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.

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:

<table>
<thead>
<tr>
<th>ACC Units</th>
<th>LIHTC Only units</th>
<th>Affordable Home Ownership</th>
<th>Market Rental Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>18</td>
<td>0</td>
<td>10</td>
<td>42</td>
</tr>
</tbody>
</table>
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.
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.

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:

<table>
<thead>
<tr>
<th>No. of Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Bedrooms</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
</tbody>
</table>

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 under tests set forth by CHA and HUD, 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 LIHTC Units at the Development must meet the income and eligibility tests set forth by Section 42 of the IRS Code and the Regulations thereunder, as applicable as well as those 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, 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 resident or 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 determine 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.

With respect to applicants for LIHTC units, the completed application package will be maintained by the Management Agent who will determine income eligibility, bedroom size, obtain criminal history reports, perform a credit check, conduct interviews and conduct 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 determine income eligibility, obtain criminal history reports, perform a credit check, conduct interviews and conduct 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. Processing of applications and deadlines for applicant responses are set forth in Attachment A.
J. Working Toward Compliance for RRC Applicants to the ACC-Assisted Units

RRC Applicants who have entered into a Relocation Rights Contract with the CHA and 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 working toward compliance to the satisfaction of the Management Agent. Each criteria containing “working toward” exceptions indicate the specific actions or activities required to be demonstrated to satisfy the granting of conditional admission. Any such tenant that is conditionally permitted to remain in occupancy shall be required to sign a certification that they are engaged in activities and are working towards obtaining 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.

If an RRC Applicant household meets the Screening Criteria set forth in Section K(b), K(c)(ii), K(c)(v), K(d)(i) through K(d)(v), and K(f) 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 engaging in the “working towards” activities set forth in 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 and are working towards obtaining 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 J, 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 or an emancipated minor responsible for family needs as determined by the court.

(b) Applicants (head of household and 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, or continue to present sufficient evidence of assets acceptable to pay and does, in fact, pay a flat rent (for ACC-Assisted and LIHTC units, or Market Rent for Market Units.

Exemption (to (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. Exemption may also be granted to an applicant who presents sufficient evidence of assets acceptable to pay, and have selected to pay flat rent (for ACC-Assisted and LIHTC Units) and/or Market Rent (for Market Rent units).

RRC Applicants or co-heads of household may satisfy the “working toward” provision (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. Notwithstanding the foregoing a member of a household shall not be required to comply with the
requirements of this paragraph when such member 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. Or (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.

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, or continue to present sufficient evidence of assets acceptable to pay and does, in fact, pay a flat rent.

All other members of the household must comply with the community service requirement of CFR Part 960 subpart F. Owner and its Agent will administer such community service requirement consistently with the community service provisions of the CHA Admission and Occupancy policy.

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. RRC Applicants may satisfy the “working toward” 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 HUD24 CFR 960.204 and does not permit mitigating circumstances except to the exceptions therein allowed by 24 CFR 960.204:

(i) No record of conviction for manufacturing drugs within the last ten years;

(ii) No record of conviction for distributing drugs within the last ten 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 “working toward” provision with regard to drug related criminal convictions if they can demonstrate verified completion of a certified drug treatment program excluding those, a certification from the program that the applicant has a reasonable probability of remaining drug free 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 “working toward” 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 adequate day care or supervision will be provided for children under ten years of age.

L. Mitigating Circumstances

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 or 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 eligiblility 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. An RRC Applicant that is not satisfied with Management’s decision may bring their decision to an independent hearing officer. 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.
O. Site Based Waiting Lists

All provisions of this Plan regarding admission of applicants other than RRC Applicants to the ACC Assisted Units are subject to and conditioned upon HUD approval of establishment of a site based waiting list pursuant to 24 CFR 1.4(b)(2)(ii) or (iii).