

**RESIDENT SELECTION PLAN
NEW ROCKWELL GARDENS
PHASE 1-A**

RESIDENT SELECTION PLAN

The occupancy and resident selection criteria are a critical component of this project. Successful economic integration will be attained through (i) the strict application of income requirements for the ACC Assisted Units and the LIHTC Units and applicable eligibility requirements of the ACC Assisted, LIHTC, and Market Rate Units, and (ii) the consistent and nondiscriminatory application of the Resident Selection Plan. Unless otherwise indicated all selection criteria shall be applied equally to all applicants for all units.

The term "ACC Assisted Units" refers to the units which are required to be operated as public housing units. All of the ACC-Assisted Units are also LIHTC units (defined as follows). The term "LIHTC" units means the units which are operated as low-income housing tax credit units under the applicable restrictions of Section 42 of the Internal Revenue Code, as amended, and the term "market units" means the units that have no income limits or restrictions. The term "RRC" shall mean the CHA Leaseholder Housing Choice and Relocation Rights Contracts approved by the CHA Board on 10/16/01 and 3/20/01, and any amendments thereto. As used herein, "Development" shall mean Phase I-A of the New Rockwell Gardens development.

A. Nondiscrimination

Federal, state and local fair housing laws cover equally all units in the Development, whether ACC Assisted, LIHTC or Market Rate Units. All practices, in every aspect of the Plan and the Agent's activities, must not subject any person to discrimination prohibited by these laws, which currently prohibit discrimination based on race, color, religion, sex, disability, familial status, national origin, marital status, ancestry, gender identity, and sexual orientation.

B. Unit and Waiting List Classification

Phase I-A consists of 42 units assigned as follows:

ACC Units	LIHTC Only units	Affordable Home Ownership	Market Rental Units	Total Units
14	18	0	10	42

C. Selection Preferences for ACC Assisted and LIHTC Units

Applicants for ACC- Assisted Units that are subject to the RRC are referred to herein as "RRC Applicants" .The RRC has established levels of preference for RRC Applicants. The CHA has further established a Housing Offer Process (HOP) which ranks each RRC Applicant seeking admission to the New Rockwell Gardens according to the established levels of preference.

Preference for admission to ACC Assisted Units will be given to eligible RRC Applicants in accordance with the levels of preference established in the RRC. The CHA will provide the Management Agent with a list (or access to a database) of all families subject to the RRC that have elected Rockwell Gardens as their permanent housing choice and that are Authority lease compliant (the "RRC list"). This list will also reflect an order of priority for admission consideration established by the CHA, in compliance with HOP. These preferences shall remain in effect until the list has been exhausted. Screening criteria described elsewhere shall apply to the consideration of admission of all Rockwell Gardens applicants, including RRC applicants.

During the LIHTC compliance period, the order of admission to ACC Assisted Units shall be governed by the requirement that all of the ACC Assisted Units shall be occupied by residents whose income is equal to or less than 60% of Area Median Income (AMI) at initial occupancy.

RRC Applicants, in good standing, whose income falls between 30 and 60% of AMI and who choose to make application for LIHTC Units will be granted a preference for those non-ACC Assisted LIHTC units as they become available. This preference will remain in effect until all RRC Applicants making such application have been housed in LIHTC Units.

The Management Agent will reserve the right to pass over Non-RRC applicants for Non-ACC Assisted LIHTC Units to insure compliance with this requirement. Those Non-RRC applicants for Non-ACC Assisted LIHTC Units who are passed over to meet this requirement will retain their place on the LIHTC non-ACC waiting list and will be accommodated, with a non-ACC LIHTC unit, once this requirement is met.

D. Waiting Lists Maintenance for All Units

The waiting list for ACC-Assisted Units shall be initially derived from RRC list developed by the CHA to be made available to and managed by the Management Agent. Upon exhaustion of this list, the waiting list for ACC-Assisted Units will be derived by the Management Agent from the CHA general public housing waiting list. Any site-based waiting list created by the owner (to be used after waiting lists created from the RRC pool and that derived from the CHA waiting list) is subject to HUD approval.

The Management Agent shall maintain the waiting list for non-ACC LIHTC Units by date and time of initial application. Order of the LIHTC waiting list for LIHTC Units will be determined on the basis of the chronological order of the dates of application. Order of preference for RRC Applicants applying for non-ACC LIHTC Units will be the commencement of the RRC Applicants' tenancy in the Former Rockwell Gardens Development. Preference for the non-ACC LIHTC units will be (1) first, to former or current Rockwell Gardens residents, in order of their commencement of tenancy at the Former Rockwell Gardens Development, and (2) to any other RRC applicants, in order of the date and time of their application.

The Management Agent shall maintain the waiting list for Market Rate Units by date and time of initial application. Order of the Market Rate waiting list for Market Rate Units will be determined on the basis of the chronological order of the dates of application.

Each waiting list will be subdivided based on unit sizes and types. Each applicant family determined to be eligible will be placed on the waiting list for the unit size and type (or sizes and types) which the family requests, subject to following standards and qualifications:

No. of Persons		
No. of Bedrooms	Minimum	Maximum
1	1	2
2	2	4
3	3	6
4	4	8

E. Application Requirements for All Units

Each applicant for admission to a dwelling unit in the Development, including each RRC Applicant applying for residence to the Development, must submit to the Agent a completed signed application, including all accompanying consent forms for release of information pertinent to eligibility determination and selection criteria, on forms furnished by the Agent. Adequate procedures in compliance with the public housing and LIHTC requirements will be developed to obtain third-party verification and protect the confidentiality of information with respect to each applicant. Information relative to the acceptance or rejection of an applicant on eligibility or suitability grounds, or the grant or denial of any applicable preference, must be documented and placed in the applicant's file.

F. Income and Other Eligibility Qualifications

Applicants who apply for admission to any ACC Assisted Units at the Development must meet the income and eligibility rules for admission to public

housing and as all public housing units are LIHTC units, they must also meet the criteria for admission to LIHTC units as well as the criteria set forth in this Plan. Applicant income for LIHTC units may not exceed 60% of the AMI at time of initial occupancy.

Applicants who apply for admission to any Market Rate Units at the Development must meet the eligibility tests set forth in Section J hereof.

Reasonable accommodation will be made for persons with special needs.

G. Minimum Rents for ACC Assisted Units

A minimum rent of \$25.00 will be established. Minimum rents may be waived for families that demonstrate financial hardship. Financial hardship includes the following:

1. The family has lost eligibility for or is awaiting an eligibility for a Federal, State or local assistance program, including a family that contains a member who is an alien lawfully admitted for permanent residence;
2. The income of the family has decreased because of changed circumstances, more specifically:
 - a. involuntary loss of employment
 - b. death of an authorized resident whose income is counted in the rent calculation
 - c. loss of income due to personal illness and/or disability
 - d. family medical leave from work to care for a parent, spouse or child

Minimum rents may be "abated", if short-term, or "waived" for the duration of a qualifying long-term financial hardship. For the purpose of a finding of a "Qualifying Financial Hardship", a Short-Term Financial Hardship will be defined as lasting no more than 90 days; while a Long-term Financial Hardship will be defined as lasting more than 90 days. The resident must provide the Management Agent with required proof of hardship every sixty (60) days.

At the option of the Management Agent, rent will be abated during a short-term hardship; with the family being required to pay back all minimum rent from the start of the hardship to the end of the hardship. The Management Agent may accept a reasonable re-payment plan for the back rent. In accordance with law, the rent will be waived for any period of qualifying long-term financial hardship.

The Management Agent may deny a claim of financial hardship if a family's failure to comply with requirements to receive public benefits caused an interruption in such benefits pursuant to CHA's Imputed Welfare Income

Procedure, and/or a family refuses or fails to provide verifiable third party documentation within ten (10) days of the claimed "qualifying hardship".

H. ACC Assisted Unit Applicants Not in Good Standing

No applicant will be considered for admission to occupancy of any unit in the Development who is a RRC Applicant of a Housing Authority owned unit not in good standing with the Housing Authority.

A RRC Applicant of a Housing Authority owned unit shall be considered not in good standing if there is pending a lease termination action against such RRC Applicant until the matter is resolved.

I. Admission for All Units

All applications for admission to New Rockwell Gardens will be taken and processed at the business office. Eligibility criteria for admission shall apply to all units except as otherwise noted.

With respect to applicants for ACC Assisted Units, the Management Agent will perform application screening if the applicant is a RRC Applicant seeking preference or a new applicant. With respect to RRC Applicants, the Agent will verify the applicant's inclusion and rank on the RRC list. The Agent will perform applicant screening, including: income verification, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions subject to grievance procedures referred to in section N.

With respect to applicants for LIHTC units, the completed application package will be maintained by the Management Agent who will perform application screening by verifying income, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions.

With respect to applicants for Market Rate units, the completed application package will be maintained by the Management Agent who will perform application screening by verifying income, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions.

The Agent will commence acceptance of final applications for admission to all units not earlier than 120 days prior to the anticipated first availability of units for occupancy.

J. RRC Applicants Engaged in Activities to Meet Property Specific Criteria

RRC Applicants who do not meet the property specific criteria for admission at the time of application may be conditionally admitted for residency if they are able to demonstrate that they are engaged in activities to meet the property specific criteria. Any such tenant that is conditionally permitted to remain in occupancy shall be required to sign a certification that they are engaged in activities to meet such requirement. A compliance plan regarding the conditions the tenant is and will continue to engage in to meet the criteria within 12 months of move-in shall be attached to and become 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. } WHAT?

If an RRC Applicant household meets the Screening Criteria set forth in Section K(b), at the time it is admitted for initial occupancy, and subsequently fails to meet such Screening Criteria for the first time, then in order to remain in occupancy, such RRC Applicant must present evidence sufficient to Management to show that such RRC Applicant household is engaged in activities to meet such provisions to meet the Screening Criteria within one year, and must then meet the Screening Criteria within one year. Any such tenant that is conditionally permitted to remain in occupancy shall be required to sign a certification that they are engaged in activities to meet such requirement. A compliance plan regarding the conditions the tenant is and will continue to engage in to meet the criteria within 12 months from the time the family falls out of compliance shall be attached to and become part of the lease.

RRC Applicants whose application to reside in an ACC-Assisted unit is rejected because of a failure to satisfy Management's Screening Criteria or a finding or determination that the applicant has failed to engage in activities to meet the Screening Criteria may, pursuant to the RRC and the CHA Grievance Procedures, request an informal hearing with Management and, if applicable, a formal hearing before an independent hearing officer.

K. Screening Criteria for All Units

The governing principle of the Agent, in making any determination with respect to an applicant for admission to any unit shall be that an applicant shall not be rejected unless a preponderance of the information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment or the financial stability of the Development if such applicant were admitted.

Notwithstanding anything set forth in this Section K, if any applicant for an ACC-Assisted Unit is not eligible under 24 CFR 960, including but not limited to, 24

CFR 960.204, such applicant shall not be admitted, as required by law, as ineligibility is mandated as opposed to left up to the discretion of the Landlord.

Relevant information respecting habits or practices to be considered in making admission determinations is as follows:

- a) Applicants must be eighteen (18) years of age or older or an emancipated minor responsible for family needs as determined by the court.
- b) Applicants (head of household or co-head of household) must be employed at a minimum of 30 hours per week. All other non-exempted members of the household must be engaged in one or a combination of activities designed to encourage, assist, train or facilitate economic self sufficiency, including, employment, enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable community or volunteer work, secondary or post secondary education, or English proficiency or literacy classes to satisfy the 30 hours of employment per week criteria within one year of occupancy.

An exemption to the first paragraph of (b) above may be granted for one adult family member who elects to stay home to care for young children under six years of age. An exemption may also be granted for members of a household when such member(s) of the household is (a) aged 62 years or older, (b) a blind or disabled individual as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C.1382c and provides third party verification that he or she is unable to comply with the requirements of this paragraph because of his or her blindness or disability, (c) the primary caretaker of such a blind or disabled individual and provides third party verification that he or she is unable to comply with the requirements of this section because of his or her role as such caretaker, or (d) is a retiree with a pension plan.

RRC Applicants or co-heads of household may satisfy the "working toward" provision in the first paragraph of (b) above if they can demonstrate that applicants are spending an average of 30 hours per week engaged in one or a combination of the following activities: employment and enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a regular program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable community or volunteer work, secondary or post secondary education, or English proficiency or literacy classes. Evidence of satisfaction of this requirement may include, among other things, written verification of employment from

an employer, written verification of enrollment or participation in a program identified above by an administrator or instructor of such program.

All other members of the household over the age of 18 must meet the 30 hours of activities described above within one year of occupancy.

Where an RRC Applicant is admitted for occupancy and the RRC Applicant head or co-head of household is "working toward" the 30 hour a week minimum employment criterion but at the end of one year of occupancy, the RRC Applicant head or co-head of household is not yet employed a minimum of 30 hours a week, such RRC Applicant household may continue to reside at the development if all members of the household over the age of 18 other than the RRC Applicant head or co-head continue to meet the 30 hours of weekly activity described in the first paragraph of (b) above and the Tenant head or co-head of household can prove to the satisfaction of management that:

- 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 be shown by passing grades, completion of additional credits in the program, etc.) Additionally, the educational program must be one that, in the determination of management, will lead to fulfillment of the 30 hour employment criterion at its completion, or
- 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, or engagement in verifiable community or volunteer work that, together with the employment, equal not less than 30 hours a week, or
- 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, enrollment and regular attendance in a basic skills training program, or engagement in verifiable community or volunteer work. 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.

- c) Previous tenancies over the most recent 3 year period will be evaluated. Landlord references regarding payment of rent, lease violations and destructive behavior will be used to determine eligibility. An applicant's past performance in meeting financial obligations, especially rent will be considered in determining if there is an unreasonable risk that such applicant will not fulfill his/her rent obligations. Factors to be considered are as follows:

- (i) Consistent record of rent payment.
- (ii) No landlord judgments within the past 2 years. An applicant will be excepted from this criterion if the applicant produces verification acceptable to Management that such judgment was the result of a Landlord's or Section 8 program administrator's failure to comply or judgment was due to no fault of the applicant (e.g., a no fault 30-day notice to vacate). RRC Applicants may satisfy the "engaged in activities to meet" provision if they can demonstrate one year without landlord judgment. The first year of tenancy in the new development will be evaluated to satisfy the second year of the requirement.
- (iii) No reported delinquent consumer balances exceeding \$1,000 (excluding medical bills and student loans) within three months of date of conduct of the financial screening or written off within one year of date of the screening; RRC Applicant who has an otherwise good history of rent and utility payments but also a delinquency as described above, will be conditionally accepted and permitted to occupy a rental unit (provided all other requirements for occupancy are met) subject to the requirement that such applicant demonstrate that the Applicant is current in a re-payment plan with the creditors;
- (iv) No history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months;
- (v) No filing for bankruptcy within the last three years. RRC Applicants may satisfy the "working toward" provision if they can

demonstrate one year at a current job and a favorable landlord history; and

- (vi) The applicant must demonstrate the ability to secure and “turn on” all applicable utility services. In the case of RRC Applicants who have entered relocation rights contracts with CHA, if the securing and “turn on” of utilities is the only bar to admission, the Management Agent will make every effort to assist the applicant in securing these services.
- d) Criminal record check as allowable by law with respect to all applicants for occupancy in the Development, showing no record of past criminal activity as follows including but not limited to 960.204. Owner is prohibited from admitting any applicant to public housing supported units pursuant to prohibitions contained in HUD24 CFR 960.204 and does not permit consideration of mitigating circumstances except as set forth in Section L of this RSP or, with regard to matters set forth in HUD 24 CFR 960.204, as specified in the regulation:
- (i) No record of conviction for manufacturing drugs within the last seven years;
 - (ii) No record of conviction for distributing drugs within the last seven years;
 - (iii) No record of felony conviction for drug possession within last five years;
 - (iv) No record of a felony conviction for the last five years for a crime against a person;
 - (v) No record of a felony conviction for the last five years for a crime against property or for concealed weapons possession; and
 - (vi) No record of conviction for murder, attempted murder, rape, attempted rape, arson, child abuse or neglect
 - (vii) All adult household members who have been arrested and have cases pending before the courts for the above enumerated crimes will have their applications deferred until final disposition of the case.

RRC Applicants may satisfy the “engaged in activities to meet” provision with regard to drug related criminal convictions if they can demonstrate verified completion of a certified drug treatment program and a certification

that the applicant is complying with all applicable aftercare provisions, and/or verification from a probation or parole officer that an applicant has met or is meeting the terms of probation or parole with respect to refraining from illegal use of a controlled substance.

RRC Applicants may satisfy the "engaged in activities to meet" provision with regard to non-drug related criminal convictions (excluding murder, attempted murder, rape, attempted rape, arson, child molestation) if they can demonstrate no subsequent criminal history, verification from a parole or probation officer that the applicant has satisfied the terms of his/her parole or probation and verification of restitution for criminal activity (where applicable).

- e) Declaration from head of household that all family members under 18 years of age have not been convicted of a crime as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release of police information to the Agent for the purpose of verifying whether any such conviction for that family member exists. If such consent shall not be sufficient to obtain release of such information to the Agent, the parent or guardian of such member shall be required to obtain and submit such information to the Agent if such action is reasonably possible.
- f) Satisfactory home visit to RRC Applicant or applicant's home by representative of the Agent. Home will be inspected after notice of at least 48 hours for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because an applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit. Home visits will be conducted annually in conjunction with unit inspections to insure continued compliance.

RRC Applicants who fail the home visit may be granted a second home visit to occur within 30 days of the initial visit. RRC Applicants who pass the second visit may be granted conditional admission. The conditional admission will include quarterly home visits during the first year of occupancy to insure compliance.

- g) Applicants must provide documentation that children over six years of age are enrolled in school and that day care or supervision will be provided for children under ten years of age.

L. Mitigating Circumstances

Except to the extent that mitigating circumstances are prohibited or restricted by HUD 24 CFR 960.204, in all instances where unfavorable information would

cause an applicant to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the RRC Applicant or applicant (by means of interview), landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

- a) Consideration will be given to the time, nature, and extent of the applicant's conduct (including any reasonable explanation thereof) and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Other mitigating factors to be considered include the following:

Negative credit information can be mitigated through third party verification, including but not limited to each item for which

- (i) there has been a payment plan and a timely payment history on such plan for the period during which such plan has been in effect (but not less than sixty days); or
 - (ii) the applicant has disputed such debt and can provide verification of such dispute.
- b) Record of unsuitable rental history or behavior can be mitigated if RRC Applicant or applicant can show evidence of rehabilitation or participation in rehabilitation. If the evidence relates to a change in medical condition, the Agent shall have the right to request further information or refer such information to persons qualified to evaluate such evidence.
- c) Evidence of completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse;
- d) Participation in the HOPE VI CSS Program with specific emphasis on lease compliance, property rules and regulations and other policies regarding property management.
- e) Evidence by RRC Applicant or applicant and family members of participation in or willingness to participate in social service or other appropriate counseling service programs; and
- f) Evidence by RRC Applicant or applicant and family members of willingness to attempt to increase family income, taking into account the availability of training or employment programs in their locality.

M. Selection for Units

The Agent will select for residency for an ACC Assisted Unit each RRC Applicant or applicant family approved by the Agent, subject to unit availability in accordance with the RRC Applicant or new applicant waiting list order and to final verification of income and other eligibility requirements described above. RRC applicants who are otherwise approved for admission but are not admitted at initial occupancy at the site due to position on the waiting list shall retain preference status on the waiting list for turnover units.

The Agent will select for residency for a LIHTC Unit each applicant family approved by the Agent, subject to unit availability in accordance with the waiting list order and to final verification of income and other eligibility requirements described above.

The Agent will select for residency for a Market Rate Unit each applicant family approved by the Agent, subject to unit availability in accordance with the waiting list order and to final verification of income and other eligibility requirements described above.

N. Rejection for Residency

An applicant shall be rejected for residency to a unit if: (i) the applicant fails to meet the income or other eligibility requirements described in section F, or (ii) the applicant was not approved for admission by the Agent, as the case may be, after consideration of mitigating circumstances.

The Agent will promptly notify a rejected applicant in writing of its rejection, stating the reason thereof and advising the applicant of its right to request a meeting with the Agent within fourteen (14) days. Within five (5) days of a rejected applicant's request for a meeting, the Management Agent shall convene a meeting with the applicant to explain the reason for rejection. If the applicant appeals such rejection, the Agent will give the applicant a final decision, in writing, within five (5) days following the applicant's meeting with the Agent. If the Agent determines that the applicant is not an acceptable resident for the development, the Agent will temporarily remove the application, with justification for denial, from its active file.

An RRC Applicant that is not satisfied with Management's decision may appeal their decision and request a de novo hearing before an independent hearing officer, pursuant to the RRC. If the independent hearing officer finds in favor of the applicant and against Management's decision to reject the applicant, the applicant will be placed back onto the list for a unit.

LEASE RIDER - #4

**LEASE ADDENDUM: COMPLIANCE WITH PROPERTY SCREENING CRITERIA
(PUBLIC HOUSING UNITS)**

The following are additional provisions of the Lease between the Tenant and East Lake Management (the "Landlord" or "Owner"). This Lease Rider #4 sets forth the obligations of the Tenant and Landlord with regard to certain requirements for occupancy of _____ (the "Project"). For the purpose of this Rider, Tenant and members of Tenant's household shall be referred to as "Tenant". This Rider shall apply only to RRC Applicants as defined in the Resident Selection Plan.

1. When the Tenant was accepted for occupancy of a unit in the Project, the management agent for the Project, East Lake Management Group, Inc. (the "Management Agent"), reviewed the Tenant's application file for compliance with certain criteria, outlined in Schedule A, attached hereto (collectively, the "Screening Criteria"). Either Tenant demonstrated compliance with the Screening Criteria or Tenant was conditionally admitted as outlined in the Resident Selection Plan (the "RSP") by demonstrating that the Tenant was engaged in activities to meet the criteria.

2. Engaged in Activities to Meet the Screening Criteria. Check if applicable: _____.

A. Notwithstanding the Tenant's failure to satisfy one or more of the Screening Criteria, the Tenant has been conditionally accepted for occupancy because Tenant was compliant with Tenant's prior lease at the time of application and admission and provided evidence sufficient in the Management Agent's discretion that the Tenant is engaged in activities to meet the Screening Criteria.

B. If the Tenant has been conditionally admitted because the Management Agent has determined that the Tenant is engaged in activities to meet the Screening Criteria pursuant to the RSP; the Tenant and the Management Agent will 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 Screening Criteria (the "Compliance Plan"). The Compliance Plan shall be attached hereto 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.

C. If the Tenant is engaged in activities to meet the Screening Criteria other than those in Paragraph K(b) of the RSP, pursuant to Schedule A attached hereto, and, if at the start of his/her first year's re-certification process the Tenant does not meet such Screening Criteria, 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 Screening Criteria he or she is engaged in activities to meet within one year of Tenant's move-in date at annual recertification, the Management Agent shall notify the Tenant and CHA, and CHA shall transfer the Tenant to a unit outside the Development.

D. If the tenant head or co-head is engaged in activities to meet the Screening Criteria in Paragraph K(b) of the RSP 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 over the age of 18 other than the Tenant head or co-head continue to meet the 30 hours of weekly activity described in paragraph K(b) of the RSP, and the Tenant head or co-head of household can prove to the satisfaction of management that:

- 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 be shown by such things as passing grades, completion of additional credits in the program, etc.) Additionally, the educational program must be one that, in the determination of management, will lead to fulfillment of the 30 hour employment criterion at its completion, or
- 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, or engagement in verifiable community or volunteer work that, together with the employment, equal not less than 30 hours a week, or
- 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, enrollment and regular attendance in a basic skills training program, or engagement in verifiable community or volunteer work. 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.

3. Continued Compliance with Screening Criteria.

A. Tenant shall continue to comply with the Screening Criteria in K(b) for continued occupancy as stated in the RSP or continue to work to meet the Screening Criteria in the manner provided herein throughout Tenant's residency at the Project. Tenant shall be re-examined for compliance with these Screening Criteria on subsequent recertification and shall meet with the Management Agent's social services coordinator to assess Tenant's social services needs no less frequently than annually. Tenant shall comply with Landlord's requests for verification by signing releases or authorizations for third party sources of information, presenting documents for review, or providing or forms of verification acceptable to the Management Agent.

B. Subject to Section 4 below, failure to comply with the above-referenced Screening Criteria or continue to be engaged in activities to meet the Screening Criteria shall be grounds for transfer to another public housing unit outside the development as provided under the Relocation Rights Contract.

4. Subsequent Compliance Period of the Resident Selection Plan.

If a Tenant household meets the Screening Criteria set forth in Section K(b) of the Resident Selection Plan at the time it is admitted for initial occupancy, and subsequently fails to meet such Screening Criteria, then in order to remain in occupancy, such Tenant must present evidence sufficient to Management to show that such Tenant household is engaging in activities to meet such provisions of the Screening Criteria within one year as provided in the Compliance Plan. Such tenant shall be required to sign a certification that they are engaged in activities to meet compliance. Such compliance plan regarding the activities the tenant is and will continue to engage in to meet the criteria shall be attached to and become part of the lease.

5. Notwithstanding the foregoing, the Lease may be terminated (i) if Tenant has supplied false information to Landlord, (ii) for failure to pay rent in a timely manner; (iii) for any drug-related or other criminal activity or other behavior that adversely affects the health, safety or right to peaceful enjoyment of the premises by other residents; or (iv) as otherwise specified in the Lease.

Tenant Date

East Lake Management Group, Inc. Date

Co-Tenant (if applicable) Date

Witness:

Witness:

SCHEDULE A to Rider #4

West End Screening Criteria

The governing principle of the Agent, in making any determination with respect to an applicant for admission to any unit shall be that an applicant shall not be rejected unless a preponderance of the information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment or the financial stability of the Development if such applicant were admitted.

Notwithstanding anything set forth in this Section K, if any applicant for an ACC-Assisted Unit is not eligible under 24 CFR 960, including but not limited to, 24 CFR 960.204, such applicant shall not be admitted as required by law.

Relevant information respecting habits or practices to be considered in making admission determinations is as follows:

- a) Applicants must be eighteen (18) years of age or older.
- b) Applicants (head of household or co-head of household) must be employed at a minimum of 30 hours per week. All other non-exempted members of the household must be engaged in one or a combination of activities designed to encourage, assist, train or facilitate economic self sufficiency, including, employment, enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable secondary or post secondary education, or English proficiency or literacy classes to satisfy the 30 hours of employment per week criteria within one year of occupancy.

An exemption to the first paragraph of (b) above shall be granted for one adult family member who elects to stay home to care for young children under six years of age if there are at least two adults in the household and at least one adult is employed at a minimum of 30 hours per week.. An exemption shall also be granted for members of a household when such member(s) of the household is (a) aged 62 years or older, (b) a blind or disabled individual as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C.1382c and provides third party verification that he or she is unable to comply with the requirements of this paragraph because of his or her blindness or disability, (c) the primary caretaker of such a blind or disabled individual and provides third party verification that he or she is unable to comply with the requirements of this section because of his or her role as such caretaker, or (d) is a retiree with a pension plan.

RRC Applicants or co-heads of household may satisfy the "working toward" provision in the first paragraph of (b) above if they can demonstrate that applicants are spending an average of 30 hours per week engaged in one

or a combination of the following activities: employment and enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a regular program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable secondary or post secondary education, or English proficiency or literacy classes. Evidence of satisfaction of this requirement may include, among other things, written verification of employment from an employer, written verification of enrollment or participation in a program identified above by an administrator or instructor of such program.

All other members of the household 18 and over must meet the 30 hours of activities described above within one year of occupancy. Should a working head or co-head of household lose their employment during their tenancy, participation in community and volunteer work is allowed so long as the head or co-head of household is also actively seeking employment.

Where an RRC Applicant is admitted for occupancy and the RRC Applicant head or co-head of household is "working toward" the 30 hour a week minimum employment criterion but at the end of one year of occupancy, the RRC Applicant head or co-head of household is not yet employed a minimum of 30 hours a week, such RRC Applicant household may continue to reside at the development if all members of the household 18 and over other than the RRC Applicant head or co-head continue to meet the 30 hours of weekly activity described in the first paragraph of (b) above and the Tenant head or co-head of household can prove to the satisfaction of management that:

- 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 be shown by passing grades, completion of additional credits in the program, etc.) Additionally, the educational program must be one that, in the determination of management, will lead to fulfillment of the 30 hour employment criterion at its completion, or;
- 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, or engagement in combination of activities that, together with the employment, equal not less than 30 hours a week, or;
- 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.

- c) Previous tenancies over the most recent 3 year period will be evaluated. Landlord references regarding payment of rent, lease violations and destructive behavior will be used to determine eligibility. An applicant's past performance in meeting financial obligations, especially rent will be considered in determining if there is an unreasonable risk that such applicant will not fulfill his/her rent obligations. Factors to be considered are as follows:
- (i) Consistent record of rent payment including no rent due to any public housing program;
 - (ii) No landlord judgments within the past 2 years. An applicant will be excepted from this criterion if the applicant produces verification acceptable to Management that such judgment was the result of a landlord's or Section 8 program administrator's failure to comply or judgment was due to no fault of the applicant (e.g., a no fault 30-day notice to vacate). RRC Applicants may satisfy the "engaged in activities to meet" provision if they can demonstrate one year without landlord judgment. The first year of tenancy in the new development will be evaluated to satisfy the second year of the requirement;
 - (iii) No reported delinquent consumer balances including that to any public housing program exceeding \$1,000 (excluding medical bills and student loans) within three months of date of conduct of the financial screening or written off within one year of date of the screening; RRC Applicant who has an otherwise good history of rent and utility payments but also a delinquency as described above, will be conditionally accepted and permitted to occupy a rental unit (provided all other requirements for occupancy are met) subject to the requirement that such applicant demonstrate that the Applicant is current in a re-payment plan with the creditors;
 - a. No history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months;
 - b. A credit history will be used to conduct an overall review of an

applicant's credit and current ability to pay rent. Such a review includes consideration of payment history, landlord judgments, consumer debt and prior debts owed to public housing programs. RRC applicants may satisfy the "working towards" provision if they can demonstrate one year at a current job and a favorable landlord history.; and

- c. The applicant must demonstrate the ability to secure and "turn on" all applicable utility services. In the case of RRC Applicants who have entered relocation rights contracts with CHA, if the securing and "turn on" of utilities is the only bar to admission, the Management Agent will make every effort to assist the applicant in securing these services.
- d) Criminal record check as allowable by law with respect to all applicants for occupancy in the Development, showing no record of past criminal activity as follows including but not limited to 960.204. Owner is prohibited from admitting any applicant to public housing supported units pursuant to prohibitions contained in HUD24 CFR 960.204 and does not permit consideration of mitigating circumstances except as set forth in Section L of this RSP or, with regard to matters set forth in HUD 24 CFR 960.204, as specified in the regulation:
 - (i) No record of conviction for manufacturing drugs within the last seven years;
 - (ii) No record of conviction for distributing drugs within the last seven years;
 - (iii) No record of felony conviction for drug possession within last five years;
 - (iv) No record of a felony conviction for the last five years for a crime against a person;
 - (v) No record of a felony conviction for the last five years for a crime against property or for concealed weapons possession;
 - (vi) No record of conviction for murder, attempted murder, rape, attempted rape, arson, child abuse or neglect; and
 - (vii) All adult household members who have been arrested and have cases pending before the courts for the above enumerated crimes will have their applications deferred until final disposition of the case.

RRC Applicants may satisfy the "engaged in activities to meet" provision with regard to drug related criminal convictions if they can demonstrate verified completion of a certified drug treatment program and a certification that the applicant is complying with all applicable aftercare provisions,

and/or verification from a probation or parole officer that an applicant has met or is meeting the terms of probation or parole with respect to refraining from illegal use of a controlled substance.

RRC Applicants may satisfy the "engaged in activities to meet" provision with regard to non-drug related criminal convictions (excluding murder, attempted murder, rape, attempted rape, arson, child molestation) if they can demonstrate no subsequent criminal history, verification from a parole or probation officer that the applicant has satisfied the terms of his/her parole or probation and verification of restitution for criminal activity (where applicable).

If denied admission based upon information provided in the criminal background record, applicant is entitled to due notice of reason for denial as well as a copy of said criminal background record.

- e) Declaration from head of household that all family members under 18 years of age have not been convicted of a crime as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release of police information to the Agent for the purpose of verifying whether any such conviction for that family member exists. If such consent shall not be sufficient to obtain release of such information to the Agent, the parent or guardian of such member shall be required to obtain and submit such information to the Agent if such action is reasonably possible.
- f) Satisfactory home visit to RRC Applicant or applicant's home by representative of the Agent. Home will be inspected after notice of at least 48 hours for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because an applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit. Home visits will be conducted annually in conjunction with unit inspections to insure continued compliance.

RRC Applicants who fail the home visit may be granted a second home visit to occur within 30 days of the initial visit. RRC Applicants who pass the second visit may be granted conditional admission. The conditional admission will include quarterly home visits during the first year of occupancy to insure compliance.

- g) Applicants must provide documentation that children 7-16 years of age are enrolled in and regularly attend school and that day care or supervision will be provided for children under 13 years of age. If children 17 years of age voluntarily drop out of school, they must be engaged in activities at a minimum of 30 hours per week.

LEASE RIDER - #3

**ADDITIONAL LEASE PROVISIONS
(PUBLIC HOUSING APARTMENTS)**

These Additional Lease Provisions are in addition to the lease (the "Lease") between you, the undersigned Resident, and EASTLAKE MANAGEMENT (the "Landlord" or "Owner"), dated _____. They also apply to any renewal of the Lease unless specifically agreed otherwise by you and by the Landlord. All obligations of the Landlord pursuant to these Additional Lease Provisions and the Lease may be performed by _____, (the "Management Agent"), as management agent for the Landlord.

The apartment covered by this Lease has been financed in part through various federal, state and local government housing programs. These Additional Lease Provisions are for the purpose of assuring that the lease of the apartment complies with the requirements of such programs. To the extent any terms of the Lease conflict with these Additional Lease Provisions, the Additional Lease Provisions shall control.

A. Authorized Persons

You may permit only the following persons to live in the apartment:

Name	Date of Birth	Social Security #	Relationship to Applicant	Gender

Unless permitted pursuant to Section D.3 of these Additional Lease Provisions, you may not allow any other person to move into the apartment without the Landlord's prior written approval. Any changes in family composition must be reported to the Landlord within 10 days of occurrence. The family must notify the landlord of birth, adoption or court-awarded custody; family must obtain prior approval for live-in aides and foster children or any other additions to the household which must comply with occupancy standards.

The term of this Lease is twelve months and shall begin and end on the dates specified on the cover page of this Lease. This Lease shall be automatically renewed on an annual basis for an additional year, unless otherwise terminated by the Landlord. If you do not wish to renew this Lease, you must notify the Landlord in writing no fewer than 30 days prior to end of the Lease term.

C. Rent and Charges in Addition to Rent

1. Preservation and Transformation Plan:

- a. The Landlord's operation of all PHA-Assisted Units, including the Unit, is supported in part by operating subsidies which the PHA is contractually obligated to pay to Landlord. The PHA in turn receives from HUD operating assistance which it uses to pay such operating subsidies. Rent paid by Tenant under the Lease Agreement may be less than the cost of operation of the Unit. If, as a result of a reduction in Congressional appropriations or any other change in applicable law, the PHA is unable to meet its contractual obligation to pay Landlord operating subsidies with respect to all PHA-Assisted Units, the Landlord is legally permitted under Section 35 of the United States Housing Act of 1937 (the "Act") to deviate, under certain conditions, from the otherwise applicable restrictions under the Act regarding rents, income eligibility, and other areas of public housing management.
 - b. Notwithstanding any other provisions of the Lease Agreement, under such circumstances, subject to the limitations described in Section 35 of the Act or any successor provision and in accordance with any implementing HUD regulations, including without restriction any consultation or notice provision contained therein, the Landlord, pursuant to a HUD-approved Transformation Plan, may take reasonable steps to put the project on a sound financial footing, including increasing the rent up to market levels, upon such notice to the Tenant as is required under state and/or federal law. Instead of, or in combination with, such actions by Landlord, the PHA may, to the extent available, provide a replacement public housing unit or Housing Choice Voucher to Tenant. The Tenant agrees that he/she will take such actions as the Landlord requires of him/her in compliance with Section 35 of the Act or any successor, upon due notice.
 - c. In the event the Landlord and the PHA enter into a Preservation and Transformation Plan with HUD approval concerning the order and nature of actions the Landlord may take under Section 35 of the Act, the Landlord will comply with such plan in exercising its rights under this section. Implementing regulations have not yet been published but are necessary before execution of a transformation plan.
2. In addition to the Tenant Rent listed on the cover page of this Lease, you are responsible for the payment of additional charges, including, but not limited to, charges for service, maintenance and repair for damage to your apartment, common areas, or grounds beyond normal wear and tear caused by you, your household members or guests. In the case of charges for services, repairs and maintenance,

charges shall either be in accordance with a schedule of maintenance charges posted by the Management Agent, or, if such charges are for an unusual problem that is not one of the normal categories and therefore such charges are not posted, equal to the actual cost for the labor and materials required to complete such services, repairs, or maintenance.

3. Charges in addition to Tenant Rent are due on the first day of the following month provided that a minimum two weeks notice has been given to you by the Landlord.
4. The security deposit listed on the cover page of this Lease has been calculated in accordance with Landlord's security deposit requirements, which currently require payment of a deposit equal to the greater of \$50 or one month's Tenant Rent, but in no event in excess of \$150.

5. Utilities

Only water and scavenger services are supplied by Landlord and included in Tenant Rent. **All other utilities** such as heat, cooking gas, electric, telephone and cable service **must be** paid for by the tenant, though, in certain cases, such utility charges may be off-set by a utility allowance for qualified residents.

6. Tenant Rent Options

- a. Annual choice by family. Once a year, the Landlord will give you the opportunity to choose between two methods for determining the amount of Tenant Rent payable monthly. You may choose to pay as Tenant Rent either a flat rent as determined in accordance with paragraph (b) of this section, or an income-based rent as determined in accordance with paragraph (c) of this section. Notwithstanding anything to the contrary, the Tenant Rent may not exceed the maximum allowable low income housing tax credit or other affordable housing program rents, if those programs were used to finance your unit. Except for financial hardship cases as provided in paragraph (d) of this section, you may not be offered this choice more than once a year.

b. Flat rent

- i. The flat rent is based on the market rent charged for comparable units in the private unassisted rental market. It is equal to the estimated rent for which the Landlord could promptly lease your unit after preparation for occupancy.
- ii. To determine the flat rent, the Landlord will consider:
 - a) The location, quality, size, unit type and age of the unit; and
 - b) Any amenities, housing services, maintenance and utilities provided by the Landlord.
- iii. If you choose to pay a flat rent, the Landlord does not pay any utility reimbursement.

- iv. The Landlord will maintain records that document the method used to determine flat rents, and also show how flat rents are determined by the Landlord in accordance with this method, and document flat rents offered to families under this method.

c. Income-based rent

- i. An income-based rent is a Tenant Rent that is based on your household's income and the CHA's rent policies for determination of such rents.
- ii. The income-based Tenant Rent shall be 30 percent of your household's ***monthly adjusted income rounded to the nearest dollar.***
- iii. The income-based Tenant Rent must not exceed the total tenant payment for your household minus any applicable utility allowance for tenant-paid utilities.
- iv. Income-based Tenant Rent must not be less than the Minimum Rent nor exceed the flat rent.
- v. Landlord will provide sufficient information for tenant to make an informed choice about rent options.

d. Switch from flat rent to income-based rent because of hardship.

- i. If you are paying a flat rent, you may at any time request a switch to payment of income-based rent (before the next annual option to select the type of rent) if you are unable to pay flat rent because of financial hardship.
- ii. If the Landlord determines that you are unable to pay the flat rent because of financial hardship, the Landlord must immediately allow the requested switch to income-based rent. The Landlord shall make the determination within a reasonable time after your request.
- iii. A financial hardship may include the following situations:
 - a) You have experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;
 - b) You have experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items;
 - c) Such other situations determined by the Landlord to be appropriate: and
 - d) Financial hardship will not include a family's failure to comply with the requirements to receive public benefits, as under the

Imputed Welfare regulations, that causes an interruption in such benefits.

2. The following utilities are included in the rent at no additional cost: water and scavenger service. Other utilities must be provided by Tenant and are in excess of any rent payments made to Landlord.

D. Income and Household Size; Providing Information

The Tenant Rent listed on the cover page of this Lease is due on the first day of each month, until changed by either an annual or an interim re-determination as described below. These re-determinations are required in order for the Landlord to comply with the housing programs described above. If you choose an income-based rent, the Tenant Rent may increase or decrease depending upon changes that may occur to your adjusted income. Your Tenant Rent may increase if and as your household income increases.

1. If your Tenant Rent is subject to change because you chose an income-based rent, any *increase* in the Tenant Rent due to an increase in your monthly income will occur on the first day of the month following the first sixty (60) days of the increase in income, unless you qualify for an income disregard pursuant to the relevant Appendix of the CHA Admissions and Occupancy Policy, in which case an increase in Tenant Rent shall be processed in accordance with such Appendix D. Any decrease in the Tenant Rent due to a decrease in income will occur on the first day of the month after the decrease in income is reported in writing to the Landlord.
2. Annual Re-determinations. The components of the mandatory annual re-determination are as follows:
 - a. You must supply the Landlord with certified, accurate written information about family composition, citizenship and/or residency status, age of family members, income and source of income of all family members, assets and related information necessary to determine public housing eligibility, annual income, adjusted income, rent and appropriateness of apartment size. Failure to provide such information or misrepresentation of information shall be a lease violation and may lead to termination of the Lease.
 - b. You agree to comply with reasonable requests by the Landlord for verification by signing releases or authorizations for third-party sources of information, presenting documents for review, or providing other suitable forms of verification.
3. Interim Re-determinations. Between annual reexaminations, you must report to the Landlord in writing all changes in household composition and income if the amount of income change is greater than 10% of existing income within 10 business days of occurrence. All additions to the household composition except the addition of children through birth, adoption or court awarded custody require the consent of the Landlord.
4. Compliance with Tax Credit Requirements. You must comply with the income and eligibility requirements set forth by Section 42 of the IRS Code and the Regulations thereunder, as applicable.



5. Notice of Rent Adjustments and Grievance Rights. You will be notified in writing of any rent adjustment due to annual or interim reexaminations at least 30 days before the Landlord implements any increase in Tenant Rent. All notices will state the effective date of the rent adjustment. You may ask for an explanation stating the specific grounds of the determination concerning rent, apartment size or public housing eligibility, and if you do not agree with the determination, you shall have the right to request a hearing under the grievance procedures discussed below.
6. Materiality of Certifications. You agree that the information provided by you to the Landlord for the purpose of complying with the federal and state housing programs discussed above are substantial and material obligations of your tenancy. You understand that the failure to provide accurate information or the refusal to comply with a request for information with respect to those programs is a substantial violation of an obligation of your tenancy. You understand that this Lease could be terminated for a failure to comply with this provision.
7. Consent. For the purpose of complying with the federal and state housing programs discussed above, the Landlord may release to the City of Chicago's Department of Housing (for purposes of funding eligibility) and Department of Human Services (for purposes of resident services), Chicago Housing Authority, or the United States Department of Housing and Urban Development ("HUD") the information provided to the landlord regarding your household income and assets, leasing dates, social security number(s), birth date(s), student status and other matters as may be required in connection with funding eligibility or resident services. You consent to that release.
8. Transfers: If the Landlord determines in accordance with the Occupancy Standards in Section D (3) of the Resident Selection Plan that the size of the Dwelling Unit is no longer appropriate to the Tenant's needs, and a unit of the appropriate size is available, the Tenant shall be offered said unit and shall move within 30 days upon appropriate notice by the landlord unless otherwise authorized by the Landlord. If the Tenant fails to accept the offered unit, the Landlord may terminate this Lease Agreement. The Tenant shall not be required to move in cases of verified hardship, such as access to employment or for health reasons.

E. Your Right to Use and Occupy the Apartment

You will have the right to exclusive use and occupancy of the apartment for you and other household members named in this Lease, including reasonable use of the apartment for guests in accordance with the rules by Landlord established for the development, during the term of the Lease.

F. Your Obligations

As the Tenant under the Lease, you are obligated:

1. To pay your rent when it is due;
2. Not to assign the Lease or to sublease the dwelling unit;
3. Not to provide accommodations for boarders or lodgers;
4. To use the dwelling unit solely as a private dwelling for you and your household members identified in the Lease, and not to use or permit its use for any other purpose, provided that with adequate insurance and the prior written consent of the Landlord, you may engage in legal profit-making activities in the dwelling unit, if the Landlord determines that such activities are incidental to the primary use of the leased unit for residence by members of your household.
5. To abide by necessary and reasonable regulations promulgated by the Landlord for the benefit and well-being of the housing project and the tenants which shall be posted in the management office and incorporated by reference in the Lease;
6. To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety;
7. To keep the dwelling unit and such other areas as may be assigned to you for the your exclusive use in a clean and safe condition;
8. To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner;
9. To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators;
10. To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project;
11. To pay reasonable charges (other than for wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by you, a member of your household or a guest;

12. To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition;
13. Unless required by lawful employment to refrain from displaying, using or possessing on the premises any firearms, ammunition, or other weapons.
14. To refrain from causing any fire on the premises, either intentionally or through gross negligence or careless disregard.
15. To assure that no tenant, member of your household, or guest engages in:
 - a. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; or
 - b. Any drug-related criminal activity on or off the premises;
16. To assure that no other person under your control engages in:
 - a. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; or
 - b. Any drug-related criminal activity on the premises;
17. To assure that no member of the household engages in an abuse or pattern of abuse of drugs or alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other residents.

G. Landlord's Obligations

In addition to any obligations discussed in this Lease, the Landlord must:

1. Maintain the apartment and development in decent, safe and sanitary condition;
2. Comply with the requirements of applicable City building codes, housing codes and HUD regulations materially affecting health and safety;
3. Make necessary repairs to the apartment in a timely manner;
4. Keep development buildings, facilities and common areas, not otherwise assigned to you for maintenance and upkeep, in a clean and safe condition;
5. Maintain in good and safe working order and condition electrical, plumbing, sanitary, heating, ventilating, and other facilities and appliances supplied or required to be supplied by the Landlord;
6. Provide and maintain appropriate receptacles and facilities (except containers for your exclusive use) for the deposit of ashes, garbage, rubbish and other waste removed from the apartment by you in accordance with this Lease; and
7. Notify you of the specific grounds for any proposed adverse action by the Landlord, and when applicable, give you an opportunity for a hearing under the grievance

procedures discussed below. In the case of a proposed adverse action, including any proposed lease termination not exempted from the grievance process in Section M.3, the Landlord shall not take the proposed action until the time for you to request a grievance procedure has expired, or if a hearing was timely requested by you the grievance process has been completed.

H. Entry of Premises During Tenancy

1. You must permit reasonable access to your apartment in accordance with the provisions of the section entitled "Landlord's Right to Access" in the summary of a City of Chicago ordinance attached to the Lease and that ordinance.
2. If you or all other adults members of the household are absent from the apartment at the time of entry, the Landlord will leave in the apartment a written statement specifying the date, time and purpose of entry prior to leaving the apartment.

I. Defects Hazardous to Life, Health, or Safety

In the event that the apartment is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the following terms will be applicable:

1. Landlord's Responsibilities and Remedies:
 - a. The Landlord will be responsible for the repair of the apartment within a reasonable period of time after receiving notice from you. If the damage was caused by you, your household members, or guests, then the reasonable cost of the repairs will be charged to you.
 - b. If necessary repairs cannot be made within a reasonable time so that conditions no longer are hazardous to the life, health, or safety of the occupants of your unit, and the damage was not caused by you, your household members, or guests, the Landlord will offer you alternative accommodations.
 - c. In the event repairs cannot be made by the Landlord within a reasonable time and alternative accommodations are unavailable, then rent will reduce in proportion to the seriousness of the damage and loss in value as a dwelling. No reduction of rent will occur if you reject the alternative accommodations and remain in the apartment or if the damage was caused by you or your household members or guests.
 - d. The responsibilities and remedies listed above are not intended to be exclusive. The Landlord reserves the right to terminate this Lease in the event of serious damage caused by tenant's negligence or carelessness.

2. Your Responsibilities:

- a. You will immediately notify the Landlord of the damage when the damage is hazardous to life, health or safety of the occupants.
- b. You agree to continue to pay full rent, less the reduced portion, if any, during the time in which the defect remains uncorrected.

J. Inspections

1. Move-In Inspections: The Landlord and Tenant will inspect the apartment prior to your occupancy. The Landlord will give a written statement of the condition of the apartment, both inside and outside, and note any equipment provided with the apartment. The statement will be signed by you and the Landlord, and a copy of the statement will be retained in your folder.
2. Annual Inspections: Annual inspections will be conducted. You will be notified at least 48 hours in advance of the annual inspection. The Landlord will inspect the condition of the apartment, the equipment in the apartment and any areas assigned to you for upkeep. The Landlord will provide you with a written statement regarding the condition of the apartment. The Landlord will request work orders for all items found to be in disrepair.
3. Move-Out Inspection: The Landlord will inspect the unit at the time you vacate and will give you a written statement of the charges, if any, for which you are responsible. In order to protect your rights, you and/or your representative may join in such inspection, unless you vacate without notice to the Landlord.

K. Notice Procedures

1. Landlord's Responsibility - All notices to you must be in writing, except that if you are disabled or visually impaired, all notices must be in accessible format. Also, notices will be available in Spanish or other languages as needed. Notices may be delivered by hand to you or any member of your household age 18 or older, or sent by certified or registered mail, return receipt requested.

L. Termination of the Lease

For termination of this Lease, the following procedures will be followed by you and the Landlord:

1. Grounds for Termination. Subject to Lease Rider #4, this Lease may be terminated by the Landlord for serious or repeated violations of the Lease or other good cause, including, without limitation, criminal activity, discovery that you are ineligible for public housing, discovery of material false statements or fraud in connection with your application.

2. Notice

- a. The Landlord shall give written notice of proposed termination, in English or another language as needed or, if you are disabled, in an accessible format, of:
 - i. 14 days in the case of failure to pay rent;
 - ii. not to exceed 30 days or no less than as permitted by state law depending on the seriousness of offense when the health or safety of other residents, the Landlord or the Management Agent, or persons residing in the immediate vicinity is threatened, a member of the household has engaged in drug-related or violent criminal activity, or any member of the household has been convicted of a felony;
 - iii. 30 days in any other case, except if state or local law allows a shorter notice period, such shorter period shall apply; and
 - iv. such other period as may be permitted by HUD waiver or by applicable law in the future for any or all of (i) or (ii) above.
 - b. The notice of lease termination to the tenant shall state specific grounds for termination, and shall inform the tenant of the tenant's right to make such reply as the tenant may wish. The notice shall also inform the tenant of the right to examine the Landlord's documents directly relevant to the termination or eviction and shall inform the tenant if the tenant has a right to request a hearing in accordance with the grievance procedure.
 - c. When the Management Agent is required to afford the tenant the opportunity for a hearing under the grievance procedure for a grievance concerning the lease termination, the tenancy shall not terminate (even if any notice to vacate under State or local law has expired) until the time for the tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the tenant) the grievance process has been completed.
 - d. In the case of termination for (1) any criminal activity that threatens the health, safety or right of peaceful enjoyment of the premises of other residents or Landlord or Management employees (2) any violent or drug-related criminal activity on or off the premises, or (3) any criminal activity that resulted in a felony conviction of a household member, the notice of lease termination shall state that the tenant is not entitled to a grievance hearing on the termination. The Landlord may evict you from the apartment by bringing a court action. HUD has determined that this eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process defined in HUD regulations.
3. Eviction. The Landlord may evict you from the apartment only by bringing a court action.
 4. Eviction for criminal activity. The Management Agent may evict you by judicial action for criminal activity outlined in portions of Section F regardless of whether such activity resulted in an arrest or conviction, and without satisfying the standard of

proof used for a criminal conviction. In the event the Landlord provides you with a notice of termination for criminal activity outlined in portions of Section F as a result of criminal activity by another member of your household, a guest, or a person under your control, you may request in writing within 10 days of the notice, a meeting with the Landlord to discuss the notice. If you request a meeting in a timely manner, the Landlord will schedule a meeting with you, which shall occur within 10 days of your request. The Landlord will not file suit against you to terminate your Lease until after the date of the meeting. Notwithstanding the foregoing, if you fail to attend your meeting with the Landlord, the Landlord may commence eviction proceedings. You may be accompanied by a representative or attorney at your meeting with the Landlord. At the meeting, the Landlord may consider the following:

- a. the seriousness of the offending action;
- b. the extent of participation by you and other family members in the offending action;
- c. the effects that the eviction would have on family members not involved in the offending activity;
- d. the extent to which you have shown personal responsibility and have taken reasonable steps to prevent or mitigate the offending activity;
- e. relevant history of your involvement within the Jackson Square at West End development, including any involvement with the management and community life of the development; and
- f. if the eviction is based upon illegal drug use or alcohol abuse by a household member, whether that household member provides evidence that he/she is no longer engaging in such use or abuse, or whether the household member is successfully participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

After the Landlord meets with you, the Landlord's decision whether to continue eviction proceedings against you shall be made in the Landlord's sole discretion.

M. Grievance Procedures

Disputes concerning your obligations or the obligations of the Landlord may be resolved in accordance with the Jackson Square at West End Grievance Procedure for Public Housing Residents (the "Grievance Procedure"). The Grievance Procedure will provide for informal discussion and settlement of grievances with the Landlord.

1. Pursuant to the Grievance Procedure, you may appeal the initial settlement of the grievance by the Landlord at a formal hearing, which shall be conducted by a hearing officer.
2. The Grievance Procedure shall not be available:
 - a. concerning evictions or terminations of tenancy that involve:
 - i. any criminal activity that threatens the health, safety or right of peaceful enjoyment of the premises of other residents or Landlord or Management employees;
 - ii. any criminal activity that resulted in a felony conviction of a household member; or
 - iii. any violent or drug-related criminal activity on or off the premises.
 - b. to resolve disputes between individuals not involving Management or to class grievances.

N. Lease Modification

Any modification of this Lease must be accomplished by a written rider to the Lease executed by the Landlord and you. In the event the Landlord obtains a waiver from HUD of any provision, the Landlord will have the opportunity to amend the lease subject to proper notice and 30 day comment period or whatever required period is in effect at the time of change.

Tenant **Date**

East Lake Management Group, Inc. Date

Co-Tenant (if applicable) **Date**

Witness:

Witness:

Date

Date

RESIDENT SELECTION PLAN WEST END (PHASE 2)

RESIDENT SELECTION PLAN

The occupancy and resident selection criteria are a critical component of this project. Successful economic integration will be attained through (i) the strict application of income requirements for the ACC Assisted Units and the LIHTC Units and applicable eligibility requirements of the ACC Assisted and LIHTC, and Market Rate Units, and (ii) the consistent and nondiscriminatory application of the Resident Selection Plan. Unless otherwise indicated all selection criteria shall be applied equally to all applicants for all units.

The term "ACC Assisted Units" refers to the units which are required to be operated as public housing units. All of the ACC-Assisted Units are also LIHTC units (defined as follows). The term "LIHTC" units means the units which are operated as low-income housing tax credit units under the applicable restrictions of Section 42 of the Internal Revenue Code, as amended, and the term "market units" means the units that have no income limits or restrictions. The term "RRC" shall mean the CHA Leaseholder Housing Choice and Relocation Rights Contracts approved by the CHA Board on 3/20/01 and 10/16/01, and any amendments thereto. As used herein, "Development" shall mean Phases I-B, II and III of the West End West End development.

A. Nondiscrimination

Federal, state and local fair housing laws cover equally all units in the Development, whether ACC Assisted and LIHTC or Market Rate Units. All practices, in every aspect of the Plan and the Agent's activities, must not subject any person to discrimination prohibited by these laws, which currently prohibit discrimination based on race, color, religion, sex, disability, familial status, national origin, marital status, ancestry, gender identity, and sexual orientation.

B. Unit and Waiting List Classification

West End Phase II Rental consists of 112 units assigned as follows:

ACC Units	LIHTC Only units	Market Rental Units	Total Units
65	33	14	112

C. Selection Preferences for ACC Assisted and LIHTC Units

Applicants for ACC- Assisted Units that are subject to the RRC are referred to herein as "RRC Applicants". The RRC has established levels of preference for RRC Applicants. The CHA has further established a Housing Offer Process (HOP) which ranks each RRC Applicant seeking admission to West End according to the established levels of preference.

Preference for admission to ACC Assisted Units will be given to eligible RRC Applicants in accordance with the levels of preference established in the RRC. The CHA will provide the Management Agent with a list (or access to a database) of all families subject to the RRC that have elected West End as their permanent housing choice and that are Authority lease compliant (the "RRC list"). This list will also reflect an order of priority for admission consideration established by the CHA, in compliance with HOP. These preferences shall remain in effect until the list has been exhausted. Screening criteria described elsewhere shall apply to the consideration of admission of all Rockwell Gardens applicants, including RRC applicants.

During the LIHTC compliance period, the order of admission to ACC Assisted Units shall be governed by the requirement that all of the ACC Assisted Units shall be occupied by residents whose income is equal to or less than 60% of Area Median Income (AMI) at initial occupancy.

RRC Applicants, in good standing, whose income is equal to or less than 60% of Area Median Income (AMI) at initial occupancy and who choose to make application for LIHTC Units will be granted a preference for those non-ACC Assisted LIHTC units as they become available. This preference will remain in effect until all RRC Applicants making such application have been housed in LIHTC Units.

The Management Agent will reserve the right to pass over Non-RRC applicants for Non-ACC Assisted LIHTC Units to insure compliance with this requirement. Those Non-RRC applicants for Non-ACC Assisted LIHTC Units who are passed over to meet this requirement will retain their place on the LIHTC non-ACC waiting list and will be accommodated, with a non-ACC LIHTC unit, once this requirement is met. Notwithstanding anything in this Resident Selection Plan to the contrary, in the event that an RRC Applicant is granted such preference, that applicant must, in addition to all of the other requirements set forth in this plan, ~~provide evidence that such Applicant has sufficient income to pay the rent charged for the LIHTC unit.~~

D. Waiting Lists Maintenance for All Units

The waiting list for ACC-Assisted Units shall be initially derived from RRC list developed by the CHA to be made available to and managed by the Management Agent. Upon exhaustion of this list, the waiting list for ACC-Assisted Units will be derived by the Management Agent from the CHA general public housing waiting list. Any site-based waiting list created by the owner (to be used after waiting lists created from the RRC pool and that derived from the CHA waiting list) is subject to HUD approval.

The Management Agent shall maintain the waiting list for non-ACC LIHTC Units by date and time of initial application. Order of the LIHTC waiting list for LIHTC Units will be determined on the basis of the chronological order of the dates of application. Order of preference for RRC Applicants applying for non-ACC LIHTC Units will be based on the commencement of the RRC Applicants' tenancy in the Former Rockwell Gardens Development. Preference for the non-ACC LIHTC units will be (1) first, to former or current Rockwell Gardens residents, in order of their commencement of tenancy at the Former Rockwell Gardens Development, and (2) to any other RRC applicants, in order of the date and time of their application.

The Management Agent shall maintain the waiting list for Market Rate Units, if any, by date and time of initial application. Order of the Market Rate waiting list for Market Rate Units will be determined on the basis of the chronological order of the dates of application.

Each waiting list will be subdivided based on unit sizes and types. Each applicant family determined to be eligible will be placed on the waiting list for the unit size and type (or sizes and types) which the family requests, subject to following standards and qualifications:

No. of Persons		
No. of Bedrooms	Minimum	Maximum
1	1	2
2	2	4
3	3	6
4	4	8

E. Application Requirements for All Units

Each applicant for admission to a dwelling unit in the Development, including each RRC Applicant applying for residence to the Development, must submit to the Agent a completed signed application, including all accompanying consent forms for release of information pertinent to eligibility determination and selection

criteria, on forms furnished by the Agent. Adequate procedures in compliance with the public housing and LIHTC requirements will be developed to obtain third-party verification and protect the confidentiality of information with respect to each applicant. Information relative to the acceptance or rejection of an applicant on eligibility or suitability grounds, or the grant or denial of any applicable preference, must be documented and placed in the applicant's file.

F. Income and Other Eligibility Qualifications

Applicants who apply for admission to any ACC Assisted Units at the Development must meet the income and eligibility rules for admission to public housing and as all public housing units are LIHTC units, they must also meet the criteria for admission to LIHTC units as well as the criteria set forth in this Plan. Applicant income for LIHTC units may not exceed 60% of the AMI at time of initial occupancy. Applicants who apply for admission to any Market Rate Units at the Development must meet the eligibility tests set forth in Section J hereof.

Reasonable accommodation will be made for persons with special needs.

G. Minimum Rents for ACC Assisted Units

A minimum rent of \$75.00 will be established. Minimum rents may be waived for families that demonstrate financial hardship. Financial hardship includes the following:

1. The family has lost eligibility for or is awaiting an eligibility for a Federal, State or local assistance program, including a family that contains a member who is an alien lawfully admitted for permanent residence;
2. The income of the family has decreased because of changed circumstances, more specifically:
 - a. involuntary loss of employment;
 - b. death of an authorized resident whose income is counted in the rent calculation;
 - c. ~~loss of income due to personal illness and/or disability; or~~
 - d. family medical leave from work to care for a parent, spouse or child.

Minimum rents may be "abated", if short-term, or "waived" for the duration of a qualifying long-term financial hardship. For the purpose of a finding of a "Qualifying Financial Hardship", a Short-Term Financial Hardship will be defined as lasting no more than 90 days; while a Long-term Financial Hardship will be defined as lasting more than 90 days. The resident must provide the Management Agent with required proof of hardship every sixty (60) days.

At the option of the Management Agent, rent will be abated during a short-term hardship; with the family being required to pay back all minimum rent from the start of the hardship to the end of the hardship. The Management Agent may accept a reasonable re-payment plan for the back rent. In accordance with law, the rent will be waived for any period of qualifying long-term financial hardship.

The Management Agent may deny a claim of financial hardship if a family's failure to comply with requirements to receive public benefits caused an interruption in such benefits pursuant to CHA's Imputed Welfare Income Procedure, and/or a family refuses or fails to provide verifiable third party documentation within ten (10) days of the claimed "qualifying hardship".

H. ACC Assisted Unit Applicants Not in Good Standing

No applicant will be considered for admission to occupancy of any unit in the Development who is a RRC Applicant of a Housing Authority owned unit not in good standing with the Housing Authority.

A RRC Applicant of a Housing Authority owned unit shall be considered not in good standing if there is pending a lease termination action against such RRC Applicant until the matter is resolved.

I. Admission for All Units

All applications for admission to West End will be taken and processed at the business office. Eligibility criteria for admission shall apply to all units except as otherwise noted.

With respect to applicants for ACC Assisted Units, the Management Agent will perform application screening if the applicant is a RRC Applicant seeking preference or a new applicant. With respect to RRC Applicants, the Agent will verify the applicant's inclusion and rank on the RRC list. The Agent will perform applicant screening, including: income verification, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions subject to grievance procedures referred to in section N.

With respect to applicants for LIHTC units, the completed application package will be maintained by the Management Agent who will perform application screening by verifying income, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions.

With respect to applicants for Market Rate units, the completed application package will be maintained by the Management Agent who will perform application screening by verifying income, bedroom size determination, third-party verified criminal background and credit checks, interviews and home visits. The Agent will make final admission decisions.

The Agent will commence acceptance of final applications for admission to all units not earlier than 120 days prior to the anticipated first availability of units for occupancy.

J. RRC Applicants Engaged in Activities to Meet Property Specific Criteria

RRC Applicants who do not meet the property specific criteria for admission at the time of application may be conditionally admitted for residency if they are able to demonstrate that they are engaged in activities to meet the property specific criteria. Any such tenant that is conditionally permitted to remain in occupancy shall be required to sign a certification that they are engaged in activities to meet such requirement. A compliance plan regarding the conditions the tenant is and will continue to engage in to meet the criteria within 12 months of move-in shall be attached to and become 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.

If an RRC Applicant household meets the Screening Criteria set forth in Section K(b), at the time it is admitted for initial occupancy, and subsequently fails to meet such Screening Criteria for the first time, then in order to remain in occupancy, such RRC Applicant must present evidence sufficient to Management to show that such RRC Applicant household is engaged in activities to meet such provisions to meet the Screening Criteria within one year, and must then meet the Screening Criteria within one year. Any such tenant that is conditionally permitted to remain in occupancy shall be required to sign a ~~certification that they are engaged in activities to meet such requirement.~~ A compliance plan regarding the conditions the tenant is and will continue to engage in to meet the criteria within 12 months from the time the family falls out of compliance shall be attached to and become part of the lease.

RRC Applicants whose application to reside in an ACC-Assisted unit is rejected because of a failure to satisfy Management's Screening Criteria or a finding or determination that the applicant has failed to engage in activities to meet the Screening Criteria may, pursuant to the RRC and the CHA Grievance Procedures, request an informal hearing with Management and, if applicable, a formal hearing before an independent hearing officer.

K. Screening Criteria for All Units

The governing principle of the Agent, in making any determination with respect to an applicant for admission to any unit shall be that an applicant shall not be rejected unless a preponderance of the information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment or the financial stability of the Development if such applicant were admitted.

Notwithstanding anything set forth in this Section K, if any applicant for an ACC-Assisted Unit is not eligible under 24 CFR 960, including but not limited to, 24 CFR 960.204, such applicant shall not be admitted, as required by law, as ineligibility is mandated as opposed to left up to the discretion of the Landlord.

Relevant information respecting habits or practices to be considered in making admission determinations is as follows:

- a) Applicants must be eighteen (18) years of age or older.
- b) Applicants (head of household or co-head of household) must be employed at a minimum of 30 hours per week. All other non-exempted members of the household must be engaged in one or a combination of activities designed to encourage, assist, train or facilitate economic self sufficiency, including, employment, enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable secondary or post secondary education, or English proficiency or literacy classes to satisfy the 30 hours of employment per week criteria within one year of occupancy.

An exemption to the first paragraph of (b) above shall be granted for one adult family member who elects to stay home to care for young children under six years of age if there are at least two adults in the household and at least one adult is employed at a minimum of 30 hours per week.. An exemption shall also be granted for members of a household when such member(s) of the household is (a) aged 62 years or older, (b) a blind or

disabled individual as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C.1382c and provides third party verification that he or she is unable to comply with the requirements of this paragraph because of his or her blindness or disability, (c) the primary caretaker of such a blind or disabled individual and provides third party verification that he or she is unable to comply with the requirements of this section because of his or her role as such caretaker, or (d) is a retiree with a pension plan.

RRC Applicants or co-heads of household may satisfy the "working toward" provision in the first paragraph of (b) above if they can demonstrate that applicants are spending an average of 30 hours per week engaged in one or a combination of the following activities: employment and enrollment and regular attendance in an economic self-sufficiency program, enrollment and regular attendance in a regular program of education including GED, verified active job search and/or employment counseling; basic skills training; verifiable secondary or post secondary education, or English proficiency or literacy classes. Evidence of satisfaction of this requirement may include, among other things, written verification of employment from an employer, written verification of enrollment or participation in a program identified above by an administrator or instructor of such program.

All other members of the household 18 and over must meet the 30 hours of activities described above within one year of occupancy. Should a working head or co-head of household lose their employment during their tenancy, participation in community and volunteer work is allowed so long as the head or co-head of household is also actively seeking employment.

Where an RRC Applicant is admitted for occupancy and the RRC Applicant head or co-head of household is "working toward" the 30 hour a week minimum employment criterion but at the end of one year of occupancy, the RRC Applicant head or co-head of household is not yet employed a minimum of 30 hours a week, such RRC Applicant household may continue to reside at the development if all members of the household 18 and over other than the RRC Applicant head or co-head continue to meet the 30 hours of weekly activity described in the first paragraph of (b) above and the Tenant head or co-head of household can prove to the satisfaction of management that:

- 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 be shown by passing grades, completion of additional credits in the program, etc.) Additionally, the educational program must be one that, in the determination of management, will lead to fulfillment of the 30 hour employment criterion at its completion, or;

- 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, or engagement in combination of activities that, together with the employment, equal not less than 30 hours a week, or;
 - 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.
- c) Previous tenancies over the most recent 3 year period will be evaluated. Landlord references regarding payment of rent, lease violations and destructive behavior will be used to determine eligibility. An applicant's past performance in meeting financial obligations, especially rent will be considered in determining if there is an unreasonable risk that such applicant will not fulfill his/her rent obligations. Factors to be considered are as follows:
- (i) Consistent record of rent payment including no rent due to any public housing program;
 - (ii) No landlord judgments within the past 2 years. An applicant will be excepted from this criterion if the applicant produces verification acceptable to Management that such judgment was the result of a landlord's or Section 8 program administrator's failure to comply or judgment was due to no fault of the applicant (e.g., a no fault 30-day notice to vacate). RRC Applicants may satisfy the "engaged in activities to meet"

provision if they can demonstrate one year without landlord judgment. The first year of tenancy in the new development will be evaluated to satisfy the second year of the requirement;

- (iii) No reported delinquent consumer balances including that to any public housing program exceeding \$1,000 (excluding medical bills and student loans) within three months of date of conduct of the financial screening or written off within one year of date of the screening; RRC Applicant who has an otherwise good history of rent and utility payments but also a delinquency as described above, will be conditionally accepted and permitted to occupy a rental unit (provided all other requirements for occupancy are met) subject to the requirement that such applicant demonstrate that the Applicant is current in a repayment plan with the creditors;
 - (iv) No history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months;
 - (v) A credit history will be used to conduct an overall review of an applicant's credit and current ability to pay rent. Such a review includes consideration of payment history, landlord judgments, consumer debt and prior debts owed to public housing programs. RRC applicants may satisfy the "working towards" provision if they can demonstrate one year at a current job and a favorable landlord history.; and
 - (vi) The applicant must demonstrate the ability to secure and "turn on" all applicable utility services. In the case of RRC Applicants who have entered relocation rights contracts with CHA, if the securing and "turn on" of utilities is the only bar to admission, the Management Agent will make every effort to assist the applicant in securing these services.
- d) Criminal record check as allowable by law with respect to all applicants for occupancy in the Development, showing no record of past criminal activity as follows including but not limited to 960.204. Owner is prohibited from admitting any applicant to public housing supported units pursuant to prohibitions contained in HUD24 CFR 960.204 and does not permit ~~consideration of mitigating circumstances except as set forth in Section I of this RSP or, with regard to matters set forth in HUD 24 CFR 960.204,~~ as specified in the regulation:
- (i) No record of conviction for manufacturing drugs within the last seven years;

- (ii) No record of conviction for distributing drugs within the last seven years;
- (iii) No record of felony conviction for drug possession within last five years;
- (iv) No record of a felony conviction for the last five years for a crime against a person;
- (v) No record of a felony conviction for the last five years for a crime against property or for concealed weapons possession;
- (vi) No record of conviction for murder, attempted murder, rape, attempted rape, arson, child abuse or neglect; and
- (vii) All adult household members who have been arrested and have cases pending before the courts for the above enumerated crimes will have their applications deferred until final disposition of the case.

RRC Applicants may satisfy the "engaged in activities to meet" provision with regard to drug related criminal convictions if they can demonstrate verified completion of a certified drug treatment program and a certification that the applicant is complying with all applicable aftercare provisions, and/or verification from a probation or parole officer that an applicant has met or is meeting the terms of probation or parole with respect to refraining from illegal use of a controlled substance.

RRC Applicants may satisfy the "engaged in activities to meet" provision with regard to non-drug related criminal convictions (excluding murder, attempted murder, rape, attempted rape, arson, child molestation) if they can demonstrate no subsequent criminal history, verification from a parole or probation officer that the applicant has satisfied the terms of his/her parole or probation and verification of restitution for criminal activity (where applicable).

If denied admission based upon information provided in the criminal background record, applicant is entitled to due notice of reason for denial as well as a copy of said criminal background record.

- e) Declaration from head of household that all family members under 18 years of age have not been convicted of a crime as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release of police information to the Agent for the purpose of verifying whether any such conviction for that family member exists. If

such consent shall not be sufficient to obtain release of such information to the Agent, the parent or guardian of such member shall be required to obtain and submit such information to the Agent if such action is reasonably possible.

- f) Satisfactory home visit to RRC Applicant or applicant's home by representative of the Agent. Home will be inspected after notice of at least 48 hours for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because an applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit. Home visits will be conducted annually in conjunction with unit inspections to insure continued compliance.

RRC Applicants who fail the home visit may be granted a second home visit to occur within 30 days of the initial visit. RRC Applicants who pass the second visit may be granted conditional admission. The conditional admission will include quarterly home visits during the first year of occupancy to insure compliance.

- g) Applicants must provide documentation that children 7-16 years of age are enrolled in and regularly attend school and that day care or supervision will be provided for children under 13 years of age. If children under 17 years of age voluntarily drop out of school, they must be engaged in activities at a minimum of 30 hours per week.

K. Mitigating Circumstances

Except to the extent that mitigating circumstances are prohibited or restricted by HUD 24 CFR 960.204, in all instances where unfavorable information would cause an applicant to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the RRC Applicant or applicant (by means of interview), landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

- a) Consideration will be given to the time, nature, and extent of the applicant's conduct (including any reasonable explanation thereof) and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Other mitigating factors to be considered include the following:

Negative credit information can be mitigated through third party verification, including but not limited to each item for which:

- (i) there has been a payment plan for non-rental debts and a timely payment history on such plan for the period during which such plan has been in effect (but not less than sixty days); or
 - (ii) the applicant has disputed such debt and can provide verification of such dispute.
- b) Record of unsuitable rental history or behavior can be mitigated if RRC Applicant or applicant can show evidence of rehabilitation or participation in rehabilitation. If the evidence relates to a change in medical condition, the Agent shall have the right to request further information or refer such information to persons qualified to evaluate such evidence;
 - c) Evidence of completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse;
 - d) Participation in the HOPE VI CSS Program with specific emphasis on lease compliance, property rules and regulations and other policies regarding property management;
 - e) Evidence by RRC Applicant or applicant and family members of participation in or willingness to participate in social service or other appropriate counseling service programs; and
 - f) Evidence by RRC Applicant or applicant and family members of willingness to attempt to increase family income, taking into account the availability of training or employment programs in their locality.

L. Selection for Units

The Agent will select for residency for an ACC Assisted Unit each RRC Applicant or applicant family approved by the Agent, subject to unit availability in accordance with the RRC Applicant or new applicant waiting list order and to final verification of income and other eligibility requirements described above. RRC applicants who are otherwise approved for admission but are not admitted at initial occupancy at the site due to position on the waiting list shall retain preference status on the waiting list for turnover units.

The Agent will select for residency for a LIHTC Unit each applicant family approved by the Agent, subject to unit availability in accordance with the waiting

list order and to final verification of income and other eligibility requirements described above.

The Agent will select for residency for a Market Rate Unit each applicant family approved by the Agent, subject to unit availability in accordance with the waiting list order and to final verification of income and other eligibility requirements described above.

M. Rejection for Residency

An applicant shall be rejected for residency to a unit if: (i) the applicant fails to meet the income or other eligibility requirements described in section F, or (ii) the applicant was not approved for admission by the Agent, as the case may be, after consideration of mitigating circumstances.

The Agent will promptly notify a rejected applicant in writing of its rejection, stating the reason thereof and advising the applicant of its right to request a meeting with the Agent within fourteen (14) days. Within five (5) days of a rejected applicant's request for a meeting, the Management Agent shall convene a meeting with the applicant to explain the reason for rejection. If the applicant appeals such rejection, the Agent will give the applicant a final decision, in writing, within five (5) days following the applicant's meeting with the Agent. If the Agent determines that the applicant is not an acceptable resident for the development, the Agent will temporarily remove the application, with justification for denial, from its active file.

An RRC Applicant that is not satisfied with Management's decision may appeal their decision and request a de novo hearing before an independent hearing officer, pursuant to the RRC. If the independent hearing officer finds in favor of the applicant and against Management's decision to reject the applicant, the applicant will be placed back onto the list for a unit.