

ADDENDUM 5

(All policies and guidelines are in accordance with the HUD Handbook 4350.3 Rev. 1 Change 2)

RESIDENT SELECTION GUIDELINES FOR MOREHEAD COURT/SPRING BROOK MEADOWS ELDERLY VILLAS

The provisions enumerated in this addendum shall supercede any contrary policies and procedures in the Admissions and Continued Occupancy Plan for the Housing Authority of the City of High Point (PHA).

Morehead Court and Spring Brook Meadows is located in the City of High Point, North Carolina. Morehead Court is a Section 8 New Construction Property and Spring Brook Meadows is an Elderly Villas. The economic income limits are low, very low and extremely low.

1. FAIR HOUSING AND EQUAL OPPORTUNITY REQUIREMENTS STATEMENTS OF NONDISCRIMINATION

It is the policy of these Property to comply fully with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Fair Housing Amendments Act of 1988, and any legislation protecting the individual rights of residents, applicants, or staff which may subsequently be enacted.

The Property shall not discriminate because of race, color, sex, familial status, religion, handicap, disability, or national origin in the leasing, rental, or other disposition of housing in any of the following:

- a. deny to any household the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs,
- b. provide housing which is different than that provided others,
- c. subject a person to segregation or disparate treatment,
- d. restrict a person's access to any benefit enjoyed by others in connection with the housing program,
- e. treat a person differently in determining eligibility or other requirements for admission,
- f. deny a person access to the same level of services, or
- g. deny a person the opportunity to participate in a planning or advisory group which is an integral part of the housing program.

The Property will seek to identify and eliminate situations or procedures, which create a barrier to equal housing opportunity for all. In accordance with Section 504, the Property will make reasonable accommodations for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include changes in the method of administering policies, procedures, or services.

In reaching a reasonable accommodation with, or performing structural modification for otherwise qualified individuals with disabilities, the Property are not required to:

- a. Make structural alterations that require the removal or altering of a load-bearing structure,
- b. Provide support services that are not already part of its housing programs,
- c. Take any action that would result in a fundamental alteration in the nature of the program or service,
or
- d. Take any action that would result in an undue financial and administrative burden on the Property, including structural impracticality as defined in the Uniform Federal Accessibility Standards (UFAS).

2. REASONABLE ACCOMMODATION

Housing Authority of the City of High Point (PHA) is an equal housing opportunity provider and does not discriminate against our applicants /residents with disabilities. It is our policy to provide reasonable accommodations which includes structural modifications to our applicants/residents who are disabled and because of that disability need a change or exception to our usual rules or policies or a structural modification to be able to fully use and enjoy this community. If the need for the accommodation or modification is not obvious, it will be necessary to obtain documentation of the need for the requested accommodation/modification. The applicant/resident will need to provide the following information and forms:

- Fill out and return to the leasing office the Reasonable Accommodations Request Form.
- If requested, sign the Verification Form and return it to the leasing office with the Request Form.
- Upon receipt of the Verification Form management will mail the form to the verifier.
- When it is returned management will notify the applicant/resident in writing of the determination concerning the request.
- If the request is for an assist or service animal, the applicant/resident will need to sign the lease addendum form that describes the animal owner's responsibilities concerning the animal.
- Please contact the manager if assistance is needed with this process.

3. PRIVACY POLICY

It is the policy of the Property to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the Property.

Therefore, neither the Property nor its agents shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure.

This Privacy Policy in no way limits the Property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.

4. QUALIFYING FOR ADMISSION

Based on Federal Regulations, the Property may not admit ineligible applicants. In the selection of applicants for admission, Eligibility Criteria has been established in accordance with HUD guidelines. All applicants will be screened carefully and the following eligibility standards will be applied:

In order to be ELIGIBLE, a household must meet the following tests:

- a. must have previously demonstrated an ability to pay rent and adhere to a Lease;
- b. must have an Annual Income at or below program income limits;
- c. must have a Social Security Number for each household member six years of age or older, if no Social Security Number assigned they must sign certification stating this and provide Social Security Number documentation within 60 days from the date on which the applicant certified that the documentation was not available. ;
- d. Applicants who are elderly or have a disability. "Elderly" is defined as age 62 or older. "Disabled" is defined three ways: 1) has a disability as defined in Section 223 of the Social Security Act; 2) has a physical, mental, or emotional impairment expected to be of long, continued, and indefinite duration that impedes the individual's ability to live independently, or 3) has a developmental disability.
- e. the household size must be appropriate for the available apartments;

Occupancy Standards: Applicants must meet the established occupancy standards. As a general policy there should be a minimum of one person per bedroom and no more than two persons per bedroom. Management shall take into consideration mitigating circumstances in cases where applicants or residents have a verifiable need for a larger unit.

Any family placed in a unit size different than that defined in these Occupancy Standards shall agree to transfer to an appropriate size unit when one becomes available.

Dwelling units will be assigned in accordance with the following standards:

<u>Bedroom Size</u>	<u>Persons Per Household</u>	
	<u>Minimum</u>	<u>Maximum</u>
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

- f. Must have citizenship, naturalization, and/or eligible immigration status;

Citizenship Requirements:

Assistance in subsidized housing is restricted to the following:

U.S. citizens or nationals; and

Noncitizens who have eligible immigration status. *

All applicants for assistance must be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of application. The entity responsible for receiving the documentation, where possible, must arrange to provide the notice in a language that is understood by the individual if the person is not proficient in English.

All family members, regardless of age, must declare their citizenship or immigration status.

Noncitizens (except those age 62 and older) must sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status. Noncitizens age 62 and older must sign a declaration of eligible immigration status and provide a proof of age document. U.S. citizens must sign a declaration of citizenship.

A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive prorated assistance, continued assistance, or a temporary deferral of termination of assistance.

- g. must not have a criminal background that falls in the following Criminal Activity:
- Eviction for Drug Related Criminal Activity: If the applicant or any household member has been evicted from federally assisted housing for drug related criminal activity, the application will be rejected.
 - Illegal Drug Use: If the applicant or any household member is currently engaged in illegal use of a drug OR shows a pattern of illegal use that may interfere with the health, safety, or right to peaceful enjoyment by other residents, the application will be rejected.
 - Alcohol Abuse: If a determination is made that the applicant or any household member's abuse, or pattern of abuse, of alcohol interferes with the health, safety or right to peaceful enjoyment of the premises by other residents, the application will be rejected.
 - Sex Offenders: If the applicant or any household member has a conviction or adjudication other than acquittal, for any sexual offense, the application will be rejected. The PHA shall prohibit admission to any household that includes any individual who is subject to a lifetime sex offender registration program.

Being eligible, however, is not entitlement to housing. In addition, every applicant must meet the Resident Selection Guidelines. The Resident Selection Guidelines are used to demonstrate the applicant's suitability as a resident using verified information on past behavior, to document the applicant's ability, either alone or with assistance, and to comply with essential lease provisions and any other rules and regulations governing residency.

4. APPLICATION INTAKE AND PROCESSING

It is the PHA's policy to accept and process applications in accordance with applicable HUD Handbooks and Regulations when applicable.

All applications are taken at the central office. All communications with applicants will be by First Class Mail. Failure to respond to letters may result in withdrawal of an application from further processing. Management may make exceptions to the procedures described herein to take into account circumstances beyond the applicant's control (for example, medical emergencies or extreme weather conditions).

Every application must be completed and signed by the head of the household, spouse, and every adult household member 18 years and older. All other members of the household will be listed on the Application. Staff assistance might take the form of answering questions about the Application, helping applicants who might have literacy, vision, or language challenges, and, in general, make it possible for interested parties to apply for assisted housing.

5. PRIORTIES FOR ACCESSIBLE OR ADAPTABLE APARTMENTS

For apartments accessible to, or adaptable for, persons with mobility, visual, or hearing impairments, households containing at least one person with such impairment will have first priority (as applicable for a particular apartment feature). NOTE: Current residents in good standing, requiring accessible/adaptable apartments, shall be given priority over applicants requiring the same type apartment. Where persons without disabilities are moved into apartments designed to meet special needs, they shall do so only after agreeing to move to an

apartment with no such design features should an applicant or current resident require an accessible apartment of the type currently occupied by the persons without disabilities.

6. WAITING LIST SELECTION PROCEDURES

NOTE: Current residents, in good standing, who may qualify for rental assistance or who meet the qualifications listed in the Transfer Policy for transfer to a different unit shall be given priority over applicants. It is likely that there will be more applicants for housing than can be assisted. In order to select those families most in need of housing, the following categories will be the basis of selecting residents from among all applicants:

- a. Handicapped or disabled eligible families when units are designated for their use.
- b. Forty percent (40%) of all available (moved-out) units will be set aside for families whose total gross family income does not exceed 30% of the area median income as established by HUD.
 - Applicants will be taken from the waiting list in order EXCEPT, if, at any time, the admission of the next applicant on the waiting list would cause the property to fall below the 40% under 30% requirement, the next applicant who meets the under 30% income level requirement will be moved to the top of the list and admitted. This testing procedure will be applied to all admissions during the year and records regarding this procedure will be kept on an annual basis and in the rental office. The determination of compliance will be made annually and the documentation will be kept on file in the rental office.
 - Marketing of these units will be targeted towards potential residents who have incomes that do not exceed 30% of the area median income.
- c. Within each of the above listed groups, approved applicants will be housed based solely on the date and time of application.

7. WAITING LIST MANAGEMENT

It is the policy of Management to administer its Waiting List as required by HUD handbooks and regulations.

a. Opening and Closing Waiting Lists

In order to maintain a balanced application pool, the Property may, at its discretion, restrict application taking, suspend application taking, and close Waiting Lists in whole or in part. Property will also update the Waiting List by removing the names of those that are no longer interested in or no longer qualify for housing.

If the Property has sufficient applications, it may elect to:

- 1) Close the Waiting List completely,
- 2) Close the Waiting List during certain times of the year, or

Decisions about closing the waiting list will be based on the number of applications available for a particular size and type of apartment and the ability of the Property to house an applicant in an appropriate apartment within a reasonable period of time. Closing the Waiting Lists, restricting intake, or opening the Waiting Lists will be publicly announced. Property will use a one-year waiting period to determine whether the Waiting List may be closed.

During the period when the Waiting List is closed, Property will not maintain a list of individuals who wish to be notified when the Waiting List is reopened.

b. Change in Priority Status While on the Waiting List

Occasionally households on the Waiting List who did not qualify for a Priority when they applied will experience a change in circumstances that qualifies them for a Priority. In such cases, it will be the household's duty to contact the Property so that their change in status may be verified to reflect the Priority.

To the extent the verification determines the household does now qualify for a Priority, they will be moved up on the Waiting List in accordance with the Priority and their date of application.

c. Removal of Applications from the Waiting List

Property will not remove an applicant's name from the Waiting List unless:

- 1) The applicant requests that the name be removed,
- 2) The applicant was clearly advised, in writing, of the requirement to tell Property of his/her continued interest in housing by a particular time and failed to do so,
- 3) Property made a reasonable effort, in writing, to contact the applicant to determine if there was continued interest in housing but has been unsuccessful, or
- 4) Property has notified the applicant, in writing, of its intention to remove the applicant's name, because the applicant no longer qualifies for assisted housing, or
- 5) Applicant refused offer of unit for other than medically related reason.

8. INTERVIEWS AND VERIFICATION PROCESS

As applicants approach the top of the waiting list, they will be contacted to schedule an application interview. The interview shall be conducted in accordance with the HUD Handbook 4350.3.

No decisions to accept or reject applications shall be made until all information presented by the applicant on the Application has been verified.

9. VERIFICATION REQUIREMENTS

Property shall obtain verifications in compliance with requirements set forth in the HUD Handbook 4350.3. No decision to accept or reject an application shall be made until verifications keyed by the application form have been collected and any necessary Follow-up Interviews have been performed.

a. Types of Verification Required

All information relative to the following items must be verified as described in these procedures:

- 1) Eligibility for Admission, such as
 - a) Income, assets, and asset income
 - b) Birth Certificates
 - c) Social Security Cards of household members age 6 and older or certification that Social Security has not been assigned
 - d) Citizenship and/or legal status
- 2) Allowances, such as
 - a) Age, disability, or handicap of household members
 - b) Full time student status
 - c) Child care costs
 - d) Handicap expenses

- e) Medical costs (for elderly/handicap households only)
- 3) Priorities, such as
 - a) Income less than 30% of median income limits
- 4) Compliance with Resident Selection Guidelines, such as
 - a) Proof of ability to pay rent
 - b) Previously demonstrated adherence to Lease
 - c) Positive prior landlord reference, rent paying, caring for a home
 - d) History of criminal activity of any household member
- 5) Credit checks will be processed through approved credit bureaus with an approved credit rating. Exceptions include:
 - a) Medical collections.
 - b) Proof of satisfactory dispute of credit rating.
 - c) Applicant shows period of credit problems which have been corrected.
 - d) Applicant has proof of repayment of debt. Proof must be a statement of satisfaction from creditor, court, or other legal proof.
- 6) Special Program Requirements, such as
 - a) Special needs housing based on disability

All the above information must be documented and appropriate verification forms or letters placed in the applicant or resident file.

- b. Period for Verification - Only verified information that is less than 120 days old may be used for verification or recertification. Verified information not subject to change (such as a person's date of birth) need not be re-verified.
- c. Forms of Verification - documentation required, as part of the verification process, may include:
 - checklists completed as part of the interview process and signed by the applicant
 - verification forms completed and signed by third parties
 - reports of interviews
 - documentation, ie, award letters, pay stubs, bank statements, etc
 - notes of telephone conversations with reliable sources
 - facsimile, email and Internet

At a minimum, such reports will indicate the date and time of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received.

Management staff will be the final judge of the credibility of any verification submitted by an applicant. If the staff considers documentation to be doubtful, it will be reviewed by Management staff that will make a ruling about its acceptability. Management staff will continue to pursue credible documentation until it is obtained or the applicant is rejected for failing to produce it.

- d. Sources of Information - Sources of information to be checked may include, but not be limited to:
 - the applicant by means of interviews
 - present and former housing providers

- present and former employers
 - credit checks and management record services
 - social workers, parole officers, court records, drug treatment centers, physician, clergy, INS
 - law enforcement
- e. Preferred Forms of Verification - Verifications shall be attempted in the following order:
- third-party written
 - third-party oral with a record kept in the files
 - copies of third party documents provided by the household (i.e. Social Security or agency printouts, award letter, pay stubs, bank statements, pharmacy printouts, payment book stubs for medical insurance premium, etc.)
 - in the absence of any of the above, affidavits from the household

Each file will be documented to show that the Property staff attempted to obtain third-party written documentation before relying on some less acceptable form of information.

10. Attempted Fraud

Any information provided by the applicant that verification proves to be untrue may be used to disqualify the applicant for admission on the basis of attempted fraud. The Property considers false information about the following to be grounds for rejecting an applicant:

- 1) Income, assets, household composition
- 2) Social Security Numbers
- 3) Preferences and priorities
- 4) Allowances
- 5) Previous residence history or criminal history
- 6) Citizenship, naturalization, and/or eligible immigration status

Unintentional errors that do not cause preferential treatment will not be used as a basis to reject applicants.

11. DETERMINATION OF APPLICANT ELIGIBILITY

Information needed to determine applicant eligibility shall be obtained, verified, and the determination of applicant eligibility performed, in accordance with HUD and property eligibility requirements.

12. DETERMINATION OF APPLICANT QUALIFICATION

The Applicant Screening Policy

All applicants for HUD regulated housing will be screened according to the criteria set forth in these Resident Selection Guidelines. The following guidelines, which are based on those set forth in the HUD Regulations, relate to the individual behavior of each applicant household:

- 1) Past performance in meeting financial obligations, especially rent.

- 2) A record of disturbance of neighbors, destruction of property, or housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other residents or cause damage to the apartment or community.
- 3) A recent record of criminal activity on the part of any applicant household member which would adversely affect the health, safety, or welfare of other residents. "Criminal Activity" will be defined as Drug Related or violent Criminal Activity. "Recent Record" will be defined as within 1 year for a misdemeanor and 4 years for a felony.
- 4) A record of eviction from housing or termination from residential programs.
- 5) An applicant's ability and willingness to comply with the terms of the Property's Lease and community's policies.
- 6) An applicant's misrepresentation of any information related to eligibility, allowances, household composition, or rent.

13. How Applicant's History Will be Checked

Listed below are the methods by which every applicant's performance, relative to each of the five criteria, will be checked:

- 1) Past performance meeting financial obligations, especially rent:
 - a) Credit check with Credit Bureau.
 - b) Contacting the current landlord and at least one prior landlord. The Landlord Verification Form will be used to gather previous rental history information.
 - c) The reason for checking with prior housing providers is that current housing providers of dangerous, destructive, or costly applicants may misrepresent information about them to get the Property to take over their problems. Contacts with all prior housing providers for at least the past 2 years are to be pursued.
 - d) If verified records of timely rental payments are received from management(s), no further documentation of past performance in meeting financial obligations, especially rent, need to be collected.

Eligible households who apply for housing with outstanding balances owed to the PHA must pay any balance owed prior to being placed on the Waiting List. Failure to pay will result in the application being rejected.

- 2) Disturbance of neighbors, destruction of property, or living or housekeeping habits that would pose a threat to other residents:
 - a) Staff will check for these potential problems with the current management and at least one former management using the Landlord Verification Form.
 - b) If the applicant is not currently living under a lease with a management, the housing provider will be asked to verify the applicant's ability to comply with Property lease terms as it relates to these guidelines.
 - c) An applicant's behavior toward Property Manager will be considered in relation to future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward Property Staff will be noted in the file.
- 3) Involvement in criminal activity on the part of any applicant household member which would adversely affect the health, safety, or welfare of other residents.
- 4) Criminal history checks of convictions and outstanding warrants with local, state and possibly federal authorities.
- 5) A record of eviction from housing or termination from residential programs will be considered:

- a) Check Property records, management records, and other records to determine whether the applicants have been evicted from the Property, any other assisted housing or any other property in the past.
 - b) Records of evictions from residential programs will be checked with service agencies and with any housing providers referred by the applicant
 - c) Circumstances of any past eviction or termination in determining its relevance to Property tenancy.
- 6) An applicant's misrepresentation of any information related to eligibility, award of priority for admission, allowances, household composition, or rent.
- a) If, during the course of processing an application, it becomes evident that an applicant has falsified or otherwise misrepresented any facts about his/her current situation, criminal history, or behavior in a manner that would affect eligibility, Federal preferences, priorities, application selection criteria qualification, allowances, or rent, the application shall be rejected.

7) Eligibility of Students for Section 8 Assistance:

A student enrolled in an Institute of Higher Education as defined by the Higher Education Act of 1965-Amended 1998 will be deemed eligible for assistance if the student meets all other eligibility requirements and screening criteria and is:

- Disabled or
- Over 23 years of age or
- A veteran or
- Married or
- Has a dependent child or
- Can prove independence of parents including providing certification that the parents did not claim the student on the most recent tax return or
- Has parents who are income eligible for the Section 8 program

Any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 from private sources or an institution of higher education (as defined under the Higher Education Act of 1965) shall be considered income to that individual.

There are two exceptions to this income calculation requirement. No financial assistance that an individual receives under the Higher Education Act of 1965 from private sources or an institution of higher education (as defined under the Higher Education Act of 1965) shall be considered income if the student is:

- a) Living with his/her parents/guardian or
- b) A person over the age of 23 with dependent children

Financial assistance will be verified by a third party from the institution of Higher Education, the private source, or the applicable financial aid office.

Section 8 assistance shall not be provided to any individual who:

Is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential;

Is under the age of 24

Is not married;

Is not a veteran of the United States Military;

Does not have a dependent child;

Is not a person with disabilities, as such term is defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving section 8 assistance as of November 30, 2006). Is not living with his or her parents who are receiving Section 8 assistance; and

Is not individually eligible to receive Section 8 assistance and has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance.

14. Obtaining Applicant Releases

When applicants are interviewed prior to the eligibility and reference determination, all adult household members must sign the necessary releases required for gathering information needed to determine eligibility.

15. Review of Recommendations for Admission or Rejection

- a) If the applicant requests an additional interview to determine whether mitigating circumstances or reasonable accommodations would make it possible to accept his/her application, Management will do so based on Section 504 of the Rehabilitation Act of 1973.
- b) If an applicant is clearly eligible and passes the screening guidelines, admission shall be authorized. Likewise, if the applicant is ineligible, rejection shall be authorized.
- c) Management will follow the grievance process in compliance with requirements set forth in the HUD Handbook 4350.3

16. Applicants with Disabilities or Handicaps

Management must consider whether to reconsider a rejection of an applicant if he/she has a disability and the reasons for the rejection could be overcome by management's reasonable accommodation of the applicant's disability. For reasonable accommodations to apply there are several requirements. First, the applicant must have a verifiable disability [mental or physical impairment that substantially limits one or more major life activities]. The disability must have a direct correlation to the reason the applicant would be rejected. The applicant must request the reasonable accommodation and provide verification of his/her disability and his/her need for the accommodation. Finally, for the accommodation to be reasonable it cannot result in a financial or administrative burden to the Property. In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations the applicant is not eligible and the applicant will be rejected. Examples of such situations are where the behavior or performance in past housing caused a direct threat to the health or safety of persons or property; past history or other information that shows the applicant's inability to comply with the terms of the Property's lease; or an objective determination that the applicant would require services from management that represent an alteration in the fundamental nature of the Property's program.

- 1) If an applicant makes a request, management will provide a reasonable accommodation if the applicant has a verifiable disability that is directly related to the request and providing the reasonable accommodation will not result in a financial or administrative burden to management.

17. REJECTION OF INELIGIBLE OR UNQUALIFIED APPLICANTS

The Property complies with applicant rejection requirements set forth in the HUD Handbook 4350.3. Management reserves the right to reject applicants for admission if it is determined that the applicant or any member of the household falls within any one or more of the following categories:

- a. **Misrepresentation:** Willful or serious misrepresentation in the application procedure for the apartment or certification process for any government assisted dwelling unit.
- b. **Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior:** Includes behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence or irresponsibility, which damages the equipment or premises in which the family resides; or which is disturbing or dangerous to neighbors or disrupts sound family and community life.
- c. **Violent Behavior:** Includes evidence of acts of violence or of any other conduct, which would constitute a danger or disruption to the peaceful occupancy of neighbors.
- d. **Non-compliance with Rental Agreement:** Includes evidence of any failure to comply with the terms of rental agreements at prior residences, such as failure to recertify as required, providing shelter to unauthorized persons, keeping pets, or other acts in violation of rules and regulations.
- e. **Owing Prior Landlords:** Applicants who owe a balance to present or prior landlords will not be considered for admission until the account is paid in full and reasonable assurance is obtained that the contributing causes for nonpayment of rent or damages have changed sufficiently to enable the family to pay rent and other charges when due.
- f. **Unsanitary or Hazardous Housekeeping:** Includes generally creating any health or safety hazard through acts of neglect and causing or permitting any damage to or misuse of premises and equipment, if the family is responsible for such hazard, damage or misuse; causing or permitting infestation, foul odors or other problems injurious to other persons' health, welfare or enjoyment of the premises; depositing garbage improperly; failing to use in a reasonable and proper manner all utilities, facilities, services, appliances and equipment within the dwelling unit or failing to maintain them in a clean condition; or any other conduct or neglect which could result in health or safety problems or in damage to the premises.
- g. **Credit History:** A consistent, severe or recent history of deficiencies in overall credit or rent payment which indicate the family will be unable or would otherwise fail to pay when due rent for the apartment and other expenses relating to occupancy of the apartment.
- i. **Criminal Activity:** Management has established a policy to reject all applications where the applicant or any household member has engaged in certain criminal activity. The activities that will be grounds for rejection of an application are as follows:
 - a. Any conviction for the sale, distribution or manufacture of any controlled or illegal substance.
 - b. Any conviction for a charge involving illegal use or possession of any controlled or illegal substance.
 - c. Any current illegal user or addict of a controlled or illegal substance.
 - d. Any act which results in the person's tenancy constituting a threat to the health or safety of other individuals, result in substantial physical damage to the property of others, or interfere with the peaceful and quiet enjoyment of the premises.
 - e. Any conviction for any sexual offense.
 - f. Any conviction which involved bodily harm to a child.
 - g. Eviction for Drug Related Criminal Activity: If the applicant or any household member has been

evicted from federally assisted housing for drug related criminal activity, the application will be rejected.

- h. Alcohol Abuse: If a determination is made that the applicant or any household member's abuse, or pattern of abuse, of alcohol interferes with the health, safety or right to peaceful enjoyment of the premises by other residents, the application will be rejected.

Management reserves the right to require criminal background checks at any time during residency if in receipt of credible and verifiable information.

18. ACCEPTANCE AND MOVE-IN OF ELIGIBLE AND QUALIFIED APPLICANTS

- 1) Determination for Rent and Security Deposit
- 2) Monthly rent and security deposit amount will be determined in accordance with the Federal regulations governing the housing program and state law.

19. Offering an Apartment

When an apartment becomes available for occupancy, it will be offered to the applicant at the top of the Waiting List for that apartment type. If the applicant cannot be contacted within three (3) working days, the offer will be canceled and the apartment will be offered to the next applicant on the Waiting List. If the reply is negative, or if no reply is received within three (3) working days, the application will be withdrawn.

If an applicant rejects an offer, the applicant is removed from the Waiting List.

20. Security Deposits

The Security Deposit will be one months total tenant payment. The security deposit is due and payable on the first day of occupancy; however, with approval of the PHA, the Resident may pay the security deposit in not more that six (6) installments, becoming due and payable on the first day of the following months. The security deposit may not be used to pay rent or for other charges while the Resident is in occupancy. The PHA will refund to the Resident the full amount of the security deposit less any amounts due as a result of unpaid rent, damages, and any other charges which may be due.

Refunds or notices regarding charges shall be mailed to the Resident within 30days from the date on which the resident moves or in cases where the Resident moves without notifying the PHA, such refunds or notices regarding charges shall be mailed 30 days from the date which the unit is found to be vacant.

20. Prior to Move-In

- 1) Management will explain the HUD regulations regarding the following:
 - a) Security deposits
 - b) Annual recertification's
 - c) Interim recertification's
 - d) Unit inspections
 - e) Community policies
 - f) Transfer policy

- 2) All adult members, age 18 and older, of the household will sign the Lease, Community Policies, and related documents.
- 3) The applicant and management will inspect the apartment and sign the Move-In Inspection form.
- 4) The applicant will pay the Security Deposit.
- 5) The applicant will pay the rent for the first month, as set forth in the Lease.
- 6) The applicant will be given a copy of the Lease, the Move-In Inspection form, Community Policies, and the receipt for the Security Deposit and first month's rent.

21. Transfer Policy

- 1) The following reasons for transfer will be reviewed and may be granted:
 - Because of a Reasonable Accommodation due to a disability of a household member, a household may require an apartment that is larger than the apartment size provided in the prosperity Occupancy Guidelines.
 - A change in the household size requiring an increase or decrease in the apartment size to accommodate the new household size.
- 2) Residents requesting transfers for the above reasons will be placed on a transfer list based on apartment size requested.
- 3) Residents with a disability(ies) will be given priority for an apartment with accessible features.
- 4) Transfers should occur after the completion of the initial lease term (except if based on accessibility needs), completed in the middle of the month, and are limited to two days, one to move out of the current apartment, and one to move into the new apartment.
- 5) When a household transfers to a new apartment, management may:
 - A) transfer the existing deposit, or
 - B) close out the existing deposit, deduct resident charges, and determine a new security deposit based on the new TTP or program requirement.

NOTE: Current residents, in good standing, who may qualify for rental assistance or who meet the qualifications listed in the Transfer Policy for transfer to a different unit shall be given priority over applicants.

In reaching a reasonable accommodation with, or performing structural modification for otherwise qualified individuals with

23. At Move-In - Keys to the apartment will be issued to the household. After move-in, periodic inspections will be completed as well as annual and interim certifications will be completed. See Appendix 5 - Key Policy.

24. Failure to Move-In On Time

If a household fails to move in on the agreed date, the application will be declined and the apartment will be offered to the next household on the Waiting List.

25. Apartment Inspections

All apartments must undergo a move-in and move-out inspection by the on-site management team. These inspections include not only interior but also exterior inspections. There will be an annual inspection. From time to time, HUD and/or the Contract Administrator will conduct an inspection.

26. Annual Recertifications/Interim Recertifications

HUD regulations require an annual re-certification of income and expenses for rent determination. Interim re-certifications depend upon certain resident changes such as adding another person to your household, change in income, increase or decrease. This policy will be discussed during the initial recertification process.

IT IS THE POLICY OF THIS COMPANY TO PROVIDE HOUSING ON EQUAL OPPORTUNITY BASIS. WE DO NOT DISCRIMINATE ON THE BASIS OF RACE, RELIGION, COLOR, SEX, FAMILIAL STATUS, NATIONAL ORIGIN OR HANDICAP.