. The applicant can provide evidence of rehabilitation, such as current involvement in counseling or the Community and Supportive Services Program or Family Self-Sufficiency Program, if available, Alcoholics Anonymous, Narcotic Anonymous, successful completion of treatment, compliance with or successful completion of conditions of parole or probation.

Credit History

The Owner may consider mitigating circumstances or factors that indicate that the applicant is actively engaged in credit improvement activities that establish a reasonable probability of future favorable conduct and lease compliance. In considering such mitigating circumstances, the Owner will take into account:

1. The age of the debts.
2. Whether the applicant made and kept arrangements to pay back unpaid bills.
3. Whether the applicant's poor credit was caused by disability or illness.
4. Whether the poor credit was caused by family break-up.
5. Whether the poor credit is related to involuntary displacement, involuntary unemployment or some other involuntary change in income.
6. Satisfactory completion of credit counseling.
7. The presence of other events beyond the control of the applicant.

E. Verification

In conjunction with the application process, the Agent shall require whatever documentation is needed to verify

information the applicant has provided. The applicant (and other family members as the Agent designates) may be required to execute a release and consent form(s) authorizing any person, firm, or association, including any federal, state or local agency to furnish or release to the Agent such information as the Agent determines to be necessary. Verification of eligibility, suitability and preferences, along with any other information, is to be accomplished by thorough evaluation from information submitted by the applicant or received from third parties, including:

1. Verification of age of family members when the sole factor determining eligibility is age, or to support exemptions claimed for minors;
2. Pregnancy when it is the sole basis for determining eligibility;
3. Full-time student status;
4. Social Security numbers for all members of the household if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security number may be used for verification:

A driver's license, identification card issued by a Federal, State or local agency, identification card issued by a medical insurance company or provider (including Medicare and Medicaid), earnings statements or payroll stubs, bank statements, IRS Form 1099, benefit award letters from government agencies, retirement benefit letter, Life insurance policies, and verification of benefits or Social Security Number from Social Security Administration;

5. Disability, handicap, veteran, or serviceman status when they are a factor in determining

eligibility. For persons who claim disability but are not recipients of benefits under Section 223 of the Social Security Act or Section 102(b)5 of the Developmental Disabilities Services and Facilities Construction Amendment of 1970, a doctor's certification as to the degree and possible length of such disability shall be required. The receipt of veteran's benefits for disability, either service incurred or otherwise, does not automatically establish eligibility for disability; and

6. Eligible immigration status.

4.0 ADMISSION AND SELECTION

4.1 PHA-Assisted Units

Agent will continuously set aside 30 units in the Development as PHA-Assisted Units during the term of this Agreement, which units will initially contain a total of 67 bedrooms. Provided that Agent continues operating the PHA-Assisted Units in accordance with the United States Housing Act of 1937, as amended from time to time, and in accordance with the terms of the Regulatory and Operating Agreement, such units shall be eligible to receive Operating Subsidy Payments from the Authority. The PHA-Assisted Units shall initially comprise the following mixture of unit sizes and descriptions:

| <u>Unit Size</u> | <u>Number</u> | |
|------------------|---------------|----|
| <u>Bedrooms</u> | | |
| 1 Bedroom | 8 | 8 |
| 2 Bedrooms | 10 | 20 |
| 3 Bedrooms | 9 | 27 |
| 4 Bedrooms | 3 | 12 |

The PHA-Assisted Units shall, to the extent feasible, be scattered evenly throughout the Development, and within structures within the Development. PHA-Assisted Units and Non-PHA-Assisted Units shall be maintained and operated without distinction, excepting such differences in admissions procedures, lease terms and other conditions as are mandated by Public Housing Requirements or intended by Agent and Authority to effectuate Public Housing Requirements and/or benefit the PHA-Assisted Units.

4.2 Applications

- A. An Application for Admission, as defined in Section 2.3, is required for a person to be considered for admission. Applications for Admission will be accepted between the hours of 9:00 a.m. and 5:00 p.m. on Monday through Friday, except designated holidays, at the following address: [to be provided]
- B. The location, facilities and circumstances for accepting applications will afford persons the greatest opportunity to apply.
- C. Periodically, Agent will attempt to contact each person on the waiting list to determine if they are still in need of assistance.
- D. All RRC-applicants shall be referred by Chicago Housing Authority ("CHA") with corresponding HOP numbers in accordance with the RRC. RRC-applicants will be required to complete an application form that will be entered on the waiting list in sequential order of their HOP number. RRC-applicants will be processed in order of their HOP number. Once all of the RRC-priorities have been processed, the Agent will begin accepting referrals from the CHA's-public housing applicant waiting list. If no such waiting list exists, the Agent shall create a waiting list in conformance with All Applicable Public Housing Requirements. As applications are received, the date and time the application is received should be noted on the application form. All data is subject to verification. Each adult member of the family must sign the completed application.
- E. The Agent will keep a copy of each resident's application for admission in the resident's file. Any other occupancy information the Agent collects must be retained for at least three (3) years or in accordance with Federal Regulations. This will include data on current applicants and residents, and applications from families who were never admitted.

4.3 Record of Applications / Waiting List

The Authority has approved, through the Regulatory and Operating Agreement, the establishment of a site-based waiting list for Public Housing Residents. The Agent will maintain a site based waiting

list for Public Housing Residents subject to the following requirements:

- A. The Agent will maintain a list of potential tenants to lease the PHA-Assisted Units. The list will be comprised of referrals from the Robert Taylor HOP list to fill the 30 PHA-Assisted Units. The Agent will engage in outreach from the referral list.
- B. The RRC-applicants on the waiting list for PHA-Assisted Units shall be processed pursuant to the RRC, including the priorities detailed in the RRC and the HOP numbers given to each resident according to the RRC.
- C. Upon the exhaustion of all RRC-Applicants, applicant names supplied from CHA's public housing applicant waiting list will be placed on the waiting list based on the date and time the application is received by the Agent.
- D. The Agent will maintain the waiting list by the required number of bedrooms. The Agent also will indicate on the waiting list the following about each applicant's family:
 - 1. Race / ethnicity;
 - 2. Determination of eligibility or ineligibility for selection and screening (including, for RRC-applicants, information that the resident is engaged in activities to meet the screening requirements);
 - 3. Preference determination;
 - 4. Date assigned to dwelling unit and identification of unit to which assigned, or date and unit offered and rejected with reason for the rejection noted; and
 - 5. Reason for removing applicant from consideration for housing; i.e., upon applicant's request, failure to communicate continued interest, or applicant no longer qualifies.
- E. Consistent with the objectives of Title VI of the Civil Rights Act of 1964, the Regulatory and Operating Agreement, other statutory requirements, and HUD regulations and policies, offers from the waiting list to appropriate sized units will be made after preferences are

applied. Preferences for housing will be applied in accordance with the terms outlined in section 4 d. of the Relocation Rights Contract for all RRC-applicants for all PHA-Assisted Units. Upon exhaustion of the RRC-applicants, preference for PHA-Assisted Units shall be determined in accordance with both current CHA policy and this Policy. There will be no preferences for housing applied for other Low-Income Housing Tax Credit Units or Market Rate Units.

4.4 Transfers

The Agent shall maintain a centralized list of PHA-Assisted families (by number of bedrooms) that request to be or need to be transferred. The family name shall be placed on this list on the day the Agent becomes aware of a family composition change or receipt of a transfer request from the family Head of Household. Transfers will be made without regard to race, color, creed, national origin, religion, age, sex, handicap, or familial status.

Transfers of PHA-Assisted families may be approved for the following reasons:

A. Under Housed

If, upon re-examination, it is found that the size or composition of a family or household has changed so that the unit occupied by the family contains a number of rooms less than necessary to provide decent, safe and sanitary accommodations, in accordance with local regulations and codes, and state and federal laws, to the extent applicable, management may reassign or transfer residents to other dwelling units.

B. Over Housed

If, upon re-examination, it is found that the size or composition of a family or household has changed so that the unit occupied by the family contains a number of rooms greater than necessary to provide decent, safe, and sanitary accommodations, in accordance with local regulations and codes, and state and federal laws, to the extent applicable, management may reassign or transfer residents to other dwelling units.

C. Medical

A resident may be transferred upon request for medical reasons when a transfer to another unit would eliminate or decrease the advancement of a medical condition or is required in order to be closer to available and necessary medical treatment. A doctor's statement verifying the need for such transfer may be required.

D. Emergency

An adult family member may be transferred upon request if an abusive situation exists within the household (i.e. battered spouse) that warrants emergency housing elsewhere. Transfer may be made only after proper verification and/or investigation. Children may accompany the custodial parent.

E. Natural Disaster

A resident family may be transferred because of a natural disaster (i.e. tornado, fire, flood), which makes the existing unit uninhabitable.

F. Section 504 Compliance

Any resident who has special needs requiring a handicapped accessible unit may be transferred upon request. Verification of such need may be required.

G. Safety / Security

If a resident living alone should die while residing on the Agent's premises, all their personal belongings should be boxed up for a family member to collect and the apartment secured.

H. Home Ownership

When a Public Housing family is eligible for and desires to participate in a Home Ownership Program, a transfer may occur as long as that resident meets all eligibility requirements and a unit can be made available to him/her.

I. Other - For Good Cause

Situations may arise which are not included in items A-H whereby in the judgment of the Agent and/or designee determine that it is in the best interest of a resident and/or other residents of the community that a transfer be approved. For example: Continual resident conflict that undermines peaceful community living. Such transfer shall only be approved if both the resident and Agent agree to the transfer.

PRIORITY

Families under housed shall be given preference over families over housed in the transfer process. Families needing special consideration because of handicap, disability, medical conditions or emergency cases shall be accommodated before over housed families whenever possible.

Normally, transfers for hardship reasons shall have priority over new applicants. The Agent will not require a family residing in a unit too large for its need to transfer into a smaller unit unless the waiting list reflects a need for the occupied unit.

GENERAL TRANSFER REQUIREMENTS

- A. Families who are requesting permission to transfer in situations described in 4.4 (A), (B) and (H) above shall be in "Good Standing" under the terms of their lease. All other transfers, which are transfers based on the health and well being of the Tenant, can occur regardless of the status of the Tenant provided, however, that the transfer does not waive any of the Landlord's rights to pursue an eviction action against the Tenant. All Tenants must leave the premises in a condition satisfactory to management.
- B. The remaining adult member of a resident family, legally on the lease, will be allowed to remain in occupancy but will be required to transfer to an appropriate size and type of unit. The new head of household for a PHA-Assisted Unit must meet both CHA's applicant screening criteria and the Agent's applicant screening criteria. Foster care adults and live-in-aides do not have any rights under the lease.
- C. Resident initiated transfer requests during the first twelve (12) months of tenancy will be for Medical, Natural Disaster, Safety and Security, Section 504 Compliance, and Emergency situations only and will require the approval of the Agent.
- D. The number of units offered to a family transferring will be one unless there is a hardship situation as determined by the Agent.

TRANSFER PROCEDURE:

- A. Each person who desires to transfer shall submit an Application for Transfer to the appropriate Site Manager. It will be the responsibility of the Site Manager to verify the reason for and approve such transfer. The Application of each person shall be dated and time stamped when submitted, and if approved, shall be placed on a Transfer Waiting List within each category of each unit size for which the Family is eligible.

- B. Persons who apply for transfer under this plan shall not be required to re-establish their eligibility for public housing, but shall be required to provide information on their Transfer Application to include name, address, number of persons in family, the sex and age of each family member and reasons for the transfer request along with any supporting documentation deemed necessary by Agent. Transfers involving PHA-Assisted Units require final approval by the CHA.

4.5 Income Limits

The income limits used by the Agent for admission are established by HUD and usually change on an annual basis. In no case will an applicant be admitted to a LIHTC unit if the applicant family's income exceeds the LIHTC income limits. No minimum income limits are established for PHA-Assisted Units.

In accordance with the income restrictions required by sources of funding for the development, the following unit mix will be maintained among the 30 Public Housing Units.

- a. 15 of the 30 Public Housing Units shall be rented to applicants whose income at the time of their admission is at or below 50% of area median income.
- b. 15 of the 30 Public Housing Units shall be rented to applicants whose income at the time of their admission is at or below 30% of area median income.

19 of the remaining non-Public Housing LIHTC units shall be rented to applicants whose income at the time of their admission is at or below 60% of area median income, 1 of the remaining non-Public Housing LIHTC units shall be rented to applicants whose income at the time of their admission is at or below 50% of area median income, and 3 of the remaining non-Public Housing LIHTC units shall be rented to applicants whose income at the time of their admission is at or below 30% of area median income. In no event shall any applicant be admitted to a Public Housing Unit or LIHTC Unit whose income exceeds the maximum income allowable under Tax Credit and Other Requirements.

4.6 Resident Rent Charges

Residents of the PHA-Assisted units are to be charged Resident Rent in accordance with 24 CFR §960.253, 24 CFR § 5.628, and the earned income disallowance procedures of the CHA or any other established and approved policy of the CHA.

Residents of LIHTC units will be charged a rent established by the Agent but in no case shall the LIHTC rent exceed the maximum rent allowable under section 42 of the Internal Revenue Code of 1986, as amended.

The Agent shall establish rental rates for the Market Rate Units.

4.7 Other Charges

The resident will be charged for special goods and services and for the cost of all repairs and damages caused by carelessness, misuse, or neglect on the part of the resident or guest. Such charges will be for the actual cost of the materials and labor required. A standard list of charges shall be posted in the rental office.

4.8 Occupancy Standards

To avoid overcrowding and prevent wasted space, Low-Income Housing Tax Credit Units are to be leased in accordance with the occupancy standards set forth below. However, in the event that there are units which cannot be filled with families of appropriate size and type after all possible efforts have been made to stimulate applications, eligible families of the most nearly appropriate size will be housed in the next larger size unit and will be moved to units of the proper size at the earliest possible date. In no case will a family be given initial occupancy to a unit that results in an overcrowded situation.

A. Dwellings shall generally be assigned as follows:

1. Other than husband and wife or legally consensual relationships, persons of the opposite sex will not occupy the same bedroom.
2. For reasons of health (old age, physical disability, etc.) separate bedrooms may be provided for such individual family members as verified.
3. Living rooms will not regularly be used as a bedroom.

- B. Housing units shall be so assigned by taking into consideration every family member, regardless of age, who is to be counted as a person. An unborn child is not counted as a family member; however, Agent will consider size of household with unborn child included.

| <u>No. of Bedrooms</u> | <u>Number of Persons</u> | |
|------------------------|--------------------------|----------------|
| | <u>Minimum</u> | <u>Maximum</u> |
| 0 | 1 | 2 |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 5 | 8 |

These standards regarding the minimum and maximum number of persons who will occupy a unit will be applied within the restraints of financial solvency and program stability. The Agent, based on individual family needs, will determine assignments of families within the unit ranges indicated above. When it is found that the size of the dwelling is no longer suitable for the family in accordance with these standards, the family will be required to transfer when the appropriate size unit becomes available.

4.9 Dwelling Lease

A dwelling lease shall be prepared by the Agent subject to approval of the Authority and following the provisions of the RRC.

4.10 Misrepresentation on Application for Admission

If misrepresentations on Application for Admission result in housing an ineligible or unsuitable family, the family may be required to vacate, even though currently eligible. If misrepresentation or failure to provide facts has resulted in payment of a lower total resident payment than should have been paid, the family will be required to pay the difference between the total resident payment paid and the amount that should have been paid. In justifiable cases, the Agent may take such other action as deemed reasonable.

5.0 CONTINUED OCCUPANCY

5.1 Property Specific Requirements

- A. Resident families who were offered housing based on meeting the property specific requirements or those resident families who were offered housing based on the determination that they were engaged in activities to meet the property specific requirements and who have subsequently met the requirements, are required to meet the property specific requirements at all times during their occupancy.
- B. In the event a family fails to meet the property specific requirements, in order to continue in occupancy, the household must show evidence of activities to meet the property specific requirements and meet such requirements within one (1) year except for those families who fail to meet the requirements in Section 3.2(A)(1) (such families can follow the procedures set out in Section 5.1 E below). The Agent shall retain the discretion to provide any family engaged in activities to meet the property specific requirements additional time to meet such requirements.
- C. If the Tenant has been conditionally admitted because the Management Agent has determined that the Tenant is engaged in activities to meet the Property Specific Requirements pursuant to the Section 3.2 B, B, the Tenant and the Management Agent shall memorialize in writing the conditions the Tenant is currently satisfying and must continue to satisfy to show that he or she is engaged in activities to meet the Property Specific Requirements (the "Compliance Plan"). The Compliance Plan shall be attached and made a part of the Lease. The tenant is obligated to use best efforts to comply with the Compliance Plan throughout the first 12 months of conditional tenancy; however, an otherwise lease-compliant tenant will not be terminated during the first year of occupancy for failure to comply with the conditions of the Compliance Plan.
- D. If the Tenant is engaged in activities to meet the Property Specific Requirements other than those in Section 3.2 A 1 of the Admission and Continued Occupancy Policy (ACOP), and, if at the start of his/her first year's re-certification process the Tenant does not meet such Property Specific Requirements, the Management Agent will notify the Chicago Housing Authority ("CHA") to begin looking for a unit for the resident at a property where the Tenant satisfies the occupancy criteria. If the Tenant does not meet the Property Specific Requirements (other than those in

Section 3.2 A 1 of the ACOP) within one year of Tenant's move-in date at annual recertification, the Management Agent shall notify the CHA, and CHA shall transfer the Tenant to a unit outside the Development or provide the Tenant with a Section 8 Housing Choice Voucher, in accordance with the Relocation Rights Contract. If Tenant refuses to accept the transfer to a unit outside the Development or the Section 8 Housing Choice Voucher, the Management Agent may terminate the tenancy.

E. If the tenant or co-head is engaged in activities to meet the Property Specific Requirements in Section 3.2 A 1 of the ACOP but at the start of his/her first year's recertification is not yet employed a minimum of 30 hours a week, such tenant may continue to reside at the development if all members of the household 18 years of age or older, other than the Tenant head or co-head, continue to meet the 30 hours of weekly activity described in Section 3.2 B and the Tenant head or co-head of household can prove to the satisfaction of management that:

1. The head or co-head of household is enrolled full-time and is regularly attending a secondary or post-secondary educational program and shows progress in completion of the program. (Progress may constitute passing grades, completion of additional credits in the program, etc.) Additionally, the educational program must be one that, in the determination of the Agent, will lead to fulfillment of the 30 hour employment criterion at its completion, or
2. The head or co-head of household is employed for some period of time less than 30 hours a week but is also engaged in one or a combination of the following activities: enrollment and regular attendance in an economic self-sufficiency program, part-time enrollment and regular attendance in a secondary or post-secondary educational program, participation in a verified active job search or job counseling, enrollment and regular attendance in a basic skills training program that, together with the employment, equal not less than 30 hours a week, or

3. The head or co-head of household is neither enrolled full-time in a secondary or post-secondary educational program nor is employed but is engaged for a minimum of 30 hours a week in a Service Plan for Self-Sufficiency, which consists of one or a combination of the following activities: enrollment and regular attendance in an economic self-sufficiency program, part-time enrollment and regular attendance in a secondary or post secondary educational program, participation in a verified active job search or job counseling, or enrollment and regular attendance in a basic skills training program. It is the purpose of the head or co-head of household's participation in this plan to develop employment skills and history that will enable the head or co-head of household to move toward economic self-sufficiency. The head or co-head of household will develop the Service Plan for Self-Sufficiency in cooperation with the local Service Provider and failure to follow the requirements of the Service Plan for Self-Sufficiency will constitute grounds for transfer from the development.

5.2 Community Service Work Requirements

The Agent shall comply with Notice PIH-2003-17 (and any subsequent regulations or notices) in implementing the Community Service Requirements. Generally, these requirements require all adult public housing residents who are not employed, elderly, or disabled, or otherwise exempted to contribute 8 hours per month of community service, or participate in an economic self-sufficiency program for 8 hours per month. All public housing residents who are not exempt from this requirement may use any of those activities that they are engaged in to meet the property specific requirements that qualify to also meet the community service requirements.

5.3 Re-Examination of Resident Eligibility and Rental Adjustments

- A. As required by Public Housing and LIHTC regulations, the Agent will annually re-examine the status of each resident family, of a LIHTC or Public Housing unit, relating to eligibility for continued occupancy, the rent charged, the meeting of property specific requirements, and the size of the apartment required. Residents will be re-examined

each year on the anniversary date established by the occupancy date of their lease.

- B. The Agent will require a written release of information from each family, signed by the head of the family and/or the spouse, and any other adult member which will allow the release of all data and information necessary to enable the Agent to determine:
 - 1. whether the family meets the requirements of eligibility for continued occupancy;
 - 2. the rent to be charged; and
 - 3. the size of the unit required.
- C. Residents, who, at the time of application for continued occupancy, are deemed ineligible by failure to meet the continued occupancy requirements shall be notified in writing of such ineligibility, the reason therefore, and for PHA-Assisted families, be advised of their right to request a grievance hearing.
- D. Rents will be reviewed at the time of the annual re-examination and, if appropriate, be changed to conform to the approved rent.
- E. A PHA-Assisted family must report changes in income and the household composition. Once total resident payment is established, such payment rate shall remain in effect until the next annual re-examination or an interim rent adjustment for a change in family income or family composition. Decreases in family income should be reported so that rent may be adjusted accordingly.

Increases in PHA-Assisted family income must be reported which would raise the total resident payment.
- F. Increases in rent resulting from rent reviews for PHA-Assisted Units are effective the first of the second month following the notice of the change.
- G. Decreases in rent for PHA-Assisted Units are effective the first of the month following the reported change.
- H. If, upon re-examination, it is found that the size or composition of a PHA-Assisted family or household has changed so that the apartment occupied by the family

contains a number of rooms less or greater than necessary to provide decent, safe, and sanitary accommodations as described in the occupancy standards, management shall give notice of at least thirty (30) days to the resident that the resident may be required to move to another unit.

- I. At the time of re-examination or change in income and/or family composition each family in a PHA-Assisted Unit will be given the option of choosing (1) flat rent established by Agent based on the value of the unit; or (2) income-based rent, which will be the greatest of 30 percent of adjusted income or 10 percent of monthly income. The Agent will give the family information on both types of rent so that the family can make an informed decision as to which type of rent it prefers.
- J. In the event the head of household of a public housing unit dies or leaves the unit, continued occupancy by remaining household members is permissible only if there is one or more adult authorized household members on the lease and living in the household. Additionally, after the death or departure of the original head of household, the Agent may permit an adult not on the lease to join the household as a new head of household. In giving approval for such an arrangement, the Agent will consider whether there is any remaining member capable of executing a lease and the ability of the family to stay together if the new household member is allowed to stay. The new head of household must meet both the CHA's and the Agent's applicant screening criteria.

5.4 Restriction on Eviction of Families Based Upon Income

The Agent shall not commence eviction proceedings, or refuse to renew a lease, based on the income of a PHA-Assisted Unit family, except (i) as provided in a Preservation and Transformation Plan adopted in accordance with and any applicable HUD requirements per 42 USC § 1437 and section 35 of the United States Housing Act of 1937, as amended from time to time, or (ii) as required by All Applicable Public Housing Requirements.

5.5 Misrepresentation at Annual Re-Examination

If the re-examination discloses that the family at time of admission, or at any previous re-examination, made misrepresentations that resulted in the family's being classified as

eligible, when in fact ineligible, the family may be required to vacate even though currently eligible. Furthermore, if at the time of re-examination it is found that the misrepresentations or failure to provide facts resulted in a lower rent being charged, the family will be required to pay the difference between the rent paid and the amount that should have been paid. In justifiable cases, the Agent may take such other action as deemed reasonable. If the Agent is unable to complete the annual re-examination because of the fault of the family, the effective date of any change will be the re-examination anniversary date.

If, by no fault of the family, the Agent is unable to complete its annual re-examination, the effective date of any increase in total resident payment will be the first of the second month following completion of re-examination; the effective date of any decrease in total resident payment will remain the re-examination anniversary date, and the family will be given the appropriate total resident payment credits for overpayment.

5.6 Collections

A. Resident Rent Charges

Rent is due and payable in advance without notice, at the office of the Agent on the first day of each month. If not received by close of business on the 5th day of the month, and the resident has not contacted the Agent, the Agent will mail or deliver a notice of delinquent rent to the resident's address. Such notice will remind the resident of the lease obligation and will designate a deadline, by which the resident is to contact the Agent office and make arrangements for payment. If there is a good reason for an extension of time to pay the delinquent rent, the Agent may, at its sole discretion, enter into an agreement with the resident. Such agreement will be in writing, signed by both parties, and require the resident to make future rent payments in full not later than the 5th of the month during which they become due. The agreement will specify the due dates and dollar amounts of periodic payments to be made toward settlement of the past-due balance. Failure to reach an agreement, or failure of the resident to abide by the terms of the agreement, will lead to the Agent filing for eviction. All terminations shall be processed in accordance with the requirements of the lease, state law, and federal regulations. For those residents who derive all or part of their income from a government benefit, such as SSI

payments, and whose benefit payment arrives after the first of the month, rent will not be considered late until seven days after the date of such payment. It is the responsibility of the resident to document the date of the payment to have late fees waived.

B. Other Charges

Charges other than rent, such as utility charge and resident-caused damages, shall become due and payable 14 days after the Agent gives written notice of such charges. Such notice constitutes a notice of adverse action and must meet the requirements governing a notice of adverse action including advising the Resident of any right to grieve the action. A schedule of standard charges will be posted in the management office.

5.7 Inspections

- A. The dwelling unit and premises shall be inspected jointly (when possible) by the applicant or resident and Agent. Both parties will agree on the condition of the unit by signing an inspection check sheet. The original move-in inspection sheet will be kept by the Agent, and a copy will be given to the resident.
- B. The inspection will serve as a guide in the determination of needed maintenance or repairs and to assess damage over and above normal wear and tear. Failure to maintain a safe, decent, and sanitary dwelling unit and premises may result in lease termination.
- C. Inspections shall be made:
 - 1. At move-in, prior to occupancy;
 - 2. Periodically, every six (6) months;
 - 3. Follow up inspections will be scheduled within fifteen (15) days if housekeeping practices or other circumstances require. Appropriate notice to the resident shall be given prior to any inspection which shall be in accordance with the lease; and
 - 4. At move out. Inspections should be done with resident, unless the resident has previously vacated the unit and is unavailable. In the latter case, the Agent will conduct an independent inspection.

After the initial move-in inspection, the Agent will provide all residents 48 hours notice of any scheduled inspection as required by section 5-12-050 of the Chicago Residential Landlords and Tenants Ordinance.

6.0 SECURITY DEPOSITS

Each family is required to pay a security deposit in an amount determined by the Agent. RRC applicants' security deposit will be transferred by the CHA in accordance with the RRC. Payments must be made prior to occupancy, unless other arrangements are made otherwise. The security deposit, and any interest due on the deposit, will be returned to the resident within thirty (30) days after move-out, provided, however, that the landlord may deduct from the security deposit:

- A. Any unpaid rent which has not been validly withheld or deducted pursuant to state or federal law or local ordinance, and;
- B. A reasonable amount necessary to repair any damage caused to the premises by the tenant or any person under the tenant's control or on the premises with the tenant's consent, excluding damages caused by normal wear and tear. In case of such damage, the landlord may only deduct such amounts provided that the landlord delivers or mails to the last known address of the tenant within 30 days an itemized statement of the damages allegedly caused to the premises and the estimated or actual cost for repairing or replacing each item on that statement, attaching copies of the paid receipts for the repair or replacement. If estimated cost is given, the landlord shall furnish the tenant with copies of paid receipts or (if the work was performed by the landlord's employees) a certification of actual costs of repairs of damage within 30 days from the date the statement showing estimated cost was furnished to the tenant.

The security deposit may not be used to pay charges during occupancy.

The amount of security deposit required is specified in the approved dwelling lease and the pet policy if applicable.

7.0 COMPLAINTS OF DISCRIMINATION

A Fair Housing and Equal Opportunity poster, containing information on filing discrimination complaints by those persons believing themselves to be subjects of discrimination, will be posted conspicuously in complex offices for public information and inspection.

8.0 EVICTIONS

Failure of a family to comply with the provisions of the resident's lease shall cause the Agent to begin eviction proceedings in accordance with federal, state and local law. Violations of the Lease may include, but are not limited to, criminal activity, non-payment of rent, failure to provide Agent with required information for recertification, fraud regarding income and family composition, failure to maintain unit and surrounding area in a safe and sanitary condition, destruction of Agent property, violation of pet policy, or any serious or repeated violations of the terms of the Lease.

Residents of Public Housing Units are entitled to utilize provisions of the CHA's Grievance Procedure to attempt settlement of disputes with the Agent. Upon notice of termination, a resident has 14 days to file for a grievance hearing. Failure to request a grievance hearing will result in the resident waiving their rights to a grievance hearing.

9.0 PET POLICY

The Agent in accordance with the Quality Housing and Work Responsibility Act of 1998, has adopted a pet policy. Pets must be kept in accordance with the provisions of the lease and the policy adopted. All residents must consult with the Managing Agent and enter into a formal pet agreement prior to housing a pet within their unit.

10.0 CONFLICT WITH FEDERAL STATUTE, REGULATION, OR HUD POLICY

This policy is to be interpreted in accordance with federal statutes and regulations and in compliance with HUD policy; and any conflict between this Policy and federal statutes, Section 42, regulations, CHA Moving to Work Agreement with HUD or HUD Handbook provisions will be resolved in favor of federal law and policy.

11.0 NO-SMOKING POLICY

The premises known as Legends South Phase C-3 to be occupied by resident and members of resident's household have been designated a smoke-free living environment. Resident and members of resident's household shall not smoke anywhere in the unit rented by resident, or in the common areas of the building where the resident's dwelling is located, including but not limited to the lobby, reception areas, vestibule, hallways, elevators, stairwells, community rooms, bathrooms, laundry rooms, and offices. Additionally, no smoking is permitted within 25 feet of the building's entry ways, porches and patios. This policy applies to all residents, guests, visitors, service personnel and employees. Residents are responsible for the actions of their household, their guests and visitors. If you are observed in violation of this **No Smoking Policy** it will constitute both non-compliance of a material provision of the lease agreement and a serious violation of the lease agreement. In addition, the resident will be responsible for all costs to remove smoke odor or residue upon any violation of this **No Smoking Policy**.

Appendix A

DEFINITIONS

NOTE: Definitions may be modified from time to time because of issuance of Federal, State or local regulations.

Adjusted Income (as defined in the "Public Housing Occupancy Guidebook")

Annual income less:

- A. \$480.00 for each dependent;
- B. \$400.00 for an elderly or disabled family;
- C. Any reasonable child care expenses necessary to enable a family member to be employed or to further his or her education; and

The sum of the following items, to the extent that the sum exceeds 3 percent of Annual Income:

- D. Unreimbursed medical expenses for any elderly or disabled family; and
- E. Unreimbursed reasonable attendant and auxiliary apparatus expenses for each member of the family who is a person with a disability needed to enable an adult family member (including the member who is a person with disabilities) to work, but this allowance may not exceed the earned income of the family member age 18 and over who are able to work because of such attendant care or apparatus.

Annual Income

- A. Annual income includes all amounts, monetary and non-monetary, that go to, or on behalf of the family head or spouse (even if temporarily absent) or to any other family member or are anticipated to be received from a source outside the family in the 12 months following admission or the effective date of the annual reexamination. Annual income includes amounts derived from assets to which any member of the family has access that are not specifically excluded by Federal regulations.

B. Income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line decline, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only for straight-line depreciation. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. If the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current national passbook savings rate, as determined by HUD.
4. The full amount of periodic amount received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except as provided in paragraph 10.1 Amounts Excluded from Annual Income (c) under income exclusions).

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided under paragraph (c) 10.1 Amounts Excluded from Annual Income).
6. Welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
 - the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is radically reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage.
 - Imputed welfare income based on the amount of income not actually received by a family member due to a reduction of benefits because of fraud or failure to comply with economic self-sufficiency programs. The Agent shall follow the Chicago Housing Authority's imputed welfare income procedures.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions of gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay and allowances of a member of the Armed Forces (except for hostile fire pay, which is excluded below).

C. Annual income does not include the following: (24 CFR § 5.609(c))

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
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 (except as provided in paragraph (e) above);
4. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide, as defined in Section 2.2 Definitions of Eligible Families;
6. The full amount of student financial assistance paid directly to the student or to the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. (i) Amounts received under training programs funded by HUD;
(ii) Amounts received by a person with a disability that are disregarded for a limited time for the purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Achieve Self Sufficiency (PASS);
(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-

time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member

of the PHA's governing Board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.

9. Temporary, nonrecurring, or sporadic income (including gifts);
10. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
11. Earnings in excess of \$480 for each full-time student 18 years of age or older (excluding the head of household and spouse);
12. Adoption assistance payments in excess of \$480 per adopted child;
13. Reserved;
14. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts; a lump sum payment covering the period from application to determination of eligibility;
15. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

16. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

17. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in the above list of excluded income apply. The following list of benefits is excluded income:

- The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 [7 USC 2017 (h)];
- Payments to volunteers under the Domestic Volunteer Service Act of 1973 [42 USC 5044 (g), 5088]; Examples of programs under this Act include but are not limited to:
 - the Retired Senior Volunteer Program (RSVP);
 - Foster Grandparent Program (FGP);
 - Senior Companion Program (SCP);
 - the Older American Committee Service Program; and
 - National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs.
- Small Business Administration Programs, such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE);
- Payments received under the Alaska Native Claims Settlement Act [43 USC 1626 (a)];
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes [25 USC 459e];
- Payments or allowances made under the Department of Health and Human Services'

Low-Income Home Energy Assistance Program [42 USC 8624 (f)];

- Payments received under programs funded in whole or in part under the Job Training Partnership Act [29 USC 1552 (b)] ;
- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians [Pub.L. 94-540, 90 Stat 2503-04]; and
- The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims [25 USC 1407-08], or from funds held in trust for an Indian Tribe by the Secretary of Interior [25 USC 117 (b), 1407].

18. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs [20 USC 1087 (uu)]. Examples of Title IV programs include but are not limited to:

- Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- Payments received from programs funded under Title V of the Older Americans Act of 1965 [42 USC 3056 (f)]: Examples of programs under this act include but are not limited to:
 - Senior Community Services Employment Program (CSEP);
 - National Caucus Center on the Black Aged;
 - National Urban League;
 - Association National Pro Personas Mayors;
 - National Council on Aging;
 - American Association of Retired Persons;
 - National Council on Senior Citizens; and
 - Green Thumb.
- Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the Agent Orange product liability litigation;

- Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 94 Stat. 1785);
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 [42 USC 9858 (q)];
- Earned income tax credit refund payments received on or after 1/1/91 [26 USC 32 (j)];
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- Any allowance paid under the provisions of 38 USC 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

19. Disallowance of increase in annual income (24 CFR § 960.255). The Agent shall follow CHA's Income Disallowance Procedure (appendix D of CHA's A and O policy).

Application for Admission

A written form to be signed and dated by all adult members of the family that includes information the Agent needs to determine whether the family can be admitted in accordance with Section 4.0. The format for this basic information is developed by the Agent and approved by the Authority.

Care Expenses

Amounts anticipated to be paid by the family for the care of children 12 years of age and younger during the period for which annual income is computed but only where such care is necessary to enable a family member to be gainfully employed or to further his/her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare, and in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

Community (or Site)

A term used to identify units located in the Legends South Phase C-3 development.

Dependent

A member of the family household (excluding foster children) and other than family head or spouse, co-head, common law spouse, or boyfriend/girlfriend of head, who is a minor or is a person with disabilities, or is a full-time student.

A Person with Disabilities

A person under a disability as defined in Section 233 of the Social Security Act (42 USC 423) or in Section 102 of the Development Disabilities Services Facilities Construction Amendments of 1970 (42 USC 2691 (1)).

Displaced Person

A person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

A family whose head or spouse (or sole member) is elderly or a person with disabilities. It may include two or more elderly, disabled, or individuals with handicaps living together or one or more of these persons living with one or more live-in aides.

Elderly Person

A person who is at least 62 years of age.

Near-Elderly

A person who is at least 50 years of age, but less than 62 years of age.

Family

A family includes:

All of the Federally defined families, including elderly family, near-elderly family, disabled family, displaced family, remaining member of a tenant family, and a single person or two or more persons related by blood, marriage, adoption, or other operation of law, or two or more persons who are not so related but who will live together in a stable relationship and share resources.

Flat Rent

The established rent based on the rental value of each Public Housing unit (as determined by the Agent and Authority) designed so as not to create a disincentive for continued residency by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts. In no event will the flat rent for a LIHTC unit exceed the permissible rent under the LIHTC program. Each tenant family occupying a Public Housing Unit must elect annually whether its tenant rent will be calculated as a "flat rent" or as an "income based rent".

Full-Time Student

A person who is carrying a subject load that is considered full-time under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

Handicapped Assistance Expense

Reasonable costs that are anticipated, during the period for which annual income is computed, for live-in aides and auxiliary apparatus for a family member with disabilities and that are necessary to enable a family member to work.

Hate Crimes

Actual or threatened physical violence or intimidation that is directed against a person or his or her property, and that is based on a person's race, color, religion, sex, national origin, handicap, or familial status.

Head of Household

The head of household is an adult member or an emancipated member of the family who is responsible for supplying the needs of the family.

Individual with Disabilities

A person having a physical or mental impairment that:

- A. is expected to be a long-continued and indefinite duration;
- B. substantially impedes his/her ability to live independently; and
- C. is of such a nature that such ability could be improved by more suitable housing conditions.

Live-In Aides

A person who resides with an elderly person or a person with disabilities who:

- A. is determined by the Agent to be essential to the care of well being of the person;
- B. is not obligated for support of the person; and

- c. would not be living in the unit except to provide necessary supportive services.

Lower Income Family

A Public Housing family whose annual income does not exceed 80 percent (80%) of the median income by family size for the area, as determined by HUD.

Medical Expenses

Those medical expenses, including medical insurance premiums, which are anticipated during the period for which annual income is computed, and that are not covered by insurance or reimbursed.

Minimum Rent

In accordance with Section 507 of the Quality Housing and Work Responsibility Act of 1998, minimum rent requirements have been set at \$75 for Public Housing Residents in Legends South Phase C-3 units. The act also requires the Agent to waive minimum rents for an indefinite period of time for Public Housing families with a long-term financial hardship (over 90 days). The resident must provide Agent with reasonable documentation to substantiate the financial hardship.

A financial hardship includes the following situations:

1. The family is awaiting an eligibility determination to receive federal, state or local assistance (includes legal aliens entitled to receive assistance under the INA).
2. The family's income decreases due to changed circumstances, loss of employment or a death in the family.
3. The family will be evicted as a result of non-payment of the minimum rent.

Financial hardship status will be granted immediately to Public Housing families requesting a hardship exemption for a period of 90 days. When the family requests a hardship exemption, the minimum rent requirement will be immediately suspended until a determination can be made by Property Management as to the validity of the hardship exemption and whether it is temporary or

... hardship is defined as any hardship lasting 90 days or less. A long-term hardship is defined as any hardship lasting 91 days or longer. Whenever a Tenant is placed on minimum rent, Management will remind the Tenant of his or her right to claim financial hardship status.

Monthly Adjusted Income

One-twelfth (1/12) of adjusted income.

Monthly Income

One twelfth (1/12) of annual income.

Net Family Assets

Net cash value after deducting reasonable costs that would be incurred in disposing of real and personal property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and equity of personal property such as furniture and automobiles shall be excluded. (In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Section 2.2.) In determining net family assets, the Agent shall include the value of any assets disposed of by an applicant or resident for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two (2) years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore. In the case of a disposition as a part of the separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident receives important consideration not measurable in dollar terms.

Reasonable Accommodation

Reasonable accommodation is making alterations or adaptations to provide access to otherwise qualified person with disabilities in the use of the program and facilities, without causing undue hardship or substantially altering the program or activity, in compliance with ADA Regulations

Resident Rent

The amount payable monthly by the family as rent to the Agent for occupancy of a unit. Some utilities and other essential housing services are not supplied by the Agent, and the cost thereof is not included in the amount paid as rent. Income based Resident Rent for Public Housing Residents equals total resident payment less the utility allowance. Resident Rent for LIHTC units will be determined by the Agent but shall not exceed the maximum rent allowed under Section 42 of the Internal Revenue Code of 1986.

Section 42

Section 42 of the Internal Revenue Code of 1986, as amended, and any implementing regulations.

Single Person

A single person is a person living alone or intending to live alone, and who does not qualify as an elderly family, near-elderly, or a disabled person or a displaced person as defined in this Section, or as the remaining member of a resident family, or who is not a single, pregnant woman.

Spouse

The husband or wife of the head of household.

Tax Credit Requirements

Any and all matters required by Section 42 or any other agreement made as a condition of receipt of tax credits, whether or not such requirement is explicitly stated in section 42 or regulations thereunder.

Total Resident Payment

The monthly amount calculated for a Public Housing Unit under "A" below. Total resident payment does not include charges for excess utility consumption or miscellaneous charges.

A. Total Resident Payment for a family whose initial lease is effective on or after August 1, 1982, shall be the highest of the following, rounded to the nearest dollar:

1. 30 percent (30%) of monthly adjusted income; or
2. 10 percent (10%) of monthly income.
3. Minimum Rent.

Or if elected;

4. Flat Rent

Utilities

Utilities are water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone and cable T.V. service are not included as utilities.

Utility Allowance

If the cost of utilities (except telephone and cable T.V.) and other housing services for a Public Housing unit is not included in the resident rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by the Agent or HUD, under 24 CFR Part 965, of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances should be consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility Reimbursement

The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total resident payment for the family occupying the unit.

Very Low-Income Family

A family whose annual income does not exceed 50 percent (50%) of the median income by family size for the area, as determined by HUD.

Veteran

Veteran is a person who served in the active military, naval, or air service, and who was discharged or released under honorable or general conditions.

Welfare Assistance

Welfare or other payments to families, based on need, that are made under programs funded, separately or jointly, by federal, state or local governments.