

1. Preface

The Tenant Selection Plan will outline the policy and procedures that management (POAH Communities, LLC) will follow for selecting tenants for the development (Levy House). The Owner has signed a management agreement with POAH Communities L.L.C. to provide property management and regulatory compliance services for Levy House, which includes marketing for and admissions to the building.

Levy House includes 56 one-bedroom units and 1 two-bedroom unit. There will be affordable, Low Income Housing Tax Credit (LIHTC) units with rental assistance subsidies provided through the Chicago Housing Authority Project Based Voucher (PBV) through the Property Rental Assistance Program (PRA/PBV) and transfer of assistance from a public housing site transitioning through HUD's Rental Assistance Demonstration (RAD/PBV).

The primary purpose of Levy House is to provide affordable housing for eligible low-income Seniors, age 62 and above. Applicant households must meet income eligibility requirements and their gross annual incomes may not exceed 80% of the median income for the area, as defined by HUD. Levy House utilizes the HUD definition of "income" to calculate gross income for an applicant household/resident. The current maximum income limits being used by Levy House will be available for review in the Management Office.

The Project includes 57 PBV units (PRA & RAD) that will be governed by two Housing Assistance Payments (HAP) contract(s) and also subject to the provisions of the Federal Low Income Housing Tax Credit program ("LIHTC Requirements") and a single market rate unit that will be unrestricted. Management recognizes that there are additional rights and responsibilities for applicants of the PBV units under CHA's Administrative Plan for the Housing Choice Voucher Program. Notwithstanding any provisions of this Plan to the contrary, in the event of any conflict between the Plan and the LIHTC Requirements or the Federal Tax-Exempt Bond Financing Program ("Bond Requirements"), the LIHTC and/or Bond Requirements shall govern.

2. General Information

The purpose of Levy House's Resident Selection Policy is to prescribe standards and criteria for resident selection, in accordance with state, federal and local civil rights and fair housing legislation, regulations promulgated by the Department of Housing and Urban Development (HUD). These standards and criteria apply uniformly to all apartments at Levy House. The objectives of this Resident Selection Policy are:

- A. To implement policies and procedures embodying standards and criteria for resident selection that taken into account Levy House's goal of providing housing for low-income households and a variety of programs and services tailored to meet the needs and interests of low-income seniors;
- B. To provide a safe, sanitary and comfortable living environment for the resident body as a whole;
- C. To standardize the formulation, interpretation and application of policies and procedures with respect to eligibility and selection standards; and,
- D. To preclude admission of applicant households whose habits and practices reasonably may be expected to have a detrimental effect on other residents, the housing development or neighborhood environment.

The RAD PBV units and LIHTC units will be restricted to households with incomes no more than either 80% of current Area Median Income (AMI) and will be subject to the LIHTC and Bond Requirements.

# of Units	Resident Requirements
57	PBV (PRA & RAD) units are age restricted, 62 and older, meeting LIHTC Requirements with incomes no more than 80% of current area median income ("LIHTC Units")

Non-Discrimination

It is the policy of Levy House to comply with HUD regulations, Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, State of Illinois and City of Chicago, and any other applicable legislation protecting the individual rights of residents, applicant households or staff which is now or may hereinafter be enacted. To the extent that any provision of this Policy comes into conflict with any applicable law or regulation, the law or regulation shall control.

HUD programs are open to eligible persons regardless of sexual orientation, gender identity or marital status. Levy House will comply with this rule and state and local laws that provide the same or similar protections. Levy House shall not, based on race, age, color, sex, religion, national origin, disability, familial status, ancestry, perceived disability, unfavorable discharge from the military, source of income or sexual orientation:

- A. Deny to any household the opportunity to apply for housing, nor deny to any eligible applicant household the opportunity to lease housing suitable to their needs;
- B. Provide housing which is different than provided by others;
- C. Subject a person to segregation or disparate treatment;
- D. Restrict a person's access to any benefit enjoyed by others in connection with the housing program;
- E. Deny a person access to the same level of services; or
- F. Coerce, intimidate, threaten, or interfere with a person's exercise or enjoyment of any Fair Housing right.

Should an applicant household or resident think that discrimination has occurred related to their application or to residency at Levy House, this should be brought to the attention of management agent for investigation. The applicant household or resident is, also, able to file a discrimination complaint with the U.S. Department of Housing and Urban Development (HUD). Management will provide the applicant household or resident a copy of FHEO's pamphlet, Fair Housing – It's Your Right (HUD-1686-FHEO, March 2001), when requested.

504 Statement

Section 504 prohibits discrimination based upon disability in all programs or activities operated by Levy House, as well as in employment of site staff. Levy House will operate its programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities. All accessible units will meet the requirements of the Uniform Federal Accessibility Standards (UFAS). In addition, the building will:

- A. Make and pay for reasonable structural modifications to units and/or common areas that are needed by applicant households and residents with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
- B. Manage the building such that it is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- C. Provide auxiliary aids and services necessary for effective communication with persons with disabilities;
- D. Develop and up-date a Transition Plan to ensure that structural changes are properly implemented to meet program accessibility requirements; and
- E. Perform a self-evaluation of the building's programs and policies to ensure that they do not discriminate based on disability.

Reasonable Accommodation Policy Statement

Levy House will consider requests for reasonable accommodations from applicant households and residents with disabilities. A "reasonable accommodation" is defined as a change, exception, or adjustment to a program, service, building, dwelling unit, or workplace that will allow a qualified person with disability to participate fully in a program, take advantage of a service, live in a dwelling unit or perform a job.

Levy House will provide the requested accommodation unless doing so would result in a fundamental change in the nature of the program or an undue financial and administrative burden. Requests for reasonable accommodations can be made by the applicant household/resident, family member or other person acting on the disabled person's behalf. All requests should be made to the Manager, in writing. If assistance is required to make this request, the Manager will be able to offer this assistance. Third-party verification of the need for such a reasonable accommodation will be required.

Levy House reserves the right to meet the request for reasonable accommodation through other equivalent means. If the requested physical modification does present an undue financial burden for the building, Residents will be permitted to use their own resources to make these modifications. In these situations, if the requested unit modifications, negatively, impact future rental or operation of the unit, management will require that the Resident escrow sufficient funds so that the unit can be returned to its condition prior to the modification having been made. A payment plan for funding such restoration will be negotiated with the Resident, and the funds would be placed into an interest-bearing account, with the interest accruing to the benefit of the Resident. Any remaining balance in this escrow will be refunded to the Resident after the unit has been restored to its original standard.

Lease Requirements

The Manager will review the lease and its attachments with all incoming residents and a copy of the lease/attachments (for example: House Rules, Care Giver Policy, Violence Against Women Act (VAWA) packet, Enterprise Income Verification (EIV) Policy) will be given to all residents. These documents outline resident and management rights and responsibilities. Residents are required to fulfill all lease requirements, with or without assistance, and follow the House Rules. If the resident requires assistance in order to fulfill the lease requirements, i.e. community services or live-in care attendant, the resident is encouraged to seek such assistance. Resident income and subsidy status will be verified by EIV on at least an annual basis.

Limited English Proficiency (LEP)

Management will work with the applicant/resident to provide HUD-provided documents in their native language if possible. This is to ensure information is communicated in an effective manner. While some documents may be available in languages other than English, English-language documents that must be signed by applicants/residents will be in the tenant file, as required by HUD guidelines.

Affirmative Fair Housing Marketing Plan

Levy House will have an approved Affirmative Fair Housing Marketing Plan (AFHMP) that is up-dated every 5 years. All outreach marketing efforts will be done in accordance with this plan and will meet all fair housing requirements. Outreach marketing will be conducted during initial lease-up and, thereafter, when necessary to maintain a sufficient list of eligible applicant households.

Affirmative Marketing Requirements for PBV units:

Applicants for the PBV units that are subject to the RRC are referred to herein as the "RRC Applicants". The marketing of PBV units will begin by notifying the prospective RRC applicants included in the CHA Relocation Management Tracking System ("RMTS") database of the upcoming availability of units. If such notification does not yield a sufficient number of responses from RRC applicants, Management will consider more extensive outreach measures including use of Family Works Providers to assist with RRC applicant outreach. CHA will maintain the RMTS database and will be the primary source of prospective RRC applicants.

Upon exhaustion or in concurrence with the RRC applicant waitlist, the waiting list for PBV units will be derived by Management from the CHA general housing or site-based waitlist made available to Management. Prior to creation of an Owner site-based waitlist for PBV units, the Owner must obtain CHA's permission and submit referrals from the Owner's site-based waiting list to CHA for screening.

Amendments to the Resident Selection Plan

The Resident Selection Plan may be amended from time to time, with the owner's prior approval and after a 30-day written notification of the changes has been given to all current residents and mailed, via first class mail, to the last known address of persons on the waiting list at the time amendments are made. It is the applicant household's responsibility to inform Levy House management office, in writing, of any change in addresses or contact information. The CHA will also be notified of any changes to the Resident Selection Plan. The Resident Selection Plan is available for review, upon request, in the management office during posted working hours.

3. Preferences

Levy House does not have any preferences for new admissions outside of PBV preferences.

4. Admissions

To apply for housing at Levy House, applicant households must be income-qualified as per HUD regulations and meet occupancy standards. In addition, every applicant household must meet the resident selection criteria. The resident selection criteria are used to demonstrate the applicant household's suitability as a resident using verified information on past behavior to document the applicant household's ability, either alone or with assistance, to comply with the rules governing tenancy.

Admission is prohibited if any of the following conditions exist:

- A. An applicant household or household member was evicted from any housing for drug related criminal activity within 3 years.
- B. Any household member is currently engaging in illegal use of a drug.
- C. Any household member is subject to registration under a state sex offender registration program.
- D. If there is reasonable cause to believe that a household member's abuse of alcohol or previous verified behavior may interfere with the health, safety or right of the peaceful enjoyment by others.

Priority of Applicants for PBV units

Eligibility for the PBV Units will be granted based on the Chicago Housing Authority's Administrative Plan for the Housing Choice Voucher Program. Preference for the admission to the PBV units will be given to eligible RRC Applicants in accordance with the levels of preference established by the RRC, subparagraph (4)(d). The CHA will provide Management with a list (or access to a database) of all Families subject to the RRC that are Authority-Lease compliant with a stated preference for this Development / location (the "RRC List"). The RRC List will also reflect an order of priority for admission consideration established by the CHA, in compliance with the Housing Offer Process ("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 applicants, including RRC Applicants. At all times, the order of admission to the RAD PBV units shall be governed by the requirement that all of the RAD PBV units shall be occupied by residents in accordance with the income requirements set forth in this Tenant Selection Plan.

Enterprise Income Verification (EIV)

Applicants will be screened through the Enterprise Income Verification systems (EIV) for rental history. Nothing prohibits a recipient of HUD Housing Assistance from applying to this property. However, the applicant must move out of the current property and/or forfeit any voucher before HUD assistance as this property can begin. The Existing Tenant Search in EIV will be run on all applicants prior to approval for a unit.

Failure to fully disclose rental history will be considered misrepresentation of information and may be cause for denial of the application.

Violence Against Women Act (VAWA)

The Violence Against Women Act (**VAWA**), effective on December 29, 2008, and reauthorized in 2013, applies to families applying to or receiving assistance from properties with Section 8 programs. Admission to the housing program will not be denied on the basis that the applicant family is or has been a victim of domestic violence, sexual assault, dating violence, or stalking, if the applicant otherwise qualifies for assistance or admission.

The incident must have been reported, documented and confirmed. Information on VAWA will be given to all applicants prior to move-in. Confidentiality of information regarding the victim will be maintained unless the victim gives consent in writing, for use in an eviction proceeding, or as otherwise applicable by law. VAWA documentation will not be kept in the tenant file, but in a secure location elsewhere for the victim's protection.

VAWA protects anyone who:

1. is a victim of actual or threatened domestic violence, sexual assault, dating violence or stalking, or the spouse, parent, brother, sister or child of that victim, or an individual, tenant or legal and lawful occupant living in the victim's household, and
2. is living in or seeking admission to the property covered by VAWA.

Protections for VAWA-covered violence covers women or men, as well as people in same-sex relationships, whether or not they are blood-relations, living together, and/or are married.

- Domestic violence is felony or misdemeanor violence committed by the victim's current or former spouse; someone in the role of a spouse according to local law; the victim's live-in or former live-in intimate partner; someone the victim shares a child with; or, anyone an adult or youth victim would be protected from under local domestic or family violence laws.
- Dating violence is defined as violence committed by someone who is or has been in a romantic or intimate relationship with the victim.
- Sexual assault is any non-consenting sexual act as determined by federal or state laws, including when the victim lacks the ability to consent to the act.
- Stalking is to follow, pursue, place under surveillance or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person. It is defined as placing a person in reasonable fear of death, serious bodily injury, or substantial emotional harm. This definition covers the victim, the victim's immediate family or the victim's intimate partner.

The rule also permits a bifurcated lease, which allows management to remove a household member from a lease without regard to whether the household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is a tenant or lawful occupant.

The VAWA Lease Addendum (HUD-91067) will be signed by all household members.

5. Procedures for the Application Process

- A. An Applicant Household Log will be maintained as a permanent record of all those who have requested applications and up-dated as their status changes.
- B. All applications requested by phone, mail or through the web site will be sent in a timely manner. Only eligible and "completed" applications will be accepted by the management office, date and time stamped and placed on the waiting list. Applications will be deemed "complete" when all information requested in the application packet has been submitted, including all information necessary to establish whether an applicant household is eligible for residency.
- C. An application which is deemed "incomplete" will be returned to the applicant household indicating the specific area(s) requiring completion. A copy of the application and cover letter will be placed in a "pending" file prior to returning the application. This will serve as documentation of status until a completed application is returned. No application will be date and time stamped until is deemed "complete".
- D. Upon up-dating the Application Log with each "completed" application, the Leasing Agent will screen each application for preliminary eligibility based on Levy House income and family size criteria. Applicant households deemed ineligible based on pre-screening criteria will not be placed on the site based waiting list, but will be notified of their ineligibility and informed that they have fourteen (14) days from the date on the letter to appeal that decision, in writing. Applicant households deemed to be, preliminarily, eligible, based on the information reviewed, will be placed on the site-based waiting list and be notified, in writing of their position and the requirements of annual waiting list up-dates of the waiting list and the manner in which the waiting list operates.
- E. Applicant households will be selected for an apartment in chronological order based on their "date of application", taking into account all HUD eligibility criteria, preferences effective at the time of selection and approved project screening criteria.
- F. As an applicant household reaches the top of the site-based waiting list, it will be screened to determine eligibility and whether the applicant household is willing and able to satisfy Levy House requirements for residency (lease). The applicant household will be interviewed by Management to obtain current information about the family's circumstances, including up-dated income and assets, family composition and residency. In addition, the HUD form 9887/87A, citizenship forms and verification releases will be signed by any adult member, 18 and over, of the applicant household at that time. The HUD Fact Sheet, VAWA, EIV policy, and House Rules will be distributed to the applicant household for review.
- G. Management will initiate criminal, credit, sexual predator and eviction screening, as well as send the landlord(s) providing housing to the applicant household for the past 5 years a reference form for completion.
- H. When all the income, eligibility and screening information has been received, Management will make the final decision as to whether or not to offer the next apartment that becomes vacant to this applicant household. (Note eligibility information older than 120 days will be updated).

- I. When a unit or apartment becomes available, in the event the Chicago Housing Authority (CHA) is unable to provide qualified applicants. Owner must obtain CHA's permission in order to submit referrals from an Owner's site-based waiting list to CHA for screening

6. Proof of Legal Residency

Levy House requires that all Residents be either U.S. Citizens or eligible non-citizens, as defined by HUD. All applicants will be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of application interview. All family members, regardless of age, will be required to declare their citizenship or immigration status at the time of application interview. Citizens aged 62 and older will be required to sign a declaration of citizenship status and provide proof of age. Eligible Noncitizens aged 62 or older will be required to sign a declaration of eligible immigration status and provide proof of age and eligible alien status.

7. Student Status

A student who meets the following criteria is not eligible:

- a) Is enrolled as a student at an institution of higher education; and
- b) Is not a veteran of the United States military; and
- c) Is unmarried; and
- d) Does not have a dependent child; and

NOTE: Students with disabilities (as defined in Section 3(b)(3)(E) of the United States Housing Act of 1937) are exempt from this provision as long as the student with the disability was receiving the Section 8 assistance as of November 30, 2005.

8. Proof of Social Security Number (SSN)

Each member of the Assistance Applicant's household and tenants, excluding tenants age 62 and older as of January 31, 2010, whose documented initial determination of eligibility was begun prior to January 31, 2010, and those individuals who do not contend eligible immigration status, are required to disclose and provide verification of the complete and accurate SSN assigned to them prior to move-in.

If social security documentation for each member of the household including newborns, cannot be produced prior to move-in, the family may keep their position on the Waiting List during the 90-day period from the date they are first offered an available unit to disclose and/or verify the SSNs. The application will continue to be processed. If the applicant is unable to supply the required SSN documentation within the 90-day period, the household will be determined to be ineligible and removed from the Waiting List. Adequate documentation means a social security card issued by the Social Security Administration (SSA) or other acceptable evidence of the SSN.

Individuals who have applied for legalization under the Immigration and Reform Control Act of 1986 will be able to disclose the social security numbers, but unable to supply the cards for documentation. Social security numbers are assigned to these persons when they apply for amnesty. The cards go to the Department of Homeland Security (DHS) until the persons are granted temporary lawful Resident status. Until that time, their acceptable documentation is a letter from the DHS indicating social security numbers have been assigned.

9. Interviews

Purpose of an Interview

The interview assists in determining if an applicant household(s) is eligible to become a resident(s) at Levy House. Management becomes more familiar with the applicant household(s) and gathers preliminary material to determine eligibility for rental assistance. The interview provides an opportunity for the applicant household(s) to inquire about the facility and the occupancy requirements. The applicant household(s) will be assured of the confidentiality of the interview and the need for acquiring information regarding income, age, and legal status in order to determine eligibility based on federal regulations. Interviewing is also a method of screening applicant household(s) to assure that they meet the owner's as well as HUD's requirements of residency.

The interview also provides an opportunity to learn of the interests and needs of the applicant household(s). In no way does this information determine eligibility, but it will allow management to provide information regarding services and activities provided in the facility and community in general.

For site based waiting list, to speed the rent-up process, interviews can be conducted on applicant household(s) near the top of the waiting list. With initial paperwork completed, when move-out notice is given by a current resident, the information provided by the applicant household(s) will only have to be up-dated (if greater than 120 days old). This will provide a level of efficiency in re-renting of a unit in a timely manner.

When Should an Interview Be Conducted?

If a unit is presently available or will become available within the next 90 days, the applicant household(s) at the top of the waiting list will be contacted. If the applicant household(s) displays an interest in residency, an interview of the prospective resident(s) will be scheduled. If the applicant household(s) is not interested at this time, his/her name will remain at the top of the waiting list and will be contacted when the next unit becomes available.

To speed the rent-up process, interviews can be conducted on applicant household(s) near the top of the waiting list. With initial paperwork completed, when move-out notice is given by a current resident, the information provided by the applicant household(s) will only have to be up-dated (if greater than 120 days old). This will provide a level of efficiency in re-renting of a unit in a timely manner.

For the RAD PBV units, when a vacancy occurs, Management will notify CHA who will refer applicants who are on CHA's applicable Waiting List(s) to the Owner to refill the RAD PBV units. Management will maintain its site-based Waiting List(s) for applicants applying to the Development for the RAD PBV units to be utilized in the event the Chicago Housing Authority (CHA) is unable to provide qualified applicants. Owner must obtain CHA's permission in order to submit referrals from an Owner's site-based waiting list to CHA for screening.

The Interview Process

All interviewing is done in compliance with the HUD regulations and the owner's occupancy standards. The interview process standards apply to both RRC and non-RRC applicants.

The applicant household(s) will be informed of the facility, its location, availability, size of the unit, and other amenities and services of the building as well as the community. The interview will disclose the federal regulations relating to the rent subsidy program in place at Levy House. In addition, the applicant household(s) will be informed that there are penalties for providing false information which may result in eviction, loss of rental assistance, fines up to \$10,000 and possible imprisonment of up to five years.

The following is a list of material needed during the interview (NOTE: Materials the applicant household should bring to the interview).

- A. Application (Currently at site)
- B. Verification of personal identification and SSN
- C. Verification of Citizenship/Legal Alien Status
- D. Family Composition
- E. Names/Addresses of Landlords over the past 5 years
- F. Social Security/Alien Status #
- G. Authorization Forms (available at the site)
 - 1) Income (Social Security, SSI, Pension, Veterans Administration Benefits, Employment Income, Public Assistance, Disability)
 - 2) Assets (Stocks, Bonds, Checking Accounts, Savings Accounts, Real Estate Appraisals, Certificates of Deposits) and disposal of assets within the last two years
 - 3) Residency Status
 - 4) Medical Expenses (Including Insurance Premiums, Out-of-Pocket related expenses, Medicare Premiums) – (This is in the case of seniors or persons who are considered disabled and eligible for such deductions)
 - 5) Credit/Criminal/Sex Offender Registration Checks
 - 6) Certification of Handicap/Disabled Status (The nature of the disability and/or the diagnosis is not requested.)
 - 7) Student status at an institution of higher education.
- H. Verification of current rental housing history as non-subsidized/subsidized in accordance with HUD double subsidy guidelines (Enterprise Income Verification System) for all members of the household.

The applicant household(s) must be informed that this information must be verified by third party sources. It will be used to determine eligibility as well as rent. Information will be verified for each applicant household member who will reside at the property.

10. Screening/Rejection Criteria

Applicant household screening will be conducted to assist in making the determination that an applicant household is eligible to apply for residency and the household will be a suitable resident. The screening standards apply to both RRC and non-RRC applicants. These screening procedures will be administered

uniformly for all applicant households and applicant households will be required to sign release forms for this purpose. It should be noted that live-in aides or live-in caregivers (either at the time of initial application or subsequent to move-in by the applicant household) will be subject to similar screening. Screening procedures address the following areas:

- A. An applicant household's past performance in meeting financial obligations, especially rent;
- B. A record of disturbance of neighbors or destruction of property at prior residences that may adversely affect the health, safety or welfare of other residents or Levy House employees;
- C. Involvement in criminal activity by any member of the applicant household or live-in aide involving crimes of physical violence to persons or property and other criminal acts, including drug-related criminal activity and sex offender criminal activity that would adversely affect the health, safety or welfare of other residents;
- D. A record of disregard for rules of occupancy or eviction from a prior residence;
- E. Each member of applicant household's ability and/or willingness to comply with terms of Levy House lease, either alone or with assistance;
- F. Information indicating that an applicant household has misrepresented any information related to eligibility, allowances, composition, criminal record or rent;
- G. Whether an applicant household live-in aide is, currently, an illegal user of a controlled substance;
- H. An applicant household's housekeeping habits;
- I. Whether an applicant household family qualifies for an accessible apartment.

In the event that there is unfavorable information with respect to an applicant household, consideration shall be given to mitigating or extenuating circumstances, which might indicate a reasonable probability of favorable future conduct or financial prospects. Mitigating circumstances might include:

- A. Evidence of successful rehabilitation, i.e. completion of an approved, supervised drug rehabilitation program for previous drug users.
- B. Evidence of the applicant household family's participation in or willingness to participate in social service or other appropriate counseling service.
- C. Evidence of successful modification of previous disqualifying behavior.
- D. Evidence from a victim of documented domestic violence in accordance with VAWA guidelines.

Screening

The following applicant household screening procedures shall be conducted to determine whether each applicant household qualifies for residency:

- A. Personal interviews held on-site will be conducted with all applicant household family members being considered for admission in accordance with HUD Handbook 4350.3 or its successor.
- B. Verification and documentation of previous three (3) years of housing for each applicant household. (Note: This includes those applicant households who were homeowners or lived with family.)
- C. Landlord reference checks and rental history checks.
- D. Sexual predator checks for all household members to the extent as allowed by state and local laws.

- E. Credit, criminal and eviction checks conducted by a contracted screening company.
- F. Student status at an institution of higher education.

An applicant household shall bear the burden of establishing its qualifications for residency and for providing all information necessary to resolve any doubts regarding their qualifications to the satisfaction of Levy House. In the event an applicant household fails to provide such information (including any consents necessary for Levy House to obtain necessary information from third parties), final processing of the application shall be deferred. This may result in the applicant household being "skipped over" for a vacant unit.

Rejections

An applicant household will be rejected if it fails to meet any HUD's eligibility requirements with regard to income limits, age, family definition, citizenship status and family composition. An applicant household will be rejected if it does not meet Levy House's approved screening criteria.

An applicant household may be rejected for any of the following reasons:

- 1) Poor housekeeping that result in safety, health or hygiene hazards.
- 2) Poor credit history. (Note: Applicant households will not be penalized for not having a credit history. Management will look at the last 5 years of credit, with an emphasis on timely payment of rent, utilities and credit cards. Late payments of school loans or medical bills will not be considered serious credit concerns. Bankruptcy will not, necessarily, result in a rejection. For example, as in the case of a bankruptcy for excessive medical bills or natural disaster or displacement issues.)
- 3) History of rent arrears or poor rental background. (Note: The lack of a rental history will not be a cause for rejection.)
- 4) Refusal to occupy apartment in accordance with Levy House apartment size and occupancy standards.
- 5) Refusal to fully complete or cooperate with application process in a timely fashion.
- 6) Misrepresentation of facts on the application or during the admission process.
- 7) Admission to this project will not be the applicant household's only place of residence.
- 8) History of damage or previous residence of property of others.*
- 9) History of disturbing the quiet enjoyment of others. *
- 10) History of violations of house rules or disruptive behavior at prior residences.*
- 11) Inability/unwillingness to disclose and document social security numbers.
- 12) Failure to sign and submit verification consents.

- 13) Has household characteristics that are not appropriate for the specific type of unit available at the time, or is of a household size not appropriate for the unit sizes that are available.
- 14) Includes household members who did not/will not declare citizenship or non-citizenship status, or sign a statement electing not to contend non-citizen status.
- 15) An applicant household which consists of members who have refused to declare citizenship is eligible for housing, but that assistance will be pro-rated. An applicant household may revise their application to exclude proposed family members who do not declare citizenship or eligible non-citizen status.
- 16) Previous history of violence and no current rehabilitative services.
- 17) History of controlled substance or alcohol abuse within the last five (5) years and no current rehabilitative services.
- 18) Current use of illegal drugs or the sale, distribution and manufacture of such drugs.
- 19) Any household member is, or has been, subject to registration under any state sex offender registration program.
- 20) Any applicant household member who was evicted from any housing for drug related or other criminal activity within 5 years from the date of the application.
- 21) Ineligible due to student status in accordance with HUD guidelines.
- 22) Any household member has a record of any conviction or adjudication, other than acquittal of the following, which includes, but is not limited to: murder, arson, kidnapping, felony assault, burglary, treason, crimes involving harm to adults, children or animals, crimes involving explosives, terrorism, and fraud.
- 23) Any household member has a record of any conviction or adjudication, other than acquittal, for any other felonies, not listed above within the last 3 years of conviction or completion of parole or home-monitoring, whichever is later.
- 24) Any household member has a record of any conviction or adjudication, other than acquittal, for any misdemeanors within the last 3 years of conviction or completion of parole or home-monitoring, whichever is later.
- 25) If Management is unable to complete the required criminal or sex offender screening, the application will be rejected.

If criminal screening indicates an unresolved criminal charge or unresolved charge of commission of an act against VAWA, the application will be suspended until the charge is resolved. At that time, current screening criteria will be applied.

* Consideration will be given to those applicants with documented evidence of domestic violence in accordance with HUD guidelines.

Levy House will notify applicant households, in writing, of the reason for rejection and advised of its right, within fourteen (14) days of the date of the notice, to respond, in writing, or request a meeting to dispute the rejection. Any meeting with the applicant household or review of the applicant household's written response will be conducted by a representative of management who was not involved in the initial determination. Such notice,

also, will inform the applicant household of its right to notify management if it is disabled and to request reasonable accommodations in non-essential policies or practices to enable to applicant household equal opportunity.

If the applicant household responds, in writing, or a meeting is held, management will advise the applicant household, in writing, within 5 working days whether or not management's position has changed. Northtown Apartments will keep the following materials on file for at least 3 years: application, initial rejection notice; management's final response; and all interview and verified information on which management based the rejection. Management will provide CHA with copies of the informal hearing records involving the applicant in connection with the filing of the grievance by the RRC applicant.

RRC Applicants who wish to contest the management's final response, may request a formal hearing before an independent hearing officer. Management will provide CHA with copies of the informal hearing records involving the applicant in connection with the filing of the grievance by the RRC applicant.

Application Acceptance

Management will notify applicants upon successful completion of the application process at which time arrangements will be made for move-in, including a specific time schedule, for lease signing, payment of security deposit and first month's rent, and attendance at a tenant orientation.

Residents of RAD PBV units will pay a security deposit in accordance with CHA's security deposit requirements, which currently requires payment of a deposit that shall be no more than one month of Tenant's share of rent.

An applicant who Management has approved for an apartment must sign the lease, pay the rent and up to one month's security deposit, and take possession of the apartment on the scheduled move-in date. Applicant will be notified of approval and will be expected to take possession of the unit within fourteen (14) days of notification of approval. If an applicant wishes to move in at a later date, but within a thirty (30) day period of the date that the rental application was approved, Management may offer an alternate apartment and move-in date based on availability. Before move-in, all family members must complete a pre-occupancy tenant orientation at the location designated by Management.

All applicants accepted for occupancy shall concurrently with lease execution execute all applicable addenda and riders to the lease

11. Waiting List Procedures

Purpose of a Waiting List

The waiting list organizes eligible applications. The maintenance and updating of this list(s) is one of the major steps in limiting the time a unit is vacant during turnover of occupancy.

Utilizing/Creating/Maintaining a Waiting List

From initial screening of applications, only those that appear to be eligible should be placed on the waiting list. Those applications that appear to be ineligible should be sent written notices of rejection, reasons behind the rejection and informed of the right to appeal this rejection. The letter must state that the appeal process must be filed within 14 days from the date of the rejection letter. If an application is incomplete, it will be returned to the applicant household with a letter stating the information needed and the date it must be returned in order to be further processed. This application will not be entered onto the waiting list until it is received with all necessary information and appears to be eligible for occupancy.

Waiting lists are subject to the Fair Housing laws. Waiting lists may be closed if a unit is not subject to availability in a timely manner (i.e., 3 years). An applicant household's position on a waiting list is based either on the chronological order in which the application was received or if waiting list is determined using the lottery method, the position is based on the sequence in which the application is drawn. Each eligible application should be date and time stamped either when it was received through the U.S. Postal Service or delivered to the management office. Only original applications will be accepted.

Information which should be included on the waiting list:

- A. Date/time the application is received.
- B. Name of applicant household.
- C. Number of household members.
- D. Income as per the application or the most recent up-date (extremely low/low income).
- E. Need for accessible unit.
- F. Desired unit size
- G. Any preference if applicable.
- H. Final status/action.
- I. Move-In Date
- J. Removed/Rejected Date

In accordance with HUD regulations, information relating to race/ethnicity will be requested during the application process. Completion by the applicant household is optional. Data collected should be maintained in separate files and is not a part of the Waiting List. This demographic information is not relevant to resident selection and if improperly used could result in discrimination against some applicant households.

Applicant households must be informed that its placement on a waiting list in no way guarantees that the household is eligible or acceptable for residency. If more than one waiting list exists, an application if qualified may be placed on multiple waiting lists. Order of placement may vary from list to list but will always be based on the date of receipt of the application.

For PBV units, Management will process applicants from the following waiting lists and in order of the hierarchy listed below:

1. RRC/HOP;
2. CHA Site-Based, and
3. CHA General

The Waiting List for PBV units shall be initially derived from the RRC list developed by the CHA to be made available to Management. Subsequent priorities in admission to occupancy will be consistent with the Gautreaux Orders, to the extent applicable. Gautreaux Orders are all applicable orders of the United States District Court for Northern Illinois in Gautreaux vs. CHA et al., Nos. 66 C 1459 and 66 C 1460¹.

Updating a Site Based Waiting List

Waiting lists will be updated at least annually. This will assure that the waiting list is current and accurate. It will confirm the applicant household's interest and eligibility, if the applicant household has located other means of housing, and if the applicant household is no longer eligible for subsidized housing. Updating the waiting list will also provide management with the current status of applicant households. It will allow management to know if there is a change in household status. Letters/cards must be mailed to the applicant household via the U.S. Postal Service. The letter/card should request the following information.

- A. Change in Household Status (size, income)
- B. Change in Residency/Address
- C. Desire to Remain on the Waiting List

If the applicant household does not respond within the specified 30 day period, is determined to be ineligible or if the applicant household no longer desires to reside in the subject property, its name will be removed from the waiting list. A letter will be sent to the applicant household confirming this final action. The applicant household will have the right to appeal this action within a specified period of time.

If the letter/card is received via U.S. Postal Service and the applicant household requests to remain on the waiting list, the applicant household will receive a letter from the owner confirming its status. The letter will state that it is the applicant household's responsibility to inform the owner of any changes in address, telephone number and household status.

Applicant households who fail to respond to the Annual Update within the noted time period, will be removed from the waiting list due to failure to respond to the update card. If after removal from the Waiting List, at a later date, the applicant notifies the property of continued interest in residency, the applicant must reapply and complete a new application. These applicant households will assume a new position on the waiting list based on the date/time the most recent application is received. All waiting list changes, including removal of names, will be documented, time/dated and initialed.

Reasons an application may be removed from the waiting list include the following.

- A. Applicant household no longer eligible or interested.
- B. Applicant household fails to respond to a written notice.
- C. Applicant household is offered and rejects two units at the same property.
- D. Mail is sent to applicant household's address and is returned as undeliverable.
- E. No appropriate size unit exists in the property.

If an application is removed from the waiting list and it appears that this was an error on the part of management, the application will be reinstated at the original place it occupied on the waiting list.

RRC and CHA's General or Site-Based Waiting List(s): Waiting lists will be administered by CHA.

Contacting Applicant Households on a Waiting List

For the RAD PBV units, when a vacancy occurs, Management will notify CHA who will refer applicants who are on CHA's applicable Waiting List(s) to the Owner to refill the RAD PBV units. Management will maintain its site-based Waiting List(s) for applicants applying to the Development for the RAD PBV units to be utilized in the event the Chicago Housing Authority (CHA) is unable to provide qualified applicants. Owner must obtain CHA's permission in order to submit referrals from an Owner's site-based waiting list to CHA for screening. Management will notify the next applicant household on the site based waiting list in the following manner:

- 1) Management will telephone the applicant household first. If, after three (3) times, the applicant household cannot be reached, a letter will be sent to the last known address of the applicant household.
- 2) After 7 days from the date the letter was sent, if no contact has been made by the applicant household, Management will offer the apartment to the next person on the waiting list. For RAD PBV units, Management will recommend to the Chicago Housing Authority the applicant be removed from the Waiting List.
- 3) Applicant households who have not responded to the certified letter offering an apartment will be considered to have "Refused" the apartment and will be treated as per the Refusal Policy.
- 4) Applicant households whose names have been removed from the waiting list are required to re-apply if interested in being placed, again, on the waiting list. They will not resume their original position on that list.
- 5) Applicant households are permitted to refuse the offer of an apartment once and still retain their position on the waiting list. Written notice will be sent after that refusal stating this policy. If an applicant household refuses a second time and wishes to remain on the waiting list, their name will be placed at the bottom of the specific waiting list. The "date of application" will be replaced by the date of the second refusal, thereby changing the applicant household's permanent position on the waiting list.
- 6) If the applicant household is rejected, a notice to that effect stating the reason for rejection, will be sent to the applicant household indicating that it has fourteen (14) days after the notice date, to request a meeting with the Agent (someone other than the person who issued the rejection) to appeal the decision. Management will proceed to the next person on the waiting list to offer the vacant apartment. If the applicant household that has been rejected, appeals the decision and the decision is overturned, the applicant household will resume its original position on the waiting and be offered the next available apartment for which it is eligible. For RAD PBV units, Management will recommend to the Chicago Housing Authority the applicant be removed from the Waiting List.

Closing/Re-opening a Site Based Waiting List

Waiting lists for a specific unit size will be closed when the average wait for a unit is more than 3 years. The closing and opening of the waiting list must be formally announced to the public in accordance with the project's Affirmative Fair Housing Marketing Plan.

If a facility does not appear to have an adequate number of applications on-file to fill up the building over the next 12 months, the waiting list must be reopened. The procedures stated in the Affirmative Fair Housing Marketing Plan will be followed when reopening the list.

Record of Changes on a Site Based Waiting List

The waiting list will provide a record that can be easily audited. Documentation of an action taken regarding an application will be maintained in the applicant household's file. This will include any changes (additions/deletions), approvals, withdrawals and rejections. The waiting list must provide information allowing activities relating to the status of an application to be easily traced. Such data may also be needed for documentation for related legal actions.

Record Keeping of the Site Based Waiting List

- A. Management must retain current applications as long as they are in active status on the waiting list.
- B. Once an application is removed from the waiting list, management must retain the application, initial rejection notice, applicant household's reply, owner's correspondence and all related documentation for no less than three years from the date of removal.
- C. When an applicant household moves into the facility and begins to receive rental assistance, the original application becomes a part of the resident household's permanent file. This must remain in place during resident household's tenancy and for no less than five (5) years after move-out.
- D. The waiting list and all related material must be kept in a secure location and access must be available only for authorized personnel. This will protect the confidentiality of this material.

12. Occupancy Size Standards

Levy House will follow occupancy standards that take into account the size and number of bedrooms needed based on the number of people in the household as well as any possible live-in aides. The occupancy standards comply with the following:

- A. Federal, State, and local fair housing and civil rights laws.
- B. Resident-landlord laws.
- C. Zoning restrictions.
- D. HUD's Equal Opportunity and nondiscrimination requirements under HUD's administrative procedures.

Occupancy Standards

Studios 1-2 persons, 1 bedrooms 1-2 persons* *Does not include Live-in Aide

Live-in Aides

Residents or perspective residents requiring the assistance of a live-in aide will be required to have verification from their physician to confirm the need.

Levy House will screen the live-in aide prior to allowing him/her to move into the unit. Live-in aides will be screened for drug abuse and other criminal activity. In addition, Levy House will apply any other owner-established applicant household screening criteria to new household members in order to establish suitability for tenancy, including landlord reference checks.

Live-in aides are bound by house rules. The live-in aide is not considered part of the resident household or a participant of the lease and will not be permitted to remain in the unit after the resident for whom the aide is providing care either permanently vacates or leaves the building for more than 15 days.

13. Transfer Policies

Levy House permits unit transfers to accommodate a person with a disability (reasonable accommodations). The project maintains a Transfer Waiting List and all requests for transfers must be made in writing to the Manager. Requests for transfers will be made on a “first come – first serve” basis when approved for placement on the Transfer Waiting List (medical or reasonable accommodation). Current residents on the In-house transfer list requesting transfers are given preference for a unit over an applicant from the Waiting List. The transfers will be accomplished at a ratio of 2 qualified current residents will be housed prior to 1 Waiting List applicant household, if there are a sufficient number of current residents on the In-house transfer list. The following is the condition for which transfers will be considered at Levy House.

- A. Transfer request for medical reasons and reasonable accommodations will require 3rd party verification of need from the appropriate medical professional before the transfer can be approved and placed on the Transfer Waiting List.

Levy House will cover the routine turnover cost for apartment preparation (i.e. painting, carpet cleaning/replacement), unless there are resident damages that occurred beyond “normal wear and tear”. If that is the case, the resident is required to cover repair of those damages.

Transfers involving RAD PBV units will process in accordance with CHA’s Administrative Plan for the Housing Choice Voucher Program.

14. Records Management

Levy House will ensure that:

- any criminal record received from a tenant screening or law enforcement agency is maintained confidentially and not misused or improperly disseminated.
- any EIV verification information is maintained confidentially and not misused or improperly disseminated. Records will be destroyed in accordance with HUD guidelines.
- any documentation related to VAWA or any domestic violence situation is maintained confidentially and not misused or improperly disseminated.

15. Pets

Pets will be allowed in accordance with the policy of the building.

16. Business Relationship

The relationship between a landlord and an applicant/resident is a business relationship. A courteous and businesslike attitude is required by both parties. We reserve the right to refuse rental to anyone who is abusive, swears, is disrespectful, makes threats, makes discriminatory comments, appears to have been drinking or taking drugs, is argumentative or in general displays an attitude at the time of the unit showing and or during the interview process that causes management to believe we would not have a positive business relationship.

17. Smoke Free Policy

The developments units have a Smoke Free Housing Policy. Smoking is prohibited in any area of the property, private, public and common, whether enclosed or outdoors. This policy applies to all owners, property staff, applicants, residents, guests, and service providers.

"Smoking" shall include the inhaling, exhaling, or carrying of any lighted cigarette, e-cigarette, cigar, pipe, other tobacco product, marijuana including medical marijuana, herbal smoking products "Legal Weed" or products known as "bath salts" or other legal or illegal substance.

A. Regulations of Smoking Indoors

1. Smoking shall be prohibited in all indoor areas of **LEVY HOUSE**. This includes, but is not limited to, the community building, all common areas, individual apartments, hallways, stairs, elevators, restrooms, motor vehicles owned or leased by **LEVY HOUSE**, and any other enclosed areas.

B. Regulation of Smoking Outdoors

1. Notwithstanding the above prohibition on smoking in enclosed areas, the owner/agent shall also prohibit smoking in all outdoor areas, including, but not limited to parking lots, outside doorways, individual apartment decks, balconies and patios.
2. Designated smoking areas will be allowed 15 feet from the entrances of the building.
3. Residents, guests and service providers are required to dispose of cigarette butts, matches and garbage in the appropriate dispensers maintained in the designated smoking area.

- C. Residents, guests and service providers are allowed to use the outdoor designated smoking area at any time, but must not infringe on any resident's right to the quiet enjoyment of their apartment. **Communication of Smoke Free Housing Policy**

1. The Smoke Free Housing policy will be communicated to new staff at the time of employment and to new residents at application or prior to admission and/or prior to the signing of a lease.
2. Vendors will be notified at the beginning of any engagement.
3. It is the responsibility of the resident to notify any guest, service provider hired by the resident or a resident's representative, of the Smoke Free Housing Policy.

D. Enforcement of The Smoke Free Housing Policy

1. All residents understand that enforcement of the Smoke Free Housing Policy and all other policies is the responsibility of the owner/agent and the property staff. Residents will not "self-police" the property. Under no circumstances will a resident approach another resident, a resident's guest or a service provider to inquire about smoking or attempt to stop smoking on the property.
2. If a resident witnesses or suspects that a non-exempt resident is smoking, the proper action is to advise the property staff during normal business hours.
3. If a resident witnesses or suspects that another resident's guest, service provider or representative is smoking, the proper action is to advise the property staff during normal business hours.
4. Approaching a resident to enforce the lease or house rules is considered "tenant on tenant" harassment and is strictly prohibited. This action is grounds for termination of tenancy (eviction).
5. The owner/agent and/or property staff is not required to take steps in response to unauthorized smoking unless the owner/agent and/or property staff knows of said smoking or has been given written notice of said smoking. The owner/agent and/or property staff will accept such notice in an equally effective format, as a reasonable accommodation, if there is the presence of a disability.

E. Landlord Not a Guarantor of Smoke-Free Environment

1. Each resident acknowledges that the owner/agent adoption of a smoke-free living environment, and the efforts to designate the rental complex as smoke-free, do not make the Landlord or any of its managing agents the guarantor of the resident's health or of the smoke-free condition of the resident's unit and the common areas.
2. The owner/agent and/or property staff shall take reasonable steps to enforce the smoke-free terms of its leases/house rules and to make the complex smoke-free.

Failure to comply with the Smoke-Free Housing Policy will be considered a material lease violation.

Nothing in the rules above shall be construed to restrict the power of any county, parish, city, municipality, town, or village to adopt and enforce additional local laws, ordinances, or regulations that comply with at least the minimum applicable standards to establish smoke-free public places.

If the owner/agent receives a complaint, the head-of-household will be notified that there has been a complaint about smoking. The resident will be reminded that there is a smoke-free policy. If there is a second complaint, the head-of-household will be notified and will receive notice of a formal complaint. If there is a third complaint, the household will be issued a notice of lease violation and all adult household members must meet with the property staff. All adult household members must agree to ensure that all household members, guests of the residents and service providers hired by the residents will comply with the policy. If household members do not agree to comply, the owner/agent will begin the process to terminate tenancy (evict). If the household members agree to comply, yet there is another complaint, the owner/agent will begin the process to terminate tenancy (evict).

A. Use of Marijuana – Federally Funded Property

Regardless of the purpose of legalization under state law, the use of marijuana in any form, is illegal under the Controlled Substances Act (CSA) and therefore is an illegal controlled substance under Section 577 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Based on federal law, new admissions of marijuana users are prohibited.

QHWRA requires that owner/agents establish lease standards that prohibit admission based on the illegal use of controlled substances including state legalized marijuana. State laws that legalize medical marijuana directly conflict with QHWRA and thus are subject to federal preemption.

Residents are prohibited from using marijuana (even in a smokeless manner). HUD does not allow the granting of a reasonable accommodation for this issue. The use of marijuana will also result in the resident not being eligible for Rent Assistance.

If HUD rules change, the property House Rules may be edited to conform to the policies set forth by HUD.

B. Use of Smoke-Free Tobacco Products

The use of any chewing tobacco or “dip” (oral tobacco products) will be prohibited from all public and common areas including, but not limited to, the management office, community room, any areas where meals are prepared or served, laundry room, walkways and recreational areas. The policy applies to all property staff, residents, residents’ guests, residents’ service providers, contractors and visitors.