

TENANT SELECTION PLAN FOUNTAIN VIEW APARTMENTS SCREENING AND SELECTION POLICY

I. Introduction

The Tenant Selection Plan addresses screening and selection criteria for the rental units in the project known as Fountain View Apartments (Fountain View) in Chicago, Illinois. During a compliance period of fifteen years, 40 of the 45 units must be leased as low-income rental units within the meaning of the Low-Income Housing Tax Credit ("LIHTC") program administered by the Illinois Housing Development Authority ("IHDA") and the City of Chicago Department of Housing ("DOH") pursuant to 26 U.S.C §42 ("Section 42"). Of these 40 LIHTC units, 14 are also public housing units. The remaining 5 apartments at Fountain View are unrestricted market units. Fountain View is owned by Fountain View Apartments Limited Partnership ("the Owner"). Lawndale Christian Development Corporation's Property Management Office (LCDCPM) is the Owner's management agent.

Fountain View is part of the Chicago Housing Authority's Plan for Transformation. In this Tenant Selection Plan, the terms "CHA applicant" and "CHA leaseholder" refer to applicants covered by the Relocation Rights Contract(s).

The Relocation Rights Contracts recognize that the Owner may adopt property specific requirements governing eligibility for admission to and continued occupancy in Fountain View. In addition, the CHA adopted a Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (the "MTSP") establishing minimum standards for owner adopted property specific criteria. The Tenant Selection Plan includes property specific eligibility, admission and occupancy criteria that are consistent with the Relocation Rights Contracts and the MTSP.

All applicants for Fountain View are expected to meet the property specific requirements regardless of whether they are applying for public housing, other assisted housing, or market-rate rental units in the building. However, CHA applicants who do not meet the selection criteria may be admitted if LCDCPM determines that the applicant is engaged in activities by which the household will meet the property specific requirements within one year of admission. The property specific requirements of this Tenant Selection Plan are summarized in Exhibit A of this document. The CHA will notify CHA applicants of the property specific requirements at least one year before the first public housing units are leased at Fountain View.

II. Equal Opportunity Policy

A. Non-Discrimination

It is the policy of the Owner and LCDCPM to comply fully with all federal, state and local non-discrimination laws, including Title VI of the Civil Rights Act of 1964 and the implementing regulations at 24 CFR Part I; Section 3 of the Housing and Community Development

Act of 1968, as amended; Executive Order 11063 on Equal Opportunity in Housing and the implementing regulations at 24 CFR Part 107; Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8; the Age Discrimination Act of 1975 and the implementing regulations at 24 CFR Part 146; the Fair Housing Act as amended and the implementing regulations at 24 CFR Parts 100, et seq; the Americans with Disabilities Act; the Illinois Human Rights Act, 775 ILCS, Article 3; and the Chicago Fair Housing Regulations, Chapter 5-8 of the Chicago Municipal Code.

B. Reasonable Accommodation

To assure compliance with the Fair Housing Act, Section 504 of the Rehabilitation Act ("Section 504") and the applicable provisions of the Americans with Disabilities Act (the "ADA"), LCDCPM maintains a Reasonable Accommodation Policy. The Reasonable Accommodation Policy provides for reasonable modifications in rules, policies, practices and services when necessary to afford a qualified individual applicant or resident with disabilities an equal opportunity to use and enjoy a dwelling and participate in the housing, programs and services available at Fountain View. The Reasonable Accommodation Policy includes the following elements:

1. Reasonable accommodations will be made at the request of applicants and residents with disabilities to ensure the opportunity for equal access to housing, benefits and services.
2. At the time of initial application and at any recertification, a notice will be provided to each applicant or resident that describes Section 504 requirements, including the right to request a reasonable accommodation.
3. Intake, screening, recertification and other meetings will be conducted at accessible locations.
4. Forms and other documents to be completed by applicants will be available in accessible formats. Sign language interpreters and other auxiliary aides will be provided if requested by the individual with disabilities.
5. Any applicant or resident, whether or not a person with disabilities, may be assisted by a family member, friend or advocate in interviews and meetings with the Management Agent and in the completion of written forms. Upon request, LCDCPM will help an individual complete written forms.
6. When necessary to establish that an individual qualifies for an accommodation, documentation will be requested to verify the existence of a disability, as defined by Section 504 and the ADA, and to document the reasons that an accommodation is necessary.

C. People with Limited English Proficiency.

The Owner and LCDCPM will take reasonable steps to ensure meaningful access to the housing and services available at Fountain View by people of limited English speaking proficiency, in compliance with Title VI of the 1964 Civil Rights Act. In designing and implementing these steps, the Owner will take into account the following factors:

1. The number of people with limited English-speaking proficiency who are likely to come into contact with the housing and services at Fountain View.

2. The frequency with which such people will come into contact with the Management, Agents, and service providers at Fountain View.
3. The importance of the particular activity, service or interaction with an applicant or resident.
4. The resources available and the costs of taking the steps.

III. General Principles of Screening

The standards outlined in this policy are based on the expectations of occupancy at Fountain View. The property specific admissions criteria for the public housing units at Fountain View, described in Exhibit B, will comply with the Relocation Rights Contracts. The requirements of the policy will be incorporated into a lease agreement which shall be executed between the Owner, LCDCPM, and each resident. In assessing an applicant's ability to meet these criteria, LCDCPM will consider the following:

A. Eligibility and Suitability as a Tenant

1. General. Each applicant is expected to abide by the obligations of the tenancy summarized as follows:

- (i) To pay rent and other charges under the lease in the manner set forth by the lease;
- (ii) To care for and avoid damaging the unit and common areas, to use facilities and equipment in a reasonable way, and to maintain their unit at reasonable standards of care and cleanliness.
- (iii) To respect the right to quiet enjoyment of others.
- (iv) To refrain from any and all illegal activity, including the illegal use of drugs, and to require all household occupants, guests, and individuals under the tenant's control to refrain from any and all illegal activity.
- (v) To comply with the necessary and reasonable rules of the property.

2. Eligibility for Public Housing. For admission in a public housing unit, an applicant must:

- (i) During the LIHTC compliance period, meet the income eligibility requirements for admission to the LIHTC units as described in Section III(A)(3).
- (ii) Qualify for admission as citizens or eligible immigrants under the rules of the U.S. Department of Housing and Urban Development ("HUD").
- (iii) Provide a Social Security Number ("SSN") for each household member over the age of six, or, for any household member without a SSN, certify that no SSN is assigned.

Admission will also be based on the selection priorities in Section IV (A). A public housing

family must continue to meet public housing eligibility and LIHTC criteria during occupancy. If household income exceeds 140% of 60% of area median income ("AMI"), the family must choose to (a) become a market rate resident of the development by assuming the responsibility to pay the associated market rate rent for its unit (or transfer to another market rate unit of appropriate size if one is available); (b) request a transfer to a public housing unit in another CHA property in accordance procedures of the CHA, if a unit is available; (c) accept an offer of a Section 8 Housing Choice Voucher from the CHA in accordance with the procedures of the CHA, if a voucher is available; or (d) vacate the unit.

3. Eligibility for occupancy in LIHTC Units. During the LIHTC compliance period, for admission to the LIHTC units, including all public housing units, an applicant household must:

(i) Meet the income standards required by IHDA and DOH under which (a) 19 of the 40 LIHTC units must be rented to families whose incomes are equal to or less than 50% of AMI at initial occupancy and (b) 21 of the 40 LIHTC units must be rented to families whose incomes are equal to or less than 60% of AMI at initial occupancy.

(ii) Not consist entirely of full-time students, unless (a) a member of the household receives assistance under a federal state or local job training program; (b) a member of the household receives Transitional Assistance to Needy Families; (c) the household consists of a single parent and his or her children, and the parent and children are not tax dependents of another person; or (d) the household consists solely of a married couple that files a joint tax return.

(iii) Use the unit only as a private dwelling for the household, and not for business or other purposes; except that, with the prior permission of the Owner, a family may use the unit for incidental purposes related to his or her trade or business, as long as the incidental use complies with local zoning laws, building codes, applicable health and safety laws, and applicable laws for the regulation of business.

A family residing in a LIHTC unit that is not a public housing unit must continue to meet LIHTC eligibility criteria during occupancy. If household income exceeds 140% of 60% of AMI, after the Owner complies with the next available unit rule pursuant to Section 42 (g)(2)(D)(ii) of the Internal Revenue Code of 1986, as amended, and after proper notice under the lease, the family may be required to (a) become a market rate resident of the development by assuming the responsibility to pay market rent for the unit or (h) vacate the unit if the family chooses to not pay the market rate rent.

4. Employment and Self-Sufficiency Requirements for LIHTC and Market Applicants. Applicants for LIHTC units that are not public housing units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section III(A)(4). Applicants for market units that are not public housing units must meet the specific employment and school attendance requirements of this Section III(A)(4)(i) and (iii) and all market unit household members age 18 or over and any market household member between the ages of 17 and 18 that drops out of school must be engaged in employment at least 30 hours each week.

(i) The head of household and co-head of household will meet the property specific employment requirements if the household documents at the time of admission that the head or co-head of household is employed at least 30 hours per week and has at minimum a two year history of verifiable continuous employment.

(ii) All household members age 18 or over and any household member between the ages of 17 and 18 that drops out of school must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self-sufficiency program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

(iii) All household members age 6 to 17 must regularly attend school.

(iv) The following family members are exempt from the employment and self-sufficiency requirements applicable to applicants for market units and LIHTC units that are not public housing units:

- (a) Individuals age 62 or older;
- (b) People with disabilities who are unable to work because of the disability and provide third party verification;
- (c) The primary caretaker of a person with disabilities;
- (d) No more than one adult household member who elects to stay home to care for young children, provided that there are at least two adults in the household, and at least one of the adults is working at least 30 hours each week;
- (e) An individual who is retired and is receiving a pension.

5. Employment and Self-Sufficiency Requirements for Public Housing Applicants. Applicants for public housing units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section III (A)(5).

(i) Priorities for Occupancy:

- (a) Public housing applicants will have first priority for occupancy of the public housing units if the household documents at the time of admission indicate that the head or co-head of household is employed at least 30 hours per week and has at minimum a two year history of verifiable continuous employment. Public housing applicant households in which the head or co-head of household is exempt from the employment and self-sufficiency requirements for the reasons described in Section III(A)(5)(vi) also qualify for first priority for occupancy of the public housing units.
- (b) Public housing applicants will have second priority for occupancy if the household documents at the time of admission indicate that the head or co-head of household is either (i) currently employed a minimum of 30 hours per week but, with

less than a two year continuous history, or (ii) currently engaged in activities that will lead to no less than 30 hours per week of employment within one year after the date admission. To meet the requirements under (ii), the head or co-head of household must be engaged in any combination of the following activities in the aggregate amount of at least 30 hours per week:

- 1) Current employment of less than 30 hours per week;
- 2) Enrollment and regular attendance in an economic self-sufficiency program, including a HOPE VI Community and Supportive Services program;
- 3) Verified job search and/or regular attendance at employment counseling;
- 4) Basic employment skills training;
- 5) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

(ii) Public housing applicants that are admitted because the head or co-head of household is engaged in activities that will lead to no less than 30 hours per week of employment must achieve at least 30 hours per week of employment within 12 months after the date of admission. Leases for households that fail to achieve 30 hours per week of employment by the end of the twelfth month of occupancy will not be renewed, as permitted by the Relocation Rights Contracts.

(iii) Public housing applicants enrolled in and actively participating in a full time, multi-year degree or vocational certification program at the time of admission will be considered to be actively engaged in activities leading to working family status. Public housing applicants who remain enrolled in and participating in such programs on a full time basis will be required to achieve working family status within ninety days of the date the enrollee completes the program, by the anticipated date of program completion, based on regular, full time attendance, or when the applicant is terminated from or withdraws from the program, whichever comes first. Public housing applicants will be required to verify participation in the educational or vocational program.

(iv) All household members age 18 or over and any household member between the ages of 17 and 18 that drops out of school must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self sufficiency program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

(v) All household members age 6 to 17 must regularly attend school.

(vi) The following family members are exempt from the employment and self-sufficiency requirements applicable to CHA applicants:

(a) Individuals age 62 or older;

(b) People with disabilities who are unable to work because of the disability and provide third party verification;

(c) The primary caretaker of a person with disabilities;

(d) No more than one adult household member who elects to stay home to care for young children, provided that there are at least two adults in the household, and at least one of the adults is working at least 30 hours each week;

(e) An individual who is retired and is receiving a pension.

6. Ability to meet financial obligations. LCDCPM will review the applicant household's past credit history, current income and expected expenses in order to determine the applicant's ability to meet the financial obligations of a tenant, especially timely payment of rent, utilities, and other fair charges required by the Fountain View lease. In order to demonstrate the ability to meet financial obligations imposed by the lease, the applicant must provide evidence of a source of funds to cover expenses. No co-signers will be accepted. However, there can be more than one head of household or leaseholder for a unit. All tenants will be responsible for paying the unit's gas and electricity. In addition:

(i) For non-CHA applicants, gross monthly household income must be at least 2.5 times the monthly rent for a unit. For example, a household must have income of at least \$1,000 to qualify for a unit with rent of \$400.

(ii) For public housing applicants, the household may elect to pay an income based rent or a flat rent, as described in Section V. However, a public housing applicant must demonstrate the ability to pay the utilities for the unit, plus a minimum rent of \$50 per month. Payment of minimum rent is subject to the hardship exemptions also described in Section V (B).

7. Age. In order to enter into a lease, the head of household of all applicant families must be age 18 or older.

8. Supervision of Children. All applicant households must document that children under the age of 13 are adequately supervised by a responsible household member, or participate in day care, an after school program or are otherwise adequately supervised.

B. Documentation of Income

1. General: The applicant shall demonstrate the ability to pay rent. For applicants to the public housing and LIHTC units, household income may not exceed the limits described in Section III(A) at initial occupancy. No co-signors will be accepted. However, there can be more than one head of household or leaseholder for a unit. All applicant households must submit documentation regarding the income and assets of all household members. The documents include but are not limited to the following: pay stubs, bank statements, SSI award letters, third party verification, and court-ordered child support agreements. All income must be documented with information that is less than 90 days old. Applicants claiming only cash income will not be approved without providing tax returns

or pay stubs. All applicants must complete consent forms to allow LCDCPM to obtain third party verification of income.

2. Verification of Employment: Two years of verifiable work history is required for those applicants whose primary source of income is employment. The work history does not have to be with the same employer. In addition, the average income derived from employment must meet or exceed the applicable minimum income requirements at the time of application. These requirements do not apply to the head or co-head of household with social security or disability income, applicants with other forms of verifiable non-employment income, or CHA applicants who are not working, but are admitted because they are engaged in activities that will lead to achievement of working family status. See Section III (A) above for working family requirements and for minimum income standards.

C. Landlord verification

All applicant households will be required to submit five years of landlord verification by an authorized management representative, documenting residency, rent payment, and compliance with all lease obligations and site and building rules. If an applicant has just come from college, a verifiable dormitory history will be considered. In cases where an applicant household can provide proof of residency for the required five-year period, but landlord verification of rent payment and lease compliance cannot be obtained for the entire five-year period, LCDCPM shall have the sole discretion to make an exception to the landlord verification requirement, if the applicant household can provide landlord verifications for some period of time and the applicant household meets all other requirements of this Tenant Selection Plan.

D. Credit History

Applicants must show a history of performance in meeting financial obligations. If the applicant owes outstanding rent to the CHA or to a utility company, the applicant must pay the outstanding charges before occupancy, or must be current on a payment plan. Additional screening and verification standards regarding credit history are described in Section IV(E).

E. Home Visit

Applicants may be subject to a home visit as part of the screening process, based on the procedures outlined in Section IV(F) of this policy.

F. Misrepresentation

An applicant's intentional misrepresentation of any information related to eligibility, housing history, income, employment, background checks, or rent will be grounds for rejection. Misrepresentation during the intake and screening will be considered as evidence that the applicant cannot meet the requirement and will result in rejection or termination of the lease.

G. Pre-Occupancy Orientation

All adult household members must attend a pre-occupancy orientation designed by the Owner, the Management Agent, or a third party.

H. Standards for Verification

1. Third party written documentation will be required to verify information on each of the categories listed above or elsewhere in this policy.
2. If staff has any doubts about the truthfulness or reliability of information received, they may request alternative methods of verification from the applicant or third parties.
3. LCDCPM will not make an offer of housing to an applicant who cannot document the abilities to comply with the essential obligations of the lease. If information indicates discrepancies or doubts about the accuracy or reliability of verification, the applicant may be required to supply alternative or additional documentation of eligibility. A determination of "insufficient or inadequate" documentation means a referral to CHA. CHA must be notified by LCDCPM as to what the applicant needs to do in order to provide proper documentation.

IV. Application and Screening Procedures

A. Waiting List and Referral Procedures

1. CHA Applicants. Current and former Scattered Sites residents with a right of return will receive priority for public housing in the revitalized development. Residents with a right of return will be referred to LCDCPM through the CHA Housing Offer Process (HOP). The HOP system will contain the names of eligible, lease-compliant CHA applicants, listed in an order that reflects the priorities under the Relocation Rights Contracts and the housing choices identified by the CHA leaseholders.

2. Other Applicants. LCDCPM will establish a site-based waiting list for non-public housing LIHTC applicants and applicants for market units. In the event that no referrals are available from the HOP system, the site-based waiting list will also include applicants for the public housing units at Fountain View. Prospective applicants will also be identified through marketing efforts conducted by LCDCPM according to an affirmative fair housing marketing plan.

B. Pre-Application Procedures

1. For initial lease up, LCDCPM will contact applicants approximately 90 days prior to unit availability to schedule attendance at a mandatory pre-application orientation. This pre-application orientation will be conducted by LCDCPM staff in order to obtain initial information and authorization for information verification, and to complete the pre-application card.

2. Upon unit turnover, the pre-application orientation will be scheduled approximately 30 days prior to unit availability.

3. When completing the pre-application card, applicants must provide a SSN for all family members or, for any household member without a SSN, certify that no SSN is assigned. Applicants must also submit proof of citizenship or eligible immigrant status, and the name, address, and telephone numbers of current and former landlords. Failure to provide this information will result in delay of application processing and possible rejection of the application.

C. Verification and File Maintenance Standards in Connection with Applications

1. General Verification Standards. Verification by third parties must be in writing. After

LCDCPM completes the screening and the applicant signs a Tenant Release and Consent form, leasing staff will send a first mailing to the third party verification sources identified by the applicant. After 15 calendar days, if no response has been received to the first mailing, staff will contact the third party by phone, fax or a second mailing.

2. School Verification. School enrollment and attendance records will be verified for household members under the age of 18, unless evidence is provided as to attainment of high school graduation or G.E.D. This information will be used to develop the Service Plan for Self-Sufficiency described in Section XI(A)(ii).

3. Applicant Files. Each applicant folder will include a File Completion Checklist, which records all applicant information and verifications that are needed. The file completion checklist will also include a recommendation for rejection or acceptance of the applicant, and the signature of the staff person responsible for this decision. Each applicant folder will be treated as confidential information and will be kept in a secure filing system.

D. Application and Screening Procedures for Security, Safety and Criminal History

1. Screening Procedures Applicable to All Applicants

(i) All applicant households will be subject to a criminal background check from third party sources including but not limited to criminal record systems and background check services, and landlord references. This verification shall be used to assess the applicants' and families' past criminal behavior, especially commission of violent crimes, drug related criminal activity of any kind, disturbance of neighbors, or destruction of property. A criminal history and verification report will be obtained for all adult household members (age 18 years or older) who intend to reside at Fountain View. The head of household will be required to certify that all household members under the age of 18 have not engaged in conduct that would result in rejection because of security, safety and criminal history screening criteria of this tenant selection plan.

(ii) Verifiable information obtained about the involvement of any household member (including minors) in criminal behavior, or behavior that may adversely affect the health, safety, or welfare of other residents, the owner or manager's employees, or immediate community may also be taken into consideration when making admissions decisions.

2. Denial of Occupancy. Applicant households will be denied occupancy in the following circumstances:

(i) The household includes a member who has been evicted from federally-assisted housing by reason of drug-related criminal activity within the past five years;

(ii) The household includes a member who is currently engaged in the illegal use of drugs;

(iii) The household includes a member who illegally uses or shows a pattern of illegal use of a drug that may threaten the health, safety, or right to peaceful enjoyment of other residents;

(iv) The household includes a member who abuses or shows a pattern of abuse of alcohol that may threaten the health, safety, or right to peaceful enjoyment of other residents;

(v) The household includes a member who is subject to the 10 year registration requirements under the Illinois Sex Offender Statute, or includes a member who is subject to a

lifetime or any registration requirements under any other State sex offender registration program.

(vi) The household includes a member who, within five years of the final screening for admission, engaged in any violent criminal activity, drug-related criminal activity, or any other criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of Fountain View by other residents, the Owner's employees, LCDCPM's employees, or persons residing in the immediate vicinity of Fountain View. Examples of criminal offenses that will be considered include, but are not limited to: commission of any felony offense, disturbing the peace, drunk and disorderly conduct, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property, vandalism, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage, arson, home invasion, and all other activities that may adversely affect the health, safety or welfare of other tenants.

(vii) The household includes a member who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing.

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

- (i) The culpable household member no longer resides in the household and is not expected to reside in the household in the future.
- (ii) The incident occurred at a relatively distant time in the past.
- (iii) The offense was an isolated incident, and is not part of a pattern of excludable behavior.
- (iv) The seriousness or nature of the offense was minor.
- (v) The conduct was caused by a disability, and it is verified that the applicant is not likely to engage in excludable behavior in the future.
- (vi) The applicant can provide evidence of rehabilitation, such as current involvement in counseling or the HOPE VI Community and Supportive Services Program, if available, Alcoholics Anonymous, Narcotics Anonymous, successful completion of treatment, compliance with or successful completion of conditions of parole or probation.

E. Application and Screening Procedures for Credit History

1. General Procedures. LCDCPM will utilize a credit scoring worksheet to assess an applicant's ability to meet the financial obligations of a lease. The credit scoring worksheet is attached to this policy. In general, greater emphasis will be placed on the applicant's history of paying rent, utilities and other housing related costs, than on the applicant's consumer credit history.

2. Credit Checks and Credit Reports. If an applicant is denied admission based on a credit check or a credit report, the written notification of denial will include:

- (i) A statement that the application was rejected because of the credit report;
- (ii) The name, address and telephone number of the credit reporting agency;
- (iii) A statement that the credit reporting agency did not make the decision to deny the application and is unable to provide the applicant with the reasons for the denial;
- (iv) A statement that the applicant is entitled to obtain a free copy of the credit report from the credit reporting agency within sixty days of the notice;
- (v) A statement that the applicant has the right to examine the credit report; and
- (vi) A statement that the applicant has the right to dispute the accuracy of the credit report with the credit-reporting agency.

3. Correction of Credit Information and Mitigating Circumstances. If an applicant is rejected based upon a credit report, the household will have two weeks after receiving notice from LCDCPM of the cause for rejection to send corrected information directly to LCDCPM. If a CHA applicant is rejected for poor credit, the applicant may request that LCDCPM consider mitigating circumstances or factors that indicate that the applicant is actively engaged in credit improvement activities that establish a reasonable probability of future favorable conduct and lease compliance. In considering such mitigating circumstances, LCDCPM will take into account:

- (i) Whether the CHA applicant's shelter-related score indicates a consistent and repeated history of non-payment of housing expenses.
- (ii) The age of the debts.
- (iii) Whether the CHA applicant made and kept arrangements to pay back unpaid bills.
- (iv) The size or the number of debts in collection.
- (v) Whether the credit report indicates a lengthy or repeated history of unpaid bills, or repeated bankruptcies.
- (vi) Whether the CHA applicant's poor credit was caused by disability or illness.
- (vii) The nature of the unpaid responsibilities, such as high medical bills, or large school loans.
- (viii) Whether the poor credit was caused by family break-up.
- (ix) Whether the poor credit is related to involuntary displacement.
- (x) Whether the poor credit resulted from involuntary unemployment or some other involuntary change in income.
- (xi) Whether a history of non-payment of rent resulted from an extraordinary rent burden.

(xii) Satisfactory completion of credit counseling.

(xiii) Whether the applicant is enrolled and actively participating in the HOPE VI Community and Supportive Services Program, if available.

(xv) The presence of other events beyond the control of the CHA applicant

F. Home Visits and Apartment Inspections

Home visits will be scheduled in circumstances where landlord verification results in information that indicates that an otherwise qualified applicant is not suitable for occupancy. The purpose of the home visit is to determine whether the applicant is capable of meeting the obligations of a tenant, including caring for a unit in a way that creates a healthy and safe living environment. Home visits are subject to the following procedures:

1. Home visits will be conducted by LCDCPM staff and may be conducted by an individual or in teams. Applicants will be notified at least two days prior to the scheduled visit. All LCDCPM staff performing home visits will be trained to ensure that the home visit is completed fully and correctly.

2. If the unit inspected as part of the home visit indicates applicant-caused health or safety hazards, housekeeping that contributes to infestation or applicant-caused damage, the application may be rejected.

3. If the home visit reveals that the applicant is currently permitting unauthorized occupants to share the unit, is engaged in criminal activity or some other situation that was inconsistent with the information presented on the application, the applicant could be rejected. LCDCPM will document any cases where a home visit results in a rejection.

4. An applicant's lack of cooperation during the home visit or during the application process will be considered in assessing an applicant's possible behavior toward neighbors. Physical or verbal abuse or threats by an applicant towards LCDCPM staff will be noted in the file and included in the screening evaluation.

G. Additional Application and Screening Procedures for CHA Applicants

In determining the eligibility of CHA applicants for admission, LCDCPM will consider whether the applicant or household member is actively engaged in activities to meet the property specific requirements described in Exhibit B, including activities designed to lead to the achievement of working family status, or compliance with the credit, or the safety and security standards of the Tenant Selection Plan. In addition, LCDCPM may exercise the discretion to accept an applicant if LCDCPM determines that mitigating factors indicate a reasonable probability of future favorable conduct and compliance with the obligations of the lease, as more specifically described in this Tenant Selection Plan. CHA applicants who do not satisfy or are found not to be engaged in activities that will meet the screening criteria of the Tenant Selection Plan will be notified in writing. CHA applicants who are unable to meet or are found not to be engaged in activities that will meet the selection criteria in the Tenant Selection Plan at the time of admission will be referred to the CHA for placement as provided in the Relocation Rights Contracts. When LCDCPM rejects an applicant and refers a Public Housing applicant to the CHA Relocation Department, LCDCPM will notify the CHA applicant in writing of the adverse decision. The notice will advise the applicant of

the right to seek an informal hearing and file a grievance in accordance with CHA grievance procedures.

V. Occupancy

A. Lease Requirements

All applicants who are selected for housing under this tenant selection plan shall sign a lease. The form of lease for all occupants will conform to the requirements of the Chicago Residential Landlord and Tenant Ordinance. The lease for occupants of public housing units will be approved by the CHA and HUD. The form of lease for occupants of non-public housing LIHTC units will conform to the requirements of the LIHTC program. The Owner shall receive a copy of the fully executed lease for all tenants.

B. Rent

1. Public Housing Rents.

(i) At the time of admission, a public housing applicant must choose to pay either an income based rent equal to the greater of 30% of the household's adjusted monthly income or 10% of monthly income, less a utility allowance, or may choose to pay a flat established by the Owner and approved by the CHA.

(ii) A family that elects to pay an income based rent shall make a minimum rent payment of \$50, minus the applicable utility allowance.

(iii) A public housing resident household may request a hardship exemption from the minimum rent requirement. A family will qualify for a hardship exemption if LCDCPM determines that there is hardship that is expected to last 90 days or more, including circumstances in which:

(a) The family has lost eligibility for or is awaiting an eligibility determination for a government assistance program;

(b) The household includes a member who is a non-citizen lawfully admitted for permanent residence in the United States and who would be eligible for public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;

(c) The family would be evicted because of the inability to pay a minimum rent;

(d) Household income is decreased because of changed circumstances, including loss of employment;

(e) There was a death in the family; or

(f) Other documented circumstances exist that LCDCPM determines create a family hardship.

(iv) If a household requests a hardship exemption from the minimum rent requirement, LCDCPM will suspend the minimum rent effective in the month following the month of the request until it is determined that the hardship will last at least 90 days. In no event will the household be evicted for non-payment of rent for the 90 day period beginning on the day of the

request for the hardship exemption. If it is determined that the hardship will last less than 90 days, the obligation to pay the minimum rent will be reinstated effective the month the minimum rent obligation was suspended. The family must enter into a repayment arrangement to pay any rent determined to be due. A household qualifying for a hardship exemption must pay an income based rent, less a utility allowance, and may qualify for a utility reimbursement. The family must report any changed circumstances affecting the hardship exemption within 15 days of the change.

2 Rent for LIHTC and Market Units. Rents for LIHTC units that are not public housing units will be based on rent schedules established by the Owner from time to time, consistent with the requirements of Section 42. Rents for market units will be based on rent schedules established by the Owner from time to time.

C. Unit Size

Households will be assessed at the time of application to ensure household size does not exceed the maximum per person limit. For the purpose of determining unit size, LCDCPM will count all full-time members of the household, including any live-in aides and all children expected to reside in the unit. In general, no more than two persons will be required to occupy a bedroom and unrelated persons or persons of different generations or of the opposite gender will not be required to share bedrooms. Two people cohabiting (including a married couple) and dependent children of the same gender will be expected to share a bedroom. Two dependent children under age seven (7) will be expected to share a bedroom regardless of the gender of the children. The limits are as follows:

Number of bedrooms	Minimum Number of Persons	Maximum Number of Persons
1	1	2
2	2	4
3	3	6
4	5	8

D. Accessible Units

At the time of initial lease-up, units that are modified to be accessible will be offered to families referred by the CHA that include a household member needing the features of the unit. If there are no applicants on the Fountain View waiting list who require an accessible unit, the unit will be offered to the next qualified applicant. The lease for the unit will require that the household agree to promptly move to another unit in Fountain View if a qualified applicant or resident needs the accessibility features.

E. Applicant Inspection of Units

Applicants will have the opportunity to view the assigned unit prior to signing a lease.

VI Additional Priorities for Applicants.

A. Public Housing Units

1. Referrals from the HOP System. For the public housing units, CHA shall refer CHA leaseholders from the HOP system in accordance with the Relocation Rights Contracts. For purposes of initial occupancy, CHA will identify eligible families no less than 12 months prior to occupancy.

2. Income Tiers. Creating and maintaining a mixed income community for Fountain View is a primary objective of the Owner and the CHA. In addition to the income eligibility criteria described in Section I(A)(2) and (3), admissions to the public housing units at Fountain View will be based on selection preferences that fall within the following target mix:

(i) Fourteen (14) public housing units will be occupied by households with incomes at or below 50% of AMI.

3. Applicability of Public Housing Laws. All offers of public housing units must be in conformance with governing public housing laws.

B. Non-Public Housing Units

For non-public housing units, including non-public housing LIHTC and market units, applicants will be selected from the site-based waiting list based upon the availability of units and family eligibility for occupancy. Applicants will be served on a first-come, first-served basis. Admissions to the non-public housing units will be limited to households that meet the working family qualifications. LCDCPM will use its best efforts to lease half of the non-public housing units to families that have at least one household member working 30 hours per week, including work through Earnfare, Work First, or any comparable program in which the household member is paid wages for his or her work.

VII. Recertification

A. Annual Lease Renewal and Annual Recertification

1. Leases at Fountain View shall be renewed annually, unless otherwise terminated under the terms of the lease.

2. No less than annually LCDCPM will also reexamine the income and the composition of each public housing and non-public housing LIHTC household at Fountain View. LCDCPM will verify by third-party sources all information and certifications provided by the household in order to determine if the household remains eligible for occupancy in the unit, and to determine if the household is in a unit of appropriate size. For residents of public housing units, LCDCPM will redetermine the appropriate amount of tenant rent. Failure to provide requested information and complete the reexamination may result in lease termination.

B. Interim Recertification

1. General Obligations to Report Changes: Public Housing and Non-Public Housing LIHTC Households. Occupants of public housing and non-public housing LIHTC units must report an increase in income or a change in family size to LCDCPM within 15 days of the change. LCDCPM will re-examine the income and the composition of public housing and non-public housing LIHTC households in between annual recertifications when:

(i) A household reports an increase in income or family composition.

(ii) LCDCPM obtains information indicating an increase in income or family composition.

(iii) The household requests a recertification based on a reduction in family income.

2. Obligations to Report Loss or Reduction of Employment; All Occupants. All occupants, including occupants of public housing units, must report any reduction in hours of employment below 30 hours each week. Occupants of public housing who are engaged in an active job search and are actively engaged in activities to obtain employment must report any change in job search and self-sufficiency activities. All reports of such changes must be made to LCDCPM within 15 days of the change. LCDCPM will require all occupants to re-certify or otherwise verify continuing eligibility for occupancy on no less than an annual basis, and may re-examine continued eligibility for occupancy in between annual recertifications.

VII. Self-Sufficiency Obligations of Residents

A. Obligations of CHA Applicants.

1. CHA Applicants Admitted as Working Families. CHA applicants who are admitted to Fountain View as working families must immediately begin an active job search, if the head or co-head of household's hours of work are involuntarily reduced below the 30 hour minimum through no fault of the head or co-head of household, provided, however, where such reduction in hours below the 30 hour minimum is voluntary, LCDCPM may evict the tenant pursuant to Section III(A) for failure to meet continuing eligibility requirements. In addition:

(i) Within 90 days of the loss of employment, the head or co-head of the household must also begin activities approved by LCDCPM that will lead to achievement of working family status, consistent with the provisions of Section III(A)(5) of the Tenant Selection Plan. Such households must remain engaged in the approved self sufficiency activities until they find employment, and must obtain employment of at least 30 hours each week no later than 12 months after the loss or reduction in employment of the head or co-head of household. LCDCPM may approve self sufficiency activities that will extend beyond the 12 month period for a head or co-head of household enrolled in and actively participating in a full-time, multi-year degree or vocational certification program, in a manner consistent with the provisions of Section III(A)(5). LCDCPM may also approve an extension beyond the 12 month period of up to an additional 90 days for a head or co-head of household to secure employment after completion of approved self-sufficiency activities.

(ii) It is the purpose of the Tenant or co-head of household's participation in self-sufficiency activities to further develop and improve employment skills and history that will enable the Tenant or co-head of household to re-attain economic self-sufficiency. The Tenant or co-head of household will develop the Service Plan for Self-Sufficiency in cooperation with the local Service Provider and failure to follow the requirements of the Service Plan for Self-Sufficiency will constitute grounds for transfer from the development. Any educational program or self-sufficiency program must be one that, in the determination of LCDCPM, will lead to the fulfillment of the 30 hour employment criterion at its completion. In reviewing and approving a self-sufficiency plan, LCDCPM will consider the head or co-head of household's history of compliance with the self-sufficiency requirements of the Fountain View, and whether:

(a) the Tenant or co-head of household is enrolled full-time and is regularly attending a self-sufficiency program or multi-year degree or vocational certification educational program, or is engaged in other self-sufficiency activities and shows progress in completion of the program, or

(b) the Tenant or co-head of household is employed for some period of time less than 30 hours a week but is also engaged in one or a combination of the following activities: enrollment and regular attendance in an economic self-sufficiency program, part-time enrollment and regular attendance in a multi-year degree or vocational certification educational program, participation in a verified active job search or job counseling, or enrollment and regular attendance in a basic skills training program, that together with the employment, equals not less than 30 hours a week.

2. Obligations of CHA Applicants Admitted as Households Engaged in Self-Sufficiency Activities. During the first year of occupancy, CHA applicants who are admitted to Fountain View as households engaged in an active job search and actively engaged in activities to obtain employment must remain engaged in job search and self sufficiency activities. For such families, the head or the co-head of household must obtain employment within 12 months of admission, or at the end of participation in a full-time, multi-year degree or vocational certification program, in a manner consistent with the provisions of Section III(A)(5) .

3. Relocation Rights of CHA Applicants. Pursuant to the Relocation Rights Contracts, the CHA must provide a public housing unit at another site, or if a unit is not available, a Section 8 Housing Choice Voucher to CHA Applicants who fail to secure employment at the completion of approved self-sufficiency activities. In such circumstances, LCDCPM will work with the household and the CHA to assure a smooth transition to other housing. In particular, LCDCPM will notify the CHA about the status of any family admitted as a household engaged in activities leading to employment in which the head or co-head of household is not employed 9 months after admission, and any family admitted as a working family where the head or co-head of household is not employed 9 months after a loss or reduction in employment. LCDCPM will also provide notice to the CHA and the tenant in the event the head or co-head of household does not attain 30 hours a week of employment after 12 months, or within the period of the self-sufficiency plan, as extended by LCDCPM. The CHA will offer the tenant replacement public housing at another public housing property or a Section 8 voucher if a public housing unit is not available. LCDCPM may terminate the lease of occupants who do not accept an offer of replacement public housing or a voucher, or who otherwise do not meet the working family requirements described in Section III(A)(5).

4. Exemptions. The provisions of this paragraph VII(B) shall not apply to households in which the head of household and the co-head of household, if any, is age 62 or older, or in which the head of household, and the co-head of household is a person with disabilities, or households in which the head of household and the co-head of household cannot work because he or she is the primary caretaker of a blind person, or a disabled person as defined by the Social Security Act in 42 U.S.C. §216(i) or §1614.

B. Obligations of Non-Public Housing Occupants and Non-CHA Applicant Public Housing Occupants

For occupants of non-public housing units, and for occupants of public housing units that were not admitted as CHA applicants, the head or co-head of household must remain employed at least 30 hours each week, as a condition of continued occupancy.

C. Self-Sufficiency Obligations For All Households

1. All household members age 18 or over and any household member between the ages of 17 and 18 that drops out of school must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (i) Employment;
- (ii) Enrollment and regular attendance in an economic self-sufficiency program; Verified job search and/or regular attendance at employment counseling;
- (iv) Basic employment skills training;
- (v) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

2. All household members age 6 to 17 must regularly attend school.

D. Community Service Obligations

Any non-exempt adult occupants of public housing units must participate in community service and self-sufficiency activities as a condition of continued occupancy. Tenants of public housing units, including all adult occupants, must report to LCDCPM any change in participation in community service and self-sufficiency activities, and any change in status as an exempt individual, within 15 days of the change. LCDCPM will require all occupants to re-certify or otherwise verify continuing eligibility for occupancy on no less than an annual basis, and may re-examine continued eligibility for occupancy in between annual recertification. In addition:

1. The exemption from the community service and self-sufficiency requirement shall apply to any adult household member who is: (i) 62 years of age or older; or (ii) who is blind or disabled within the meaning of Section 216(i) or Section 1614 of the Social Security Act; or (iii) who is the primary caretaker of a blind or disabled person; or (iv) who is engaged in work activities, including the employment and self sufficiency activities of Section VII(B) and (C) of the Tenant Selection Plan; or (v) who meets the requirements for exemption from participation in work activities under a state program funded under Title IV-A of the Social Security Act or under any other welfare program in Illinois; or (vi) is a member of a household receiving Transitional Assistance for Needy Families or under any other welfare program in Illinois and has not been found to be out of compliance with the requirements of that program.

2. Each non-exempt household member must: (i) contribute 8 hours each month of community services; or (ii) participate in an economic self-sufficiency program for no less than 8 hours each month; or (iii) must perform 8 hours of combined community service and self-sufficiency activities each month.

3. If LCDCPM determines that any non-exempt public housing occupant is not in compliance with the community service and self-sufficiency requirement, the tenant will be notified that the tenant's lease will not be renewed at the end of the twelve month period following the end of the last annual recertification unless the tenant and the non-compliant adult household member

enters into a written agreement to cure the non-compliance. The tenant's lease will not be terminated if the non-compliant adult household member no longer resides in the unit.

4. A written agreement to cure non-compliance with the community service and self-sufficiency requirement must provide that: (i) the non-compliant adult household member will cure the non-compliance by completing the additional number of hours needed to reach 96 hours community service and self-sufficiency activity over the twelve month period of the lease; and (ii) all other non-exempt adult household members are in compliance with the community service and self-sufficiency requirements, or longer no longer reside in the household.

5. Performance of the community service responsibilities in this Section VII(D) does not relieve a household member from the obligation to comply with the property specific work and self-sufficiency requirements described in Section III and Section VII.

E. Election of Public Housing Rents

At the time of admission, and at each annual recertification, each household occupying a public housing unit shall have the right to choose to pay a tenant rent based on family income, or a flat rent established for the unit by the Owner with the approval of the CHA. During any period a family pays a flat rent, the family may choose to pay an income-based rent, if LCDCPM determines that the household is unable to pay the flat rent because of financial hardship. Financial hardship includes, but is not limited to situations in which the household's income has decreased because of changed circumstances, loss or reduction of employment, death in the family, or reduction in or loss of income or other assistance; an increase, because of changed circumstances, in the household's expenses for medical costs, child care, transportation, education, or similar items.

F. Shortfall in Revenues for Public Housing Units

Continuing residency and leasing for public housing tenants may be changed in the event there is a shortfall in revenues to the Owner from the operation of the public housing units at Fountain View. In that event, the Owner and the CHA will implement a plan to assure that the viability of Fountain View as a mixed income rental community can be maintained without unnecessary hardship to low-income residents, excessive claims on scarce resources, or a marked deterioration in the physical condition of the property. If these efforts fail, then the Owner may take steps that will affect tenant rents, or continued occupancy in the public housing units at Fountain View, such as:

1. An increase in income-based rents above the amounts otherwise required by HUD regulations;
2. An increase in flat rents otherwise established by the Owner;
3. Provision of substitute housing to public housing residents by the CHA, including provision of Section 8 rental assistance or other public housing outside of Fountain View;
4. Termination of public housing leases.

Any actions taken by the Owner are subject to Section 35 of the U.S. Housing Act, any implementing regulations, HUD approval, if required, and any agreements affecting the development, including the Regulatory and Operating Agreement between the Owner and the CHA. In the event the Owner must take any adverse action, LCDCPM will give each affected family and the CHA no less than 30 days advanced notice. In no event will the Owner refer a household to a credit agency for any reason related to a shortfall in revenues for public housing units.

G. Increased Income for Public Housing Residents of LIHTC Units

If after initial occupancy a public housing resident is determined to be no longer eligible under Section 42 because such public housing resident's income exceeds the prescribed limits, as determined under federal regulations, the family must choose to: (i) become a market rate resident of the development by assuming the responsibility to pay the associated market rate rent for its unit (or transfer to another market rate unit of appropriate size if one is available); (ii) request a transfer to a public housing unit in another CHA property in accordance procedures of the CHA, if a unit is available; (iii) accept an offer of a Section 8 Housing Choice Voucher from the CHA in accordance with the procedures of the CHA, if a voucher is available; or (iv) vacate the unit.

IX. Family Orientation/Case Management

Family orientation and case management are critical factors for successful transition into a mixed income environment. This will serve to make the resident aware that management will provide ongoing assistance and support for a smooth transition. All tenants will be required to attend a pre-occupancy orientation as a condition of the lease. Any community service providers affiliated with the development will be present at this meeting to introduce residents to the services available to them. Tenants will also be encouraged to participate in neighborhood and community building activities. The purpose of the community building events is to aid all tenants in the assimilation into a socially diverse community while fostering a healthy interaction between residents.

X. Rejection of Applicants

A. Reasons for Rejection

LCDCPM may reject an applicant for the following reasons:

1. Inability to Meet Financial Obligations. Any information showing that an applicant will be unable to pay rent and other charges under the lease will be grounds for rejection, including any collection/eviction judgments from landlord.
2. Income. If an applicant is unable to verify income, or if household income exceeds the applicable income restrictions, the application will be denied.
3. Inadequate Verification. If staff has any doubts about the truthfulness or reliability of information received, they may request alternative methods of verification from the applicant or third parties. LCDCPM will not make an offer of housing to an applicant who cannot document the ability to comply with the essential obligations of the lease. A determination of "insufficient or inadequate" documentation means denial of an application for admission. Public housing applicants who do not provide adequate, sufficient documentation of eligibility will be denied admission. The CHA will be notified by LCDCPM as to what the applicant needs to do in order to provide proper documentation.
4. Substance Abuse. Evidence of illegal use of drugs, or substance abuse that would constitute a threat to the health, safety or welfare of other residents, the Owner or the Owner's employees, LCDCPM or LCDCPM employees, or neighbors in the vicinity of Fountain View.
5. Criminal History. Criminal history reported from an independent reporting agency, and other evidence of criminal behavior, as described in Section II, including without limit:
 - (i) A history of drug-related criminal activity;

- (ii) Any criminal activity that involved physical violence to person or property;
- (iii) Any pattern of other criminal activity.

6. Ineligibility. Public housing and LIHTC applicants will be rejected if the household does not meet the eligibility requirements for occupancy in the public housing or LIHTC units.

7. Failure to Cooperate. An application will be rejected if the applicant fails to cooperate with the application and screening process, including any failure to attend pre-occupancy orientation.

B. Meeting Screening Criteria

1. CHA applicants who do not meet the property specific criteria summarized in Exhibit B may be admitted if LCDCPM determines that the applicant is engaged in activities designed to lead to the achievement of working family status, or compliance with admissions criteria, as appropriate. For families seeking to achieve working family status, examples of such activities are outlined in Section III(A)(5). For CHA applicants seeking to meet the safety and security admissions criteria, or the criteria for credit, examples of such activities are respectively outlined in Sections X(A) and III(D).

2. If negative screening information is received on a CHA applicant, staff will contact the applicant and set up a second meeting to determine whether circumstances exist that make it possible to approve the application. Subject to the grievance procedure described in this Tenant Selection Plan, it will be in LCDCPM's sole discretion to determine if such evidence is satisfactory to warrant admission.

C. Notice

If an applicant is rejected, a form letter indicating the cause for rejection will be completed and mailed via certified mail with return receipt requested to the applicant. The notice will include the specific reasons for the rejection, and will notify the applicant that the household has been removed from the Fountain View waiting list. The rejection letter will also inform the family of the right to review the information that caused the application to be rejected. The notice will also advise the household of the opportunity to respond in writing to request an informal hearing to discuss the rejected application. A copy of the notice will be provided to the CHA.

D. Informal Meetings and Grievances

1. General Procedures. Any applicant whose application for admission is rejected may request an informal meeting with an on-site LCDCPM employee within ten days of the date of the rejection letter. In addition, any resident of Fountain View may request an informal meeting to discuss any management action or proposed action that adversely affects the household. The procedure for informal meetings shall be the procedure as established from time to time by the CHA. In the case of evictions not otherwise excluded from the informal meeting and grievance procedure under this section, the resident shall have ten days from the date of the notice of lease termination to request an informal meeting.

2. Public Housing Applicants and Residents. Former residents of Scattered Sites Homes and former residents of other CHA developments referred by the CHA from the HOP system for admission to Fountain View pursuant to the Relocation Rights Contracts who are rejected and who

are not satisfied with the outcome of an informal meeting may seek a de novo grievance hearing before an independent hearing officer, if provided for and in the manner provided by the CHA grievance policy. Any resident of a public housing unit at Fountain View who is not satisfied with the outcome of an informal meeting may also seek a grievance hearing. The procedure for the grievance hearing shall be the procedure as established from time to time by the CHA.

3. Termination of Tenancy Related to Violent or Criminal Activity. The procedures for informal meetings and grievance hearings shall not apply to any termination of a tenancy based on any violent or drug-related criminal activity on or off the premises of Fountain View; any other criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents of Fountain View, neighbors of Fountain View, the Owner, LCDCPM or the employees of the Owner or LCDCPM; or any activity resulting in a felony conviction.

E. Non-Discrimination

The following list of factors will not be considered in making a decision to reject an application:

- | | | |
|-------------------|---------------------|------------------------------|
| -Race | -Sex | -Handicap or Disability |
| -Color | -Marital Status | including mental or physical |
| -Religion | -Parental Status | -Ancestry |
| -Age | -Sexual Preference | -National Origin |
| -Source of income | -Political Ideology | |