

MEETING CANCELLED

MEMORANDUM

To: Members of the Housing Commission
From: Mary Cele Smith, Housing Planner (msmith@cityhpil.com)
Date: May 1, 2014

RE: HOUSING COMMISSION PACKET FOR 5-7-2014 MEETING

**Note: Dinner will be served at 6:00 p.m.
The packet contains the following documents:**

Part A. Priority Items

- Regular Meeting Agenda
- **Agenda Item IV. (Action Needed) Approval of Minutes**
 - Meeting Minutes for April 9th Regular Meeting
- **Agenda Item V. Scheduled Business**
 - **1. (Action Needed) Items for Omnibus Vote Consideration**
 - Payment of Invoices: None at present
 - **2. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
 - Sunset Wood Rentals: Discussion and Consideration of Extension to Management Agreements with Housing Opportunity Development Corporation (HODC).
Supporting Materials:
 - Memo from Staff May 1, 2014
 - Letter from HODC and two 2014 Extensions
 - 3 additional attachments
 - Discussion regarding Evergreen Management Procedures: **Supporting Materials:**
 - Memo from Staff May 1, 2014 with 9 attachments
 - April 2014 Management Report
 - Accounts Receivable Up-Date
 - Summary of Capital Improvements for Peers, Walnut Place, and Ravinia
 - Summary Spreadsheets: Highland Park Housing Reserve Balances prepared 2/28/14
 - Housing Trust Fund Fiscal Year 2013, Unaudited through 2/28/14
 - Consideration of Corporate Authorization Resolutions to add Chair David Meek as a Signatory at Highland Park Bank and First Bank of Highland Park: **Supporting Materials: will be emailed under separate cover when available.**

Part B. Detailed and Optional Material

- Financial Reports for Peers, Walnut, and Ravinia Housing Associations and for Sunset Woods Housing Association for the month ending March 31, 2014

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Public Notice

In accordance with the Statutes of the State of Illinois, and the Ordinances of the City of Highland Park, the **Regular Meeting** of the City of Highland Park Housing Commission, the Peers Housing Association, Walnut Housing Association, Ravinia Housing Association and Sunset Woods Association will be held at the hour of **6:30 P.M. on Wednesday, May 7, 2014 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois**. The Meeting will be held in the Pre-Session Room on the second floor.

City of Highland Park
Housing Commission
Wednesday, May 7, 2014, at 6:30 p.m.
AGENDA

- I. Call to order**
- II. Roll Call**
- III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. Approval of Minutes –April 9, 2014 Regular Meeting**
- V. Scheduled Business**
 1. Items for Omnibus Vote Consideration
 - Payment of Invoices: None at present
 2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Sunset Woods Rentals: Discussion and Consideration of Extension to Management Agreements with Housing Opportunity Development Corporation
 - Discussion regarding Evergreen Management Procedures
 - Management Report
 - Property Report
 - Update on Peers window and air conditioning replacement project
 - Discussion regarding Commission attendance at upcoming resident luncheons at:
 - Walnut Place on Tuesday June 3 and
 - Peers on Tuesday June 10
 - Consideration of Corporate Authorization Resolutions to add Chair David Meek as a Signatory at Highland Park Bank and First Bank of Highland Park
 - Other Sunset Woods Items:
 - Update on Draft Amendment to the Sunset Woods Condominium Declaration
 - Other Sunset Woods business
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters**
- VII. Other Business**
- VIII. Adjournment**

DRAFT

**MINUTES OF A REGULAR MEETING OF THE
HOUSING COMMISSION OF THE CITY OF HIGHLAND PARK, ILLINOIS**

MEETING DATE: Wednesday April 9, 2014

MEETING LOCATION: Pre-Session Room, City Hall,
1707 St. Johns Avenue, Highland Park, IL

CALL TO ORDER

At 6:30 p.m., Chair David Meek called to order the regular meeting of the Highland Park Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Each of the Commissioners also serves as Directors of each of the Housing Associations. The Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Elder, Kaltman, Kant, Meek, and Zionts

Commissioners Absent: Naftzger (Commissioner Naftzger arrived at 6:32 p.m.)

Student Representatives Present: Gerber

Student Representatives Absent: Castellanos

Chair Meek declared that a quorum was present.

Council Liaison Absent: Blumberg

Staff Liaisons Present: Planner M. Smith and Planner L. Smith

BUSINESS FROM THE PUBLIC (Citizens Wishing to be Heard Regarding Items not Listed on the Agenda)

There was no business from the public on items not listed on the Agenda.

APPROVAL OF MINUTES

Regular Meeting of the Housing Commission – March 5, 2014

Commissioner Kant moved approval of minutes of the regular meeting of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association held on March 5, 2014. Commissioner Kaltman seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

Commissioner Naftzger joined the Meeting at 6:32 p.m.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Payment of Invoices: None

2. Consideration of a Grant Application from Community Partners for Affordable Housing to the Affordable Housing Trust Fund to Create Four Affordable Housing Units

Chair Meek introduced Rob Anthony, Executive Director, Community Partners for Affordable Housing (CPAH) and the grant request. The CPAH application is for \$450,000 to create four affordable rental units at 386 and 390 Walker Avenue for households below 60% of Chicago Area Median Income, contingent upon receipt of Illinois Affordable Housing Tax Credits (IAHTC) from the Illinois Housing Development Authority. Based on past IAHTC projects, the Housing Commission can receive a State tax credit worth 50% of the grant, or \$225,000 for this project. CPAH staff, as they have done in the past, would then assist the Housing Commission to sell the IAHTC for approximately \$0.83 per dollar, or \$186,750. As a result, the net contribution from the Housing Trust Fund (HTF) would be approximately \$263,250 ($\$450,000 \times .05 \times .83$). CPAH intends to use the HTF to leverage \$300,000 in Lake County HOME funds as well as other funds for the project.

With regard to the project costs, the total estimated cost per unit is \$242,500; of that figure, \$65,937 would be the per unit cost from the Housing Trust Fund. As part of the project (but not part of this grant request), CPAH would complete minor rehabilitation work on the two single-family houses on the property and sell them via the community land trust model. One would be available for purchase to a household up to 80% of Chicago Area Median Income (AMI), and the other to a household earning up to 100% of AMI. CPAH staff will use funding from the existing HTF scattered site grant and other sources for the acquisition and rehab of the two single-family homes. The property location, current zoning, lot size and availability create a unique opportunity for CPAH to redevelop the lot as a Planned Unit Development in order to improve the aesthetics of the property, preserve the two existing housing units for sale, create green space, and add four additional rental units to the City's stock of permanently affordable housing. Mr. Anthony then answered Commissioners' questions about the project.

After discussion, Chair Meek entertained a motion to approve the grant to Community Partners for Affordable Housing (CPAH) for \$450,000 for the creation of four affordable housing units in Highland Park, contingent upon receiving a tax credit from the Illinois Housing Development Authority. Commissioner Elder moved approval of the grant to Community Partners for Affordable Housing (CPAH) for \$450,000 for the creation of four affordable housing units in Highland Park, contingent upon receiving a tax credit from the Illinois Housing Development Authority. Commission Naftzger seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

3. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods Management Report

Ms. Polly Kuehl, Senior Vice President, Evergreen Real Estate Services, reviewed the Management Report from the packet. She said that the extreme weather led to increased expenditures in the winter months, but that she expects the finances for the properties to recover over the warmer months. The camera system is working well at the Ravinia family housing

campus on St. Johns. The Commissioners asked about residents' responses to the cameras. Ms. Kuehl said that she has not heard any negative feedback.

Property Operations Report

There was no additional discussion of the financial reports.

Status of Management Agreements with Evergreen Real Estate Services for Peers, Walnut Place, and Ravinia Housing

Planner M. Smith reported that the City Council would consider the Housing Commission's recommendation to extend the Management Agreements with Evergreen for another two years for Peers, Walnut Place and Ravinia Housing at the April 16th Meeting. City staff and Ms. Kuehl would attend. The Commissioners agreed that it would be helpful for one of them to attend as well.

Update on Peers window and air conditioning replacement project

Ms. Kuehl reported that she is continuing to prepare the Request for Proposals (RFP) for architectural services.

Sunset Woods:

Report from Chair Meek

Chair Meek reported on the Sunset Woods Condominium Association (SWCA) Special Meeting to consider the draft Amendment to the Condominium Declaration. Chair Meek, the Housing Commission and Sunset Woods Association representative to the SWCA, attended the Meeting on Wednesday March 26th. He said that there were insufficient ballots to pass the amendment and that, of those attending, only about 55% indicated that they would vote for the draft amendment. One resident swayed the other owners who attended against the hardship provision. As a result of the lack of support and necessary attendance to adopt the amendment, attorney John Bickley recommended withdrawing the Amendment and revising it to reflect the comments at the Meeting.

Discussion and Consideration of Revised Draft Amendment to the Sunset Woods Condominium Declaration

The Commissioners discussed the revised draft Amendment to the Sunset Woods Condominium Declaration that attorney John Bickley prepared in response to owners' comments at the Sunset Woods Condominium Association Special Meeting on March 26th. Chair Meek said that there were two changes that he would like the Commission to consider:

- Reducing the permitted number of rentals from one to two, which is the FHA minimum required, and
- Eliminating the hardship provision.

Chair Meek said that he does not like the revision that eliminates the hardship provision and that he would like the Condominium Board to do some additional education with other owners about the burden that the elimination could pose. Planner M. Smith said that putting a limit on the number of units that could be rented in a hardship situation, for example, limiting it to two units, may answer some of the concerns raised. Commissioner Kant said that he was in favor of the Commission giving Chair Meek the authorization to vote on the Amendment as he sees fit given his expertise and experience working with the Condominium Board on the draft Amendment issues. The other Commissioners concurred.

After discussion, Chair Meek entertained a motion to authorize him to vote on the Amendment to the Condominium Declaration on behalf of the Housing Commission and the Sunset Woods Association as he determines to be in the best interest of the Sunset Woods development. Commissioner Kant moved approval of authorization for Chair Meek to vote on the Amendment to the Condominium Declaration on behalf of the Housing Commission and the Sunset Woods Association as he determines to be in the best interest of the Sunset Woods development. Commissioner Naftzger seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

Other Sunset Woods Business

There was no other Sunset Woods business.

EXECUTIVE SESSION FOR DISCUSSION OF POTENTIAL LITIGATION

The Commissioners excused Student Representative Gerber from the Executive Session.

At 7:22 p.m., Commissioner Kant made a motion to close the regular meeting to the public pursuant to Section 2(c) of the Illinois Open Meetings Act (5 ILCS 120/2(c)) and to adjourn to Executive Session for the purpose of discussing litigation that is probable or imminent. Commissioner Kaltman seconded the motion. Planner M. Smith called the roll.

On a roll call vote:

Voting Yea: Adler, Elder, Kaltman, Kant, Meek, Naftzger, and Zionts

Voting Nay: None

Chair Meek declared that the motion passed unanimously.

At 8:20 p.m. Commissioner Elder made a motion to close the Executive Session and to re-open the regular meeting. Commissioner Kaltman seconded the motion.

Chair Meek declared that the motion passed unanimously.

The Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Elder, Kaltman, Kant, Meek, and Zionts

Commissioners Absent: Naftzger

Chair Meek declared that a quorum was present.

Staff Liaisons Present: Planner M. Smith and Planner L. Smith

The Commissioners agreed that it would be helpful to discuss Evergreen's management practices and policies regarding the application process, the lease, house rules, the grievance procedure, and eviction process at a future meeting given that there were several new Commissioners. The Commissioners also agreed that it would be useful for Ms. Kuehl to attend the discussion as well

as attorney Marvin Husby, an attorney from Holland & Knight, and a representative from an organization that works on tenant rights, such as Open Communities. With Chair Meek's approval, City staff said that they would include this on the May Commission Agenda.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Chair Meek entertained a motion to adjourn the meeting. Commissioner Adler moved to adjourn. Commissioner Kant seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

The Housing Commission adjourned its meeting at 8:30 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

CITY OF HIGHLAND PARK
DEPARTMENT OF COMMUNITY DEVELOPMENT
1150 HALF DAY ROAD
HIGHLAND PARK, ILLINOIS 60035
(847) 432-0867

MEMORANDUM

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: May 1, 2014

SUBJECT: Extension to Management Agreements with Housing Opportunity Development Corporation

The two Management Agreements for the rentals at Sunset Woods have two-year terms, each of which expires on August 31, 2014. The only change from the two previous agreements is the extension of the term from September 1, 2014 through August 31, 2016.

Attached to this memo is a letter from Richard Koenig, Executive Director of the Housing Opportunity Development Corporation (HODC), requesting consideration of extending the agreements and summarizing some of the benefits from the relationship with HODC. Also attached are:

- the Extension and Amendment of Management Agreement for the twelve original rentals and the one for the additional two rentals that the Housing Commission acquired in the resale process several years ago,
- the July 1, 2002 Management Agreement for the twelve rentals that contains the full Agreement as well as the August 25, 2004 Extension and Amendment of Management Agreement that revises the management fee from 7.5% of gross receipts to the current fee of 6.5% of gross receipts, and
- the September 1, 2012 Extension and Amendment of Management Agreement for the two additional rentals that contains the full Agreement.

The Extension and Amendment of Management Agreement for the twelve rentals requires the approval of the Illinois Housing Development Authority (IHDA). IHDA has a subordinate mortgage on the original twelve rentals in the form of a forty-year, non-interest bearing loan. Monthly payments of \$100 began January 1, 2004 with the unpaid balance due in one payment on June 30, 2042. The Extension and Amendment of Management Agreement for Unit #231 and #319 are between the Sunset Woods Association and HODC only.

Recommendation:

Given Housing Opportunity Development Corporation's (HODC) quality service and reasonable fees, staff respectfully recommends that the Housing Commission and the Sunset Woods Association extend the two Management Agreements for the Sunset Woods rentals for the period from September 1, 2014 to August 31, 2016.

The balance of this memo will provide background on the management relationship, management fees, and HODC's performance.

Background:

HODC, formerly known as the Interfaith Housing Development Corporation, was one of the original development partners and has been the only management company for the rentals since the Sunset Woods development opened in 2002. Continuity in management services is important in affordable housing developments, because it provides stability for residents and builds an effective relationship with the Housing Commission and City staff. Prior to selecting HODC in 2002, the Housing Commission also considered a proposal from the Braeside Group, the initial manager for the condominium units at the Sunset Woods development. The Commission selected HODC over the Braeside Group for a number of reasons:

- HODC (then known as Interfaith Housing Development Corporation) had experience managing affordable rental developments;
- The project team's experience developing Sunset Woods with HODC was favorable;
- HODC's proposed fee of 7.5% was lower than Braeside's proposed fee of 9.5%; and
- There was a concern that there was a conflict of interest to have the same firm (Braeside) managing the rental and condominium units in the same development.

Management Fees:

The fees for all fourteen rentals are 6.5% of "gross collections." "Gross Collections" are all amounts actually collected by the Property Manager as rents or other payments, including, but not limited to, vending machine collections and parking fees, but excluding (1) income derived from interest or investments, (2) discounts and dividends on insurance, and (3) security deposits. The initial fee established in 2002 was 7.5%. It was reduced to 6.5% in 2004 and has been constant since.

HODC's Performance

Resident satisfaction:

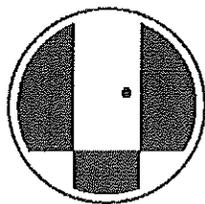
Resident satisfaction is one of the Housing Commission's consistent goals each year. City staff and the Housing Commission representative to the Sunset Woods Condominium Association (SWCA) Board assess resident satisfaction through their interactions with the renters. Chair David Meek is the current Commission representative to the SWCA Board, and he meets with renters prior to each quarterly SWCA meeting in order to hear any concerns. The feedback that he and City staff receive is generally favorable. After these quarterly meetings, Chair Meek contacts City staff to forward any repair requests that haven't been made already to the HODC property manager and other questions from the renters. City staff then contacts the HODC property manager. City staff's experience is that the Property Manager responds quickly to service requests. Moreover, the Property Manager has handled sensitive situations that have arisen with a few renters with compassion and tact.

Maintenance and Capital Planning:

Because the fourteen rentals reside in a newer building of sixty total units, there has been little need for extensive capital planning for the fourteen units. HODC staff does cycle painting and carpet-cleaning on a regular schedule and does refurbishing, including painting, as needed at turnover.

Documents included in the Housing Commission packet:

- April 24, 2014 Letter from Richard Koenig to Mary Smith
- 9.1.14 Extension and Amendment of Management Agreement approved by IHDA
- 9.1.14 Extension and Amendment of Management Agreement for two additional units
- 7.1.02 Management Agreement
- 8.25.04 Extension and Amendment of Management Agreement
- 9.1.12 Extension and Amendment of Management Agreement for the two additional rentals



**HOUSING
OPPORTUNITY
DEVELOPMENT
CORPORATION**

2001 Waukegan Rd, PO Box 480 ♦ Techny, Illinois 60082
(847) 564-2900 ♦ (847) 564-2992 fax ♦ hodc@hodc.org ♦ www.hodc.org

April 24, 2014

Ms. Mary Cele Smith
Housing Planner
City of Highland Park
1150 Half Day Road
Highland Park, IL 60035

Re: Sunset Woods Apartments
Management Agreement

Dear Mary:

I am writing to request an extension to our property management agreements for Sunset Woods Apartments. Housing Opportunity Development Corporation (HODC) was one of the development partners selected to construct the Sunset Woods property and we proudly began providing quality property management for the twelve rental units when the building opened in 2002. In 2010, when the City of Highland Park took ownership of 2 additional units, HODC accepted the responsibility of managing those units as well. We have worked hard to keep the apartments in excellent condition and enhance tenants' lives. We are therefore requesting extensions to the management agreement for the 12 rental apartments and the second management agreement for the additional two units that both expire this year.

HODC's mission is to develop, manage and preserve affordable housing in the northern suburbs. We currently manage 170 affordable rental units throughout the area including Hyacinth Place in Highland Park. As such our main concern with managing Sunset Woods is to provide quality affordable housing and ensure that the project is sustainable over the long-term. We accomplish those goals by proactively meeting tenants' needs and retaining a professional team.

HODC has property management and maintenance staff who are available not only during regular business hours but who are also available to respond to emergency situations after hours and on weekends. Our Property Manager conducts annual apartment inspections which allows us to ensure the quality of each unit as well as address any minor repairs before they become major issues. Our manager also meets with each resident regularly to recertify their eligibility.

HODC's professional property management staff attend trainings on a regular basis in order to stay up-to-date on management issues. For example recent trainings have included Property Management for Scattered Site Rental Housing and Nuts and Bolts of Asset Management



provided by NeighborWorks America; HUD Handbook Training by Midwest Affordable Housing Management Association; and Asset Management Services training by IHDA.

HODC regularly interfaces with development stakeholders, including IHDA and the Lake County Housing Authority, and is in compliance with all of their requirements. We also work with City of Highland Park staff to discuss issues related to the property. Our staff collaborates with the management of the condominium association as a representative for the City's units.

We would like to renew the attached management agreements for the 12 rental units and the additional two units so that we can continue to provide excellent service to the residents. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Koenig". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Richard Koenig, PhD
Executive Director

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the 1 day of September, 2014, by and between Sunset Woods Association (the "Owner") and Housing Opportunity Development Corp. (the "Property Manager").

RECITALS

A. The Owner and the Property Manager have previously entered into that certain Management Agreement dated as of July 1, 2002 (the "Management Agreement") and approved by the Illinois Housing Development Authority. The Management Agreement has expired and the parties wish to amend it and extend its term.

NOW, THEREFORE, in consideration of the mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of 2 year(s), beginning on September 1, 2014 and ending on August 31, 2016, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

OWNER: Sunset Woods Association

By: _____

Print Name: _____

Title: _____

FEIN # 01-0628727 _____

PROPERTY MANAGER: Housing Opportunity Development Corporation

By:  _____

Print Name: Richard Koenig _____

Title: Executive Director _____

FEIN # 36-3237455 _____

This Amendment is approved this ____ day of _____, _____.

**ILLINOIS HOUSING DEVELOPMENT
AUTHORITY:**

By: _____

Print Name: _____

Title: _____

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the 1 day of September, 2014, by and between Sunset Woods Association (the "Owner") and Housing Opportunity Development Corp. (the "Property Manager").

RECITALS

A. The Owner and the Property Manager have previously entered into that certain Management Agreement originally dated as of January 7, 2010 (the "Management Agreement") for the two additional units. The Management Agreement has expired and the parties wish to amend it and extend its term.

NOW, THEREFORE, in consideration of the mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of 2 year(s), beginning on September 1, 2014 and ending on August 31, 2016, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

OWNER: Sunset Woods Association

By: _____

Print Name: _____

Title: _____

FEIN # 01-0628727

PROPERTY MANAGER: Housing Opportunity
Development Corporation

By:  _____

Print Name: Richard Koenig

Title: Executive Director

FEIN # 36-3237455

MANAGEMENT AGREEMENT
(Trust Fund--Initial Rent-up)

THIS MANAGEMENT AGREEMENT (this "Agreement"), made as of the day of July, 2002, by and between Sunset Woods Association ("Owner"), an Illinois not-for-profit, having its principal office at 1707 St. Johns St, Highland Park, Illinois, and Housing Opportunity Development Corporation ("Property Manager"), an Illinois not-for-profit, having its principal office at 1000 Skokie Blvd, Suite 570, Wilmette, Illinois;

W I T N E S S E T H:

WHEREAS, Authority has made the Loan to Owner from the Affordable Housing Trust Fund for the acquisition, construction and permanent financing of the Development; and

WHEREAS, Owner is required to comply with the Act, the Trust Fund Act, the Regulatory and Land Use Restriction Agreement and all applicable rules and regulations of Authority; and

WHEREAS, Property Manager is experienced in the operation, maintenance, marketing, management and leasing of multifamily housing developments similar to the Development; and

WHEREAS, Owner desires to retain the services of Property Manager for the operation, maintenance, marketing, management and leasing of the Development and Property Manager desires to provide such services.

NOW THEREFORE, in consideration of the mutual agreements contained in this Agreement, Owner and Property Manager agree as follows:

1. **Recitals.** The Recitals set forth above are incorporated in this Agreement by this reference.

2. **Definitions.** As used in this Agreement, the following terms shall have the meanings indicated below:

(a) "Act": the Illinois Housing Development Act, 20 ILCS 3805/1 et seq. (1996), as amended from time to time.

(b) "Affirmative Fair Housing Marketing Plan": the Affirmative Fair Housing Marketing Plan for the Development, as approved by Authority.

(c) "Authority": the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois created by and existing pursuant to the Act.

(d) "Development": the real property legally described on **Exhibit A** attached to this Agreement and made a part of it, commonly known as Sunset Woods Apartments, located in Highland Park, Illinois; and the improvements, buildings, appurtenances, equipment and personal property located on it. The Development includes 60 Units, 60 parking spaces and 0 square feet of commercial space. *Throughout this agreement "Development" shall mean only the 12 rental units owned as condominiums by the Owner.* ^{12 rental units,}

(e) "Development Bank Account": the bank account into which all Development funds, including, but not limited to, rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development, are deposited. The Development Bank Account shall be established in a bank in the State of Illinois whose deposits are insured by the Federal Deposit Insurance Corporation. The funds in the Development Bank Account shall not be commingled with any other funds.

(f) "Fiscal Year" shall mean calendar year unless specifically provided to the contrary in this Agreement.

(g) "Gross Collections": all amounts actually collected by Property Manager as rents or other payments, including, but not limited to, vending machine collections and parking fees, but excluding (1) income derived from interest or investments, (2) discounts and dividends on insurance and (3) security deposits.

(h) "Initial Closing Date" shall mean the date the Authority issues its initial closing memorandum.

(i) "Initial Rent-up" shall mean the period from the Initial Closing Date to the date when occupancy of dwelling units in the Development first reached ninety-five percent (95%).

(j) "Lease": the Model Lease (IHDA Form No. PD-301A), or such other form of lease as may be approved in writing by Authority.

(k) "Loan": the mortgage loan made by Authority to Owner for the acquisition, construction and permanent financing of the Development, evidenced by the Note, secured by the Mortgage and governed by the Regulatory Agreement.

(l) "Loan Documents": the Note, the Mortgage, the Regulatory Agreement and all other documents evidencing, securing or governing the Loan.

(m) "Management Plan": the Management Plan for the Development, as approved by Authority, attached to this Agreement as **Exhibit B**; the Management Plan is incorporated in this Agreement by this reference.

(n) "Mortgage": that certain mortgage, security agreement and assignment of rents and leases, including any amendments to it, on the Development under which Authority is the mortgagee and Owner is the mortgagor, and which secures the Loan.

(o) "Note": that certain mortgage note executed by Owner evidencing the Loan.

(p) "Regulatory Agreement": that certain Regulatory and Land Use Restriction Agreement dated as of May 3, 2001, and any amendments to it, by and between Owner and Authority, governing the Development.

(q) "Tenant": an individual or family occupying a Unit pursuant to a Lease.

(r) "Tenant Selection Plan": the Tenant Selection Plan for the Development approved by Authority, as amended.

(s) "Trust Fund Act" shall mean the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq. (1996), as amended from time to time.

(t) "Unit": a unit in the Development intended for use as a private dwelling.

3. **Expertise of Property Manager.** Property Manager represents and warrants to Owner that it possesses the necessary skills, experience and expertise to properly manage the Development and to comply with the terms and conditions imposed upon it by this Agreement.

4. Compliance with Laws. Property Manager represents and warrants to Owner that it is familiar with, and represents that it shall act in compliance with, all applicable federal, state and local laws, ordinances and regulations when managing and maintaining the Development, including, but not limited, to issues involving equal employment opportunity, fair housing, eviction proceedings, security deposits, non-discrimination in connection with disabled persons, utility services and criminal activities that may result in property forfeiture. Property Manager further represents and warrants to Owner that it will keep informed of, and act in compliance with, all applicable new laws, ordinances and regulations that may be enacted during the term of this Agreement as they pertain to the management of the Development.

5. Appointment of Property Manager. Subject to Authority's written approval of this Agreement, Owner appoints Property Manager, and Property Manager accepts such appointment, as Owner's exclusive property manager for the management and leasing of the Development, subject to the terms and conditions of this Agreement. In making and performing this Agreement Property Manager acts, and shall at all times act, as an agent of Owner or Authority.

6. Regulation of the Development. Property Manager acknowledges its receipt of the Regulatory Agreement, certifies that it has reviewed it and is thoroughly familiar with all other applicable rules and regulations of Authority and covenants with Owner and Authority that it shall undertake and perform all of Owner's management duties and responsibilities in compliance with the Act, the Trust Fund Act, the rules and regulations of Authority, the Regulatory Agreement and the other Loan Documents.

7. Meetings with Owner and Authority. Property Manager agrees to cause a representative of Property Manager to confer with Owner and Authority and to attend meetings with Owner and/or Authority at any reasonable time or times requested by Owner or Authority.

8. Provision of Information. As soon as practicable, but not later than final completion of the Development, Owner shall furnish Property Manager with a complete set of "as built" plans and detailed specifications for the Development, as finally approved by Authority, and copies of all guaranties and warranties pertinent to construction, fixtures and equipment of

the Development. With the aid of this information and inspection by competent personnel, Property Manager shall thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Development, and especially the electrical, heating, plumbing, air conditioning and ventilating systems, elevators, and all other mechanical equipment in the Development.

9. Liaison with Architect and General Contractor. During the planning and construction phases, Property Manager shall consult with the design architect, supervising architect and general contractor, in order to coordinate management concerns with the design and construction of the Development; facilitate completion of any corrective work; discharge Property Manager's responsibilities for arranging utilities and services pursuant to **Paragraph 19** of this Agreement; and advise Owner of all significant matters pertaining to the above matters.

10. Initial Rent-up Period. During the Initial Rent-up Period, Property Manager shall advise and assist Owner in the rental of Units and the management of the Development. The duties and responsibilities of Property Manager shall include, but not be limited to, the following:

(a) Preparation of and submission to Owner and Authority, at least ninety (90) days prior to initial rental of Units, a rent-up budget for the Initial Rent-up Period;

(b) Participation in a pre-occupancy conference with Authority and Owner;

(c) Preparation and submission to Owner (for submission to Authority) of monthly financial statements of income and expenses and cash receipts and disbursements, as required by Authority, throughout the Initial Rent-up Period;

(d) Participation in on-site inspection of the Development, as required by Authority, including, but not limited to inspection of each Unit upon completion; and participation with each new Tenant in the inspection of the Unit identified in such Tenant's Lease prior to occupancy; and

(e) Continuing review (for submission to and approval by the Authority) of the Management Plan, for the purpose of keeping Owner advised of necessary or desirable changes.

11. Disclosure. Property Manager shall not disclose to third parties any information pertaining to the Development except when necessary to carry out Property Manager's duties under the terms of this Agreement or in response to written requests from Authority.

12. Waiver of Lien Rights. To the extent permitted by law, and provided that the Loan has not been repaid, Property Manager subordinates any and all lien rights it may be able to assert, during the term of this Agreement or thereafter, on or against the Development arising from the services to be provided under this Agreement to the lien of the Mortgage and the lien of the senior mortgage. Property Manager shall provide whatever documentation may be requested by Owner and Authority to evidence Property Manager's subordination of its lien rights.

13. Compliance. Property Manager shall furnish whatever information is requested by Owner or Authority that would be necessary for Owner or Authority to determine whether Property Manager is acting in compliance with the terms and conditions of this Agreement.

14. Marketing. After Initial Rent-up, Property Manager, with the marketing agent, if applicable, shall carry out the marketing activities prescribed in the Management Plan, observing all requirements of the Regulatory Agreement and the Affirmative Fair Housing Marketing Plan. Subject to the prior approval of Owner and Authority, advertising expenses incurred by Property Manager on behalf of Owner shall be paid out of the Development Bank Account as expenses of the Development.

15. Rentals. Property Manager shall offer for rent and shall rent the Units, parking spaces, commercial space and other rental facilities and concessions in the Development in accordance with the rules and regulations of Owner and Authority, as amended from time to time. Owner authorizes Property Manager to execute, on Owner's behalf, Leases and commercial leases in connection with such rentals. In connection with such rentals, the following provisions shall apply:

(a) Property Manager shall comply with the requirements of the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan. A copy of the Affirmative Fair Housing Marketing Plan and the Tenant Selection Plan shall at all times be kept at the Development, and shall be made available to any Tenant or prospective Tenant upon request. Property Manager

shall cause all rental agents, on-site managers and property supervisors for the Development, and all other employees, to extent applicable, to be familiar with the contents of such Plans.

(b) During the Initial Rent-up Period, Property Manager shall cooperate with the marketing agent for the Development in making preparations for the rental of the Units.

(c) Property Manager shall show Units to all prospective Tenants.

(d) Property Manager shall take and process applications for rental of Units. If an application is rejected, the applicant shall be promptly advised in writing in the manner provided in the Tenant Selection Plan.

(e) Property Manager shall prepare all Leases and parking permits, and shall execute them in its name as agent for Owner. The terms of all Leases shall comply with the pertinent provisions of the Regulatory Agreement and the directives of Authority. All Leases shall be in a form approved by Authority.

(f) Owner, from time to time, shall furnish Property Manager with rent schedules which shall show rents for Units and other charges for facilities and services approved by Authority. In no event shall such rents and other charges be exceeded or reduced without the prior written approval of Authority. Tenant eligibility for Units that are rented at less than market rents, and the amount of such lesser rents, shall be determined in accordance with the Regulatory Agreement and/or the directives of Authority.

(g) Property Manager shall collect, deposit and disburse security deposits, if required, in accordance with all applicable state and local laws and the terms of each of Tenant's Lease. The amount of each security deposit shall be as specified in the Management Plan, or if not so specified as approved by Authority. Security deposits shall be held by Property Manager in a trust account, separate from all other accounts and funds, in a bank or other financial institution whose office is in the State of Illinois and whose deposits are insured by an agent of the United States Government, all in accordance with the terms of the Regulatory Agreement. This account shall be controlled and managed by Property Manager and designated of record as

the "Sunset Woods Security Deposit Trust Account". Interest on security deposits shall be paid in accordance with all applicable State and local laws.

(h) Property Manager shall maintain a current list of prospective Tenants and undertake all arrangements necessary and incidental to the acceptance or rejection of rental applications and the execution of Leases, all as provided in the Tenant Selection Plan. Property Manager shall exercise its best efforts (including, but not limited to, placement of advertising; assistance in completion of rental applications and execution of Leases; processing of documents and credit and employment verifications; and explanation of the rules of the Development), to effect the leasing of Units, renewal of Leases and, in accordance with the terms of the Lease, subleasing of Units.

(i) Property Manager shall perform such other acts as requested by Owner or Authority that are reasonable, necessary and proper in the discharge of Property Manager's duties under this Agreement.

(j) Property Manager shall prorate the first month's rent collected from a Tenant should such Tenant move into a Unit on any day other than the first day of the month. If the Tenant's occupancy of the Unit occurs after the twentieth (20th) day of the month, the prorated amount, plus the next month's rent, shall be collected on or before the first day of occupancy.

(k) Property Manager shall participate in such on-site inspections of the Development as may be required by Authority or Owner, including, but not limited to, (i) participation with each new Tenant in the inspection prior to occupancy of the Unit identified in the Lease with the Tenant and (ii) participation with the Tenant in the inspection of that Unit at least once each year thereafter.

(l) Property Manager shall immediately notify Owner and Authority in writing of all claims asserted against Property Manager or the Development, or of any lawsuit served upon Property Manager in connection with the management of the Development.

(m) Property Manager shall counsel all prospective Tenants concerning eligibility for Units, shall be responsible for determining the eligibility of prospective Tenants for Units and shall provide income certification and recertification forms for execution for each Tenant.

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(n) Owner shall participate as a member of the condominium association, although Property Manager may be requested for assistance from time to time.

16. Collection of Rents and Other Receipts. Property Manager shall collect when due all rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development. Such receipts (except for Tenants' security deposits, which shall be handled as specified in **Paragraph 15(g)** above) shall be held in the Development Bank Account, separate from all other accounts and funds. The Development Bank Account shall be carried in Property Manager's name and designated of record as "Sunset Woods Development Bank Account".

17. Enforcement of Leases.

(a) Property Manager shall secure full compliance by each Tenant with the terms of such Tenant's Lease. Voluntary compliance shall be emphasized, and Property Manager shall counsel Tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Property Manager, all to the end that involuntary termination of tenancies shall be avoided to the maximum extent, consistent with sound management of the Development. Nevertheless, subject to the procedures prescribed in the Management Plan and the Regulatory Agreement, Property Manager may lawfully terminate any tenancy when, in Property Manager's judgment, sufficient cause for such termination occurs under the terms of the Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Property Manager is authorized to consult with legal counsel to be designated by Owner; to bring actions for eviction; to execute notices to vacate; and to initiate judicial pleadings incident to such actions. Property Manager shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions, as determined by Owner, shall be paid out of the Development Bank Account as expenses of the Development.

(b) Property Manager shall consult with and make recommendations to Owner regarding security for the Development and take all steps reasonably necessary to implement the security program authorized by Owner at the Development. Property Manager shall promptly report any suspicious or illegal activities to the appropriate police authority, and shall strictly enforce the terms of the Leases regarding criminal activities by Tenants or their authorized guests.

(c) Property Manager shall use its best efforts to prevent unauthorized persons from being present at the Development. If Tenants fail to control the improper behavior of their guests while on Development property, or if Tenants assist unauthorized persons in remaining on the Development property, Property Manager shall strictly enforce the terms of the Leases of such Tenants.

~~[(for tax credit projects) (d) Property Manager shall fully comply with all federal laws and regulations concerning termination of Leases and evictions of Tenants receiving the benefits of any federal rent subsidy program.]~~

18. Maintenance and Repair. Property Manager shall cause *the interior* of the units within the Development to be maintained in a decent, safe and sanitary condition and in a rentable and tenantable state of repair, all in accordance with the Management Plan, the budget approved by Authority, the Regulatory Agreement and local laws, codes and ordinances. Property Manager otherwise shall maintain the Development at all times in a condition acceptable to Owner and Authority, including, but not limited to, performance of cleaning, painting, ~~decorating, plumbing, carpentry, grounds care~~ and such other maintenance and repair work as may be necessary. In connection with such maintenance, the following provisions shall apply:

(a) Property Manager shall give special attention to preventive maintenance.

(b) Subject to Owner's prior approval, Property Manager shall contract with qualified independent contractors for the maintenance and repair of ~~major mechanical systems, including, but not limited to, air conditioning systems and elevators,~~ *unit interior components* and for the performance of extraordinary repairs beyond the capability of regular maintenance employees.

(c) Property Manager shall systematically and promptly receive and investigate all service requests from Tenants, take such action in connection with them, as may be justified, and keep records of such actions. Emergency requests shall be received and serviced on a twenty-four (24) hour basis. Property Manager shall report complaints of a serious nature to Owner after investigation. Owner and Authority shall have the right to receive copies of all service requests and the reports of action taken on them.

(d) Property Manager shall use its best efforts to take such action as may be necessary to comply promptly with any and all orders or requirements of federal, state or local authorities having jurisdiction over the Development, including orders of the Board of Fire Underwriters or other similar bodies. Property Manager shall not take any action under this **Paragraph 18(d)** so long as Owner contests, or has affirmed its intention to contest, any such order or requirement and promptly institutes proceedings contesting any such order or requirement. Property Manager shall notify Owner in writing promptly, and in no event later than seventy-two (72) hours from the time of receipt, of all such orders and notices.

(e) Subject to the provisions of **Paragraph 24** hereof, Property Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance or repair of the Development.

(f) Notwithstanding any ^{One} of the foregoing provisions, the prior approval of Owner and Authority shall be required for any expenditure that exceeds ~~Five Thousand and No/100 Dollars~~ ^{\$1,000} (~~\$5,000.00~~) in any one instance for labor, materials, or otherwise, in connection with the maintenance and repair of the Development, except for recurring expenses and emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Development. If any emergency repairs are necessary, Property Manager shall notify Owner and Authority in writing of the fact promptly, and in no event later than seventy-two (72) hours from the occurrence of such event.

19. **Utilities and Services.** ~~Property Manager shall make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone service.~~ Subject to Owner's prior approval, Property Manager shall enter into such contracts as may be necessary to secure such utilities and services.

20. **Employees.** ^{Maintenance} ~~All on site personnel shall be employees of the Property Manager and paid from the Development Bank Account as an expense of the Development.~~ Such employees shall be hired, supervised and discharged exclusively by the Property Manager. Property Manager shall at all times have sufficient personnel physically present at the Development for the full and efficient performance of its duties under this Agreement, including physical presence of responsible persons at such times as may

reasonably be requested by Owner or Authority. If Authority, in its sole discretion, notifies Property Manager of specific staffing or scheduling requirements, Property Manager shall conform to such requirements within ten (10) days after written notice from Authority.

21. Disbursements from Development Bank Account.

(a) From the funds collected and held by Property Manager in the Development Bank Account pursuant to **Paragraph 16** above, Property Manager shall, unless otherwise directed by Authority in writing, make the following disbursements from the Development Bank Account promptly when payable and in the following priority: (1) salaries and any other compensation due and payable to the employees referred to in **Paragraph 20** above, and the withholding taxes, insurance premiums, and Social Security and other payments required in conjunction with the payroll of such employees; (2) the monthly escrow payments for taxes and assessments, fire and other hazard insurance premiums; utilities; interest on the Mortgage and the senior mortgage, amortization of the principal of the Mortgage and the senior mortgage, fees, and charges of Authority; and (3) other payments due and payable by Owner as operating expenses incurred in accordance with this Agreement, including Property Manager's compensation.

(b) If the balance in the Development Bank Account is at any time insufficient to pay disbursements due and payable under **Paragraph 21(a)** above, Property Manager shall immediately inform Owner and Authority of such deficiency and Owner shall then remit to Property Manager sufficient funds to cover such deficiency, but only to the extent that funds of the Development are available. If the Owner fails to remit to Property Manager sufficient funds within five (5) days after written notice by Property Manager, Property Manager shall promptly notify Authority in writing. In no event shall Property Manager be required to use its own funds to pay such disbursements.

22. Records and Reports. In addition to any requirements specified in the Management Plan or other provisions of this Agreement, Property Manager shall have the following responsibilities with respect to records and reports.

(a) Property Manager shall establish and maintain a comprehensive system of records, books and accounts, including computerized systems, in a manner conforming with the directives

of Authority and otherwise satisfactory to Owner. All records, books and accounts shall be subject to examination and reproduction at reasonable hours by any authorized representative of Owner or Authority.

(b) In accordance with the terms of the Regulatory Agreement, and with respect to each Fiscal Year ending during the term of this Agreement, Property Manager shall cause an annual financial report for the Development, based upon the preparer's examination of the books and records of Owner and the Development, to be prepared by an independent certified public accountant licensed in the State of Illinois selected by Owner and acceptable to Authority. The report shall be prepared in accordance with generally accepted accounting principles and the directives of Authority, shall be certified by the preparer and shall be submitted to Owner for Owner's further certification and submission to Authority within sixty (60) days after the end of the Fiscal Year. Compensation for the preparer's services may be paid out of the Development Bank Account as an expense of the Development.

(c) Property Manager shall promptly furnish such information (including monthly occupancy reports) in connection with the Development as may be requested from time to time by Owner or Authority.

(d) By the fifteenth (15th) day of each month, Property Manager shall furnish to Owner an aged, itemized list of all delinquent accounts, including rental accounts, as of the tenth (10th) day of such month, as well as a report on the action Property Manager has taken in connection with such delinquent accounts.

(e) By the fifteenth (15th) day of each month, Property Manager shall furnish to Owner ~~and Authority~~ a statement of receipts and disbursements during the previous month, with a schedule of accounts receivable and payable, and reconciled bank statements for the Development Bank Account and Security Deposit Trust Account, all as of the end of the previous month.

(f) Except as otherwise permitted in writing by Authority, all bookkeeping, data processing services, and management overhead expenses shall be borne by Property Manager out of its funds and shall not be treated as Development expenses.

(g) Property Manager shall prepare, execute and file all forms, reports and returns required by law in connection with

the employment of personnel, unemployment insurance, workmen's compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

23. Fidelity Bond. Property Manager shall furnish and maintain, at the expense of the Development, for the duration of this Agreement and any renewals or extensions of it, plus thirty (30) days after its expiration or termination, a commercial blanket bond (the "Fidelity Bond") in favor of Owner and Authority, jointly and severally, both in an amount not less than two (2) months gross potential rents for the Development plus Tenant security deposits and in a form and with a company or companies acceptable to Authority. The Fidelity Bond shall cover Property Manager and all employees hired by Property Manager in connection with this Agreement. The Fidelity Bond shall cover losses discovered by Owner or Authority for the period of two (2) years after the occurrence of such losses.

24. Bids, Discounts and Rebates. Property Manager shall obtain contracts, materials, supplies, utilities and services on the most advantageous terms to the Development, and shall solicit three (3) formal, written bids on all contracts or purchases exceeding Five Thousand and No/100 Dollars (\$5,000.00) for those items that can be obtained from more than one source. Property Manager shall secure and credit to Owner all discounts, rebates or commissions obtainable with respect to purchases, service contracts and all other transactions on Owner's behalf. Property Manager shall not purchase services or materials from an entity in which Property Manager has an interest unless such purchase is approved in writing by Owner and Authority.

25. Social Services Program. Property Manager shall be responsible to Owner for carrying out the social services program described in the Management Plan.

26. On-Site Management Facilities. Owner shall furnish Property Manager with suitable furnished office space on the site of the Development, including electricity, heat, water, janitorial service, telephone, postage, stationery, office equipment and supplies.

27. Indemnification.

(a) Owner agrees to indemnify, defend and hold Property Manager harmless from liability arising out of or in

connection with the management of the Development, unless such liability is a result of the negligence or willful misconduct of Property Manager.

(b) Property Manager shall indemnify, defend and hold Owner harmless from and against any and all claims, causes of action, liabilities, losses or damages that may be asserted against Owner as a result of Property Manager's failure to act in accordance with the terms of this Agreement. Owner shall be entitled to recover from Property Manager its costs of litigation and reasonable attorney's fees if Owner incurs such costs and fees due to Property Manager's failure to act in accordance with the terms of this Agreement.

28. **Insurance.** Property Manager shall cause the insurance coverage required under the Mortgage to be placed and kept in effect at all times with insurance companies approved by Owner and Authority, all in accordance with the terms of the Mortgage. Property Manager shall be designated as an insured under the public liability insurance policy in an amount acceptable to Property Manager, Owner and Authority. Property Manager shall promptly investigate and furnish to Owner and Authority full reports of all accidents, claims and potential claims for damages related to the Development and shall cooperate with Owner's insurers in connection with such accidents and claims.

In addition to the insurance coverage required under the Mortgage, Property Manager shall cause insurance coverage requested by Owner or Authority to be kept in effect to protect Property Manager and Owner against any and all claims, liabilities or damages arising from any social programs coordinated by Property Manager either on or off the Development property. Proof of all insurance coverage shall be forwarded to Owner or Authority at the request of either party.

29. **Escrow Payments.** Property Manager shall make from the Development Bank Account monthly escrow payments required under the Mortgage for insurance, tax and such other reserve or escrow accounts for the Development as may be required pursuant to the Mortgage and the Regulatory Agreement. Property Manager promptly shall present tax bills and insurance premium notices to the escrow agent for payment and shall furnish Authority with evidence of timely payment of such taxes and insurance premiums.

30. Property Manager's Compensation.

(a) During the Initial Rent-up, Property Manager shall be compensated as follows: \$45/hour.

(b) After the Initial Rent-up Period, Property Manager shall be compensated for its services under this Agreement by monthly fees, to be paid out of the Development Bank Account and treated as Development expenses. Such fees shall be payable on the 15th day of each month following the month in which the services were rendered. Each such monthly fee shall be a sum equal to seven and one half percent (7.5%) of Gross Collections.

31. Term of Management Agreement. This Agreement shall be in effect for a period of two (2) year(s), commencing on the 1st day of July, 2003 and ending on the 30 day of June, 2004, subject, to the following conditions:

(a) This Agreement may be terminated upon the mutual written consent of Owner, Property Manager and Authority.

(b) If Property Manager fails to perform any of its duties under this Agreement or to comply with any of its provisions, Owner shall notify Property Manager and Authority in writing. Property Manager shall have ten (10) days after such notice within which to cure such default to the reasonable satisfaction of Owner and Authority; if such default cannot be cured within such ten (10) day period, Property Manager shall have such additional time as may be necessary to cure such default, provided Property Manager demonstrates to the continuing satisfaction of Owner and Authority that it is diligently pursuing all necessary actions to cure it and that it will be cured within a reasonable time without damage or expense to Owner or Authority.

(c) Owner and Property Manager shall have the right to terminate this Agreement upon ~~sixty (60)~~ days advance written notice to the other party and Authority.

thirty (30)

(d) If a petition in bankruptcy is filed by or against Owner or Property Manager, or if Owner or Property Manager makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice. The party invoking such termination shall give prompt notice of such action to Authority.

(e) Property Manager and Owner expressly agree that Authority shall have the right to terminate this Agreement, with or without cause, on ten (10) days advance written notice to Owner and Property Manager; in the event of such termination by Authority shall have the right, in its sole discretion, to appoint a property manager (the "New Manager") who shall manage the Development on the same terms and conditions as the Property Manager; provided, however, that Authority may determine the compensation to be provided to the New Manager. The term of the New Manager (the "Appointed Term") shall be for a period not to exceed eighteen (18) months. During the Appointed Term, Owner shall not have the right to appoint a new property manager, and the New Manager shall be subject to the direction of Authority, and not Owner. After the expiration of the Appointed Term, the Owner shall have the right to appoint a property manager, subject to the terms and conditions of a management agreement approved by Authority.

In the event of a financial default by the Mortgagor under the Mortgage, the Note or the Regulatory Agreement, Authority shall not be obligated give the aforesaid ten (10) days notice but shall have the right to terminate this Agreement immediately.

(f) Within thirty (30) days after the termination of this Agreement for any reason, Property Manager shall submit to Owner and Authority the financial statements required under **Paragraph 22** hereof to the date of such termination, and after Property Manager and Owner have accounted to each other with respect to all matters outstanding as of the date of termination. and Property Owner has fully complied with all terms and conditions of this Agreement, Owner shall furnish Property Manager security, in form and amount reasonably satisfactory to Property Manager, against any obligations or liabilities that Property Manager properly incurred pursuant to the terms of this Agreement on behalf of Owner.

32. Rights and Responsibilities Upon Termination. If this Agreement is terminated for any reason:

(a) No further or additional liability shall attach to Owner, Property Manager or Authority, except for Property Manager's compensation to the date of such termination, and except for such liability as may exist under this Agreement arising out of acts or obligations predating the date of such termination.

(b) Within ten (10) days after this Agreement expires or is terminated, Property Manager shall deliver to Owner all "as built" plans and surveys of the Development in its possession and all books and records concerning the Development.

(c) Within five (5) days after the termination of this Agreement, Property Manager shall close all accounts and pay the balance or assign all certificates of deposit regarding the Development as follows:

(1) if the termination is by Owner with consent of Authority, to Owner; and

(2) if the termination is by Authority, to Authority.

33. **Assignments.** his Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Property Manager and their respective successors and assigns; however, Property Manager shall not assign this Agreement, or any of its duties under it, without the prior written consent of Owner and Authority.

34. **Subordination of Agreement.** Owner and Property Manager each acknowledge that this Agreement is subject and subordinate to the Regulatory Agreement, including all exhibits attached to it. To the extent this Agreement conflicts with any of the provisions or requirements set forth in the Regulatory Agreement or the exhibits to it, the Regulatory Agreement and exhibits shall prevail and control.

35. **Amendment.** This Agreement constitutes the entire agreement between Owner and Property Manager and no amendment or modification of it shall be valid or enforceable except by supplemental agreement in writing, executed by the parties hereto and approved by Authority.

36. **Remedies**

(a) **Equitable Relief.** Owner or Authority may apply to any court, state or federal, for specific performance of this agreement, for an injunction against any violation of this Agreement or for such other relief as may be appropriate, since the injury arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

(b) Venue. Owner and Property Manager agree that if Authority brings an action in connection with this Agreement or is a defendant in an action brought by Owner or Property Manager, venue shall be proper, at the option of Authority, either in the Circuit Court of Cook County, Illinois.

(c) Authority's Costs of Enforcing Agreement. Owner or Property Manager, as the case may be, shall pay to Authority any and all costs, expenses and reasonable attorneys' fees that Authority may suffer, incur or become liable for by reason of Authority enforcing, or attempting to enforce, the terms and provisions of this Agreement if the Authority prevails in its position.

(d) Remedies Cumulative. Authority's and Owner's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of Authority's or Owner's other remedies. No waiver by Authority or Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. The failure or delay of Authority or Owner in exercising any of its rights under this Agreement in any one or more instances, or the exercise of less than all of their rights in any one or more instances, shall not be deemed or construed as a waiver of any such rights.

37. Survival. All representations, warranties and covenants to indemnify shall survive the termination of this Agreement if the basis for the claim or cause of action in connection with such representations, warranties and covenants arose during the term of this Agreement.

38. Notices. Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

(a) Property Manager:

Housing Opportunity Development Corporation
1000 Skokie Blvd, Suite 570
Wilmette, IL 60091

(b) Owner:

Sunset Woods Association

1707 St. Johns Street
Highland Park, IL 60035

- (c) Authority:
Illinois Housing Development Authority
401 N. Michigan Ave., Suite 900
Chicago, Illinois 60611
Attn: Asset Management Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this **Paragraph 39**. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

Except as otherwise specifically required this Agreement, notice of the exercise of any right or option granted to Property Manager by this Agreement is not required to be given.

39. **Authority As Third-Party Beneficiary.** Authority shall be a third-party beneficiary of this Agreement regarding the fulfillment of the duties and obligations imposed upon Owner and Property Manager under this Agreement.

40. **Interpretation of Agreement.**

(a) **Governing Law.** The laws of the State of Illinois, exclusive of its conflict of laws provisions, shall govern the interpretation and enforcement of this Agreement.

(b) **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of this Agreement.

(c) **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application of it to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which

it is held invalid or unenforceable, shall not be affected by _ such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(d) **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

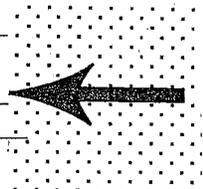
(e) **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives.

OWNER:

Sunset Woods Association

By: _____
Its _____



PROPERTY MANAGER

Housing Opportunity Development Corporation

By: Richard Koenig
Its Executive Director
Printed name: Richard Koenig

This Agreement and the Property Manager appointed in it are approved as of this ____ day of _____, 199_.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Its _____

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the 25 day of August, 2004, by and between Sunset Woods Association (the "Owner") and Housing Opportunity Development Corp (the "Property Manager").

RECITALS

A. The Owner and the Property Manager have previously entered into that certain Management Agreement dated as of July 1, 2002 (the "Management Agreement") and approved by the Illinois Housing Development Authority. The Management Agreement has expired and the parties wish to amend it and extend its term.

NOW, THEREFORE, in consideration of the mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of 2 year(s), beginning on September 1, 2004 and ending on August 31, 2006, unless terminated earlier as provided in the Management Agreement.
3. **Fees.** Paragraph of the Management Agreement is amended to provide that the monthly fee of the Property Manager shall be six and one half percent (6.5%) of gross collections.
4. **Termination.** Paragraphs 31 (a), (b) and (c) of the Management Agreement are deleted and replaced with the following Paragraphs 31 (a), (b) and (c):
 - (a) This Agreement may be terminated upon the mutual written consent of Owner, Property Manager and Authority, or for cause by either Property Manager or Owner.
 - (b) Property Manager shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Owner and Authority.
 - (c) Owner shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Property Manager and Authority, provided that Owner has identified another property manager, approved by Authority, for the Development.

5. **Representations and Warranties.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

OWNER:

By: _____
 Print Name: _____
 Title: _____

PROPERTY MANAGER:

By: Housing Opportunity Development Corp.
 Print Name: Richard Keeney
 Title: Executive Director

This Amendment is approved this _____ day of _____, 20__.

**ILLINOIS HOUSING DEVELOPMENT
 AUTHORITY:**

By: _____
 Print Name: _____
 Title: _____

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this “Agreement”), is made as of the 1st day of September, 2012, by and between Sunset Woods Association (“Owner”), an Illinois corporation, having its principal office at 1150 Half Day Road, Highland Park, Illinois, and Housing Opportunity Development Corporation (“Property Manager”), an Illinois nonprofit having its principal office at 2001 Waukegan Road, PO Box 480, Techny, Illinois.

WITNESSETH:

WHEREAS, Property Manager is experienced in the operation, maintenance, marketing, management and leasing of multifamily housing developments similar to the Development;

WHEREAS, Property Manager currently manages twelve rental units within the Development for the Owner to which Owner has added additional rental units within the Development; and

WHEREAS, Owner desires to retain the services of Property Manager for the operation, maintenance, marketing, management and leasing of the Development and Property Manager desires to provide such services.

NOW THEREFORE, in consideration of the mutual agreements contained in this Agreement, Owner and Property Manager agree as follows:

1. **Recitals.** The Recitals set forth above are incorporated in this Agreement by this reference.
2. **Definitions.** As used in the Agreement, the following terms shall have the meanings indicated below:
 - (a) “Development”: the property commonly known as Sunset Woods Apartments, located in Highland Park, Illinois. The Development includes 60 units with twelve rental units but this Agreement covers additional rental units as listed in Exhibit A.
 - (b) “Development Bank Account”: the bank account established for the rental units into which all Development funds will be deposited.
 - (c) “Fiscal Year”: the calendar year unless specifically provided to the contrary in this Agreement.
 - (d) “Operating Budget”: the annual operating budget for the additional Units.
 - (e) “Tenant”: and individual or family occupying a Unit pursuant to a Lease.

(f) "Unit": one of the rental units not included in the original twelve units in the Development covered by this Agreement.

3. **Expertise of Property Manager.** Property Manger represents warrants to Owner that is possesses the necessary skills, experience and expertise to properly manage the Developments and to comply with the terms and conditions imposed upon it by this Agreement.

4. **Rentals.** Property Manager shall offer for rent and shall rent the Units in the Development in accordance with the rules and regulations of Owner. These rules require the Property Manager to rent to households, which contain a person 62 years of age or older and which fall under the income threshold associated with each unit. Exhibit A indicates the income threshold associated with each unit. Owner authorizes Property Manger to execute, on Owner's behalf, Leases in connection with such rentals. Property Manager shall show Units to all prospective Tenants. Property Manager shall take and process applications for rental of Units. If an application is rejected, the applicant shall promptly be advised in writing in the manner provided in the Tenant Selection Plan. Property Manger shall prepare all Leases and shall execute them in its name as agent for Owner. Owner, from time to time, shall furnish Property Manager with rent schedules, which shall show rents for Units.

(a) Property Manager shall collect, deposit and disburse security deposits, if required, in accordance with all applicable state and local laws and the terms of each Tenant's Lease. Property Manager shall hold security deposits in a trust account, separate from all other accounts and funds, in a bank or other financial institution whose office is in the State of Illinois and whose deposits are insured by an agent of the United States Government. This account shall be controlled and managed by Property Manager and designated on records as the "Sunset Woods Security Deposit Account." Interest on security deposits shall be paid in accordance with all applicable State and local laws.

(b) Property Manager shall maintain a current list of prospective Tenants and undertake all arrangements necessary and incidental to the acceptance or rejection of rental applications and the execution of Leases. Property Manager shall exercise its best efforts (including, but not limited to, placement of advertising; assistance in completion of rental applications and execution of Leases; processing of documents and credit and employment verifications; and explanation of the rules of the Development), to effect the leasing of Units and renewal of Leases.

(c) Property Manger shall participate in such on-site inspections of the Development as may be required by Owner, including but not limited to participation with each new Tenant in the inspection prior to occupancy of the Unit identified in the Lease with the Tenant.

(d) Property Manager shall immediately notify Owner in writing of all claims asserted against Property Manager or the Development, or of any lawsuit served upon Property Manager in connection with the management of the Development.

(e) Property Manager shall counsel all prospective Tenants concerning eligibility for Units, shall be responsible for determining the eligibility of prospective Tenants for Units, and shall provide income certification forms for execution for each Tenant.

5. **Collection of Rents and Other Receipts.** Property Manager shall collect when due all rents, charges and other amounts receivable by Owner in connection with the management and operation of the Development. Such receipts (except for Tenants' security deposits) shall be held in the Development Bank Account, in an Illinois domiciled financial institution, separate from all other accounts and funds.

6. **Enforcement of Leases.** Property Manager shall secure full compliance by each Tenant with the terms of such Tenant's Lease. Voluntary compliance shall be emphasized, and Property Manager shall counsel Tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Property Manager, all to the end that involuntary termination of tenancies shall be avoided to the maximum extent, consistent with sound management of the Development. Nevertheless, subject to the procedures prescribed in the Management, Property Manager may lawfully terminate any tenancy when, in Property Manager's judgment, sufficient cause for such termination occurs under the terms of the Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Property Manager is authorized to consult with legal counsel to be designated by Owner; to bring actions for eviction; to execute notices to vacate; and to initiate judicial pleadings incident to such actions. Property Manager shall keep Owner informed of such actions and attorneys' fees and other necessary costs incurred in connection with such actions, as determined by Owner, shall be paid out of the Development Bank Account as expenses of the Development.

7. **Maintenance and Repair.** Property Manager shall cause the Development to be maintained in a decent, safe and sanitary condition and in a rentable and tenantable state of repair, in accordance with the budget, and local laws, codes and ordinances. Property Manager otherwise shall maintain the Development at all times in a condition acceptable to Owner, including, but not limited to, performance of cleaning, painting, decorating, plumbing, carpentry, grounds care and such other maintenance and repair work as may be necessary. In connection with such maintenance, the following provisions shall apply:

(a) Property Manager shall systematically and promptly receive and investigate all service requests from Tenants, take such action in connection with them, as may be justified, and keep records of such actions. Emergency requests shall be received and serviced on a twenty-four (24) hour basis. Property Manager shall report complaints of a serious nature to Owner after investigation. Owner shall have the right to receive copies of all service request and the reports of action taken on them.

(b) Property Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance or repair of the Development.

8. **Utilities and Services.** Property Manager shall make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry

facilities and telephone service, as applicable. Subject to Owner's prior approval, Property Manager shall enter into such contracts as may be necessary to secure such utilities and services.

9. **Operating Budget.** Property Manager shall prepare a proposed Operating Budget for each Fiscal year during the term of the Agreement, and shall submit it to Owner at least thirty (30) days before the beginning of such Fiscal Year. In preparing a proposed Operating Budget, Property Manager shall use its best efforts to take into account the anticipated increases in rents, real estate taxes, utility charges and other operating cost from the previous Fiscal Year. To the extent feasible, Property Manager shall support anticipated increases in real estate taxes and utility charges with written evidence or documentation. The proposed Operating Budget for each Fiscal Year shall be subject to approval by Owner. Owner shall promptly inform Property Manager of all changes, if any, incorporated in the Operating Budget, and Property Manager shall make no expenditures in excess of the amounts set forth in the Operating Budget for each line item of operation expense itemized without the prior written approval of Owner, except as permitted for emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any services to the Development.

10. **Record and Reports.** Property Manager shall establish and maintain a comprehensive system of records, books and accounts, including computerized systems, in a manner satisfactory to Owner. All records, books and accounts shall be subject to examination and reproduction at reasonable hours by any authorized representative of Owner.

Property Manager shall prepare a monthly report containing, among other information, financial statements of income and expense for the Development. Property Manager shall submit each such report to Owner within fifteen (15) days after the end of each month.

All bookkeeping, data processing services, and management overhead expenses shall be borne by Property Manager out of its funds and shall not be treated as Development expenses.

11. **Bids, Discounts and Rebates.** Property Manager shall obtain contracts, materials, supplies, utilities and services on the most advantageous terms to the Development, and shall solicit three (3) formal, written bids on all contracts or purchases exceeding Five Thousand and No/100 Dollars (\$5,000.00) for those items that can be obtained from more than one source. Property Manager shall secure and credit to Owner all discounts, rebates or commissions obtainable with respect to purchases, service contracts and all other transactions on Owner's behalf.

12. **Indemnification.**

(a) Owner agrees to indemnify, defend and hold Property Manager harmless from liability arising out of or in connection with the management of the Development, unless such liability is a result of the negligence or willful misconduct of Property Manager.

(b) Property Manager shall indemnify, defend and hold Owner harmless from and against any and all claims, causes, liabilities, losses or damages that may be asserted against Owner as a result of Property Manager's failure to act in accordance with the terms of this

Agreement. Owner shall be entitled to recover from Property Managers its costs of litigation and reasonable attorney's fees if Owner incurs such costs and fees due to Property Manager's failure to act in accordance with the terms of this Agreement.

(c) It is expressly understood and agreed that the provisions contained in this paragraph shall survive the termination of the Agreement to the extent the cause arose prior to such a termination.

13. **Insurance.** Property Manager shall cause insurance coverage to be placed and kept in effect at all times with insurance companies approved by Owner. Property Manager shall be designated as an insured under the public liability insurance policy. Property Manager shall promptly investigate and furnish to Owner full of reports of all accidents, claims and potential claims for damages related to the Development and shall cooperate with Owner's insurers in connection with such accidents and claims.

14. **Property Manager's Compensation.** Property Manager shall be compensated for its services under this Agreement by monthly fees, to be paid out of the Development Bank Account and treated as Development expenses. Such fees shall be payable on the 15th day of each month following the month in which the services were rendered. Each such monthly fee shall be a sum equal to six and one half percent (6.5%) of Gross Collections.

15. **Term of Management Agreement.** This Agreement shall be in effect for a period of two (2) year(s), commencing on the 1st day of September, 2012, and ending on the 31st day of August, 2014, subject, to the following conditions:

(a) This Agreement may be terminated upon the mutual written consent of Owner or Property Manager, or for cause by either Property Manger or Owner.

(b) Property Manager shall have the right to terminate this Agreement upon sixty (60) days advance written notice to the Owner.

(c) Owner shall have the right to terminate this Agreement upon sixty (60) days advance written notice to Property Manager, provided that Owner has identified another Property Manager.

16. **Rights and Responsibilities Upon Termination.** If this Agreement is terminated for any reason no further or additional liability shall attach to Owner, or Property Manager, except for Property Manager's compensation to the date of such termination, and except for such liability as may exist under this Agreement arising out of acts or obligations predating the date of such termination. Within fifteen (15) days after the termination of this Agreement, Property Manager shall turnover all accounts to Owner.

17. **Amendment.** This Agreement constitutes the entire agreement between Owner and Property Manager and no amendment or modification of it shall be valid or enforceable except by supplemental agreement in writing, executed by the parties hereto.

18. **Notices.** Any notice, demand, request or other communication that any party may desire may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

(a) Property Manager:
Housing Opportunity Development Corporation
2001 Waukegan Road, PO Box 480
Techy, IL 60082

(b) Owner:
Sunset Woods Association
1150 Half Day Road
Highland Park, IL 60035

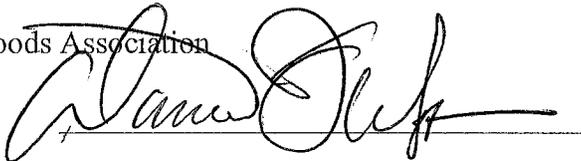
Such addresses may be changed by notice to the other party given in the same manner as provided in this paragraph.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives.

OWNER:

Sunset Woods Association

By: _____



Print Name: David F. Wigdner

Title: President

PROPERTY MANAGER:

Housing Opportunity Development Corporation

By: _____

Name: Jessica Hotaling

Title: Associate Director

Exhibit A
Rental Units

<u>Units</u>	<u>Bedroom Count</u>	<u>Income Threshold</u>
#231	two-bedroom	up to 80% Chicago Area Median Income
#319	two-bedroom	up to 115% Chicago Area Median Income

CITY OF HIGHLAND PARK
DEPARTMENT OF COMMUNITY DEVELOPMENT
1150 HALF DAY ROAD
HIGHLAND PARK, ILLINOIS 60035
(847) 432-0867

MEMORANDUM

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: May 1, 2014

SUBJECT: Discussion regarding Evergreen Management Procedures

At the April 9th Housing Commission Regular Meeting, the Commissioners suggested that it would be valuable to have a discussion regarding Evergreen Real Estates Services' management policies and procedures for the three Section 8 developments in order to brief the new Commission members and to identify any areas that may require additional consideration. This memo and attachments provide the background for this discussion. The topic areas include:

- Tenant Selection Plan
- Application
- Lease
- House Rules
- Grievance Procedure, and
- Eviction Process.

While City staff suggested and the Commissioners concurred that it would be helpful to have the input from an advocacy group, such as Open Communities, at this Meeting, City staff and Chair Meek subsequently recognized that there was so much material to review that it would be better to schedule the discussion in two parts and to invite this input at a second discussion. Ms. Polly Kuehl, Senior Vice President, Evergreen Real Estates Services, and attorney Marvin Husby will be attending the May 7th Meeting. Hart Passman of Holland & Knight was not available, but City staff will relay any questions to him later.

The relevant attached documents for the May 7 discussion are:

- Excerpt from U.S. HUD Handbook 4350.3 (Occupancy Requirements) that state the owner's ability to set standards for suitability and the type of screening that is permitted, as well as the rejection process.
- Tenant Selection Plans (TSP) for Peers and Ravinia. These are Evergreen's specific standards for review of applications. Because the TSPs for Peers and Walnut Place are virtually identical, I omitted the one for Walnut Place. These plans provide an understanding of rejection criteria. These are the same criteria that Evergreen staff holds existing residents to during annual criminal screening. The reason why the Peers and

Walnut Place Plans differ from the Ravinia TSP is because the Illinois Housing Development Authority (IHDA) has a format that cannot be changed. The Ravinia TSP is much more detailed and better describes the criteria. With regard to the Screening and Rejection Criteria, the Peers Section starts on page 13 and ends on page 18; the Ravinia Section extends from page 11 through page 14.

- Application Form. This incorporates the recommendations from the Housing Commission from last summer regarding criminal records of minors. The relevant section is on page two, #3. **General Information:** Question b). For your convenience, I highlighted this section. I will provide additional information regarding the Housing Commission's discussions in 2013 concerning the application form next week.
- Model Lease Agreement. This is the Section 8 lease that Evergreen uses.
- House Rules for Peers and Ravinia. The Walnut Place House Rules are almost identical to the Peers one, so I omitted them. The House Rules are attached to the Lease and distributed again whenever Evergreen revises them.
- Highland Park Housing Complaint and Grievance Resolution Procedures for Residents and Management. Tenants receive the Complaint and Grievance Resolution Procedures when they sign the Lease, and Evergreen staff distributes it again whenever it is revised. These Procedures evolved from an earlier Customer Service Policy. The Customer Service Policy was an outgrowth of a period prior to Evergreen's management when a number of residents called City Council members frequently and went to the Housing Commission to express complaints about the former management company, which was replaced. The focus of the Customer Service Policy was on resident's maintenance and management concerns.

In 2010, the Commission decided to examine the policy to establish policies about reciprocal responsibilities between management and tenants. The Commission established a working group to review model grievance procedures and to make a recommendation to the full Commission. Commissioners Meek and Adler worked with staff on a recommendation and reviewed model grievance policies from HUD and New York City, among others. City staff contacted Open Communities, then known as Interfaith Housing, for their input. Open Communities staff forwarded the grievance procedure from the Crestwood Place development in Northbrook, which the full Commission received along with the recommendation from the working group. The Grievance Procedure updated the former Customer Service Policy to add a second section on Procedures for Resident Lease Compliance and a description of the Lease/Eviction process. The Grievance Procedure advises tenants to seek legal counsel for representation if eviction proceedings are initiated.

In 2013, in response to an eviction proceeding, the Commissioners expressed concern that tenants be advised of the potential adverse consequences of an eviction for obtaining future housing. Ms. Kuehl revised the policy to include the statement on page 5: "Should the lease violation result in a court ordered eviction, the household would not be eligible

to move into other Section 8 housing, as per HUD regulations.” The Commissioners approved the revision at the November 2, 2013 Meeting.

- Excerpt from Evergreen’s Policy and Procedures Manual regarding Lease Enforcement and the Eviction Process. In addition to receiving the manual, Evergreen staff receive training on the procedures.

Please let me know if you have any questions in advance of the Meeting, or if you would like City staff to circulate any comments from you prior to the Meeting.

- 7. Policy for opening and closing the waiting list. The methods of advertising used to announce opening and closing of the waiting list should be described.
- 8. *Eligibility of students.* The plan must include the requirements for determining eligibility of students enrolled at an institution of higher education.

D. Additional Owner Policies and Practices

- 1. General. In addition to the required content, owners are encouraged to incorporate their own policies and practices regarding the selection of tenants into the tenant selection plan. See Figure 4-2 for a list of recommended topics. By incorporating all policies and procedures in one plan, owners, applicants, and tenants will have one point of reference. Further, owners will have a single document to which they can direct applicants and tenants when questioned about policies and fairness of treatment.
- 2. Notification of modification to the tenant selection plan. It is also good practice for owners to include a description of the process used to provide notification to applicants on the waiting list and other interested persons (potential applicants) of the implementation of any new or revised tenant selection plan or policies that may affect an application or tenancy.

E. Modification of the Tenant Selection Plan

Owners should review tenant selection plans at least annually to ensure that they reflect current operating practices, program priorities, and HUD requirements.

F. Availability of the Tenant Selection Plan

When requested, the owner must make the tenant selection plan available to the public.

4-5 Income-Targeting – Applicable Only to the Section 8 Project-Based Program Except Where Otherwise Noted

A. Key Requirements

For each project assisted under a contract for project-based Section 8 assistance, the owner must lease not less than 40% of the dwelling units (assisted under the contract) that become available for occupancy in any project fiscal year to extremely low-income families. The methodology for income-targeting must be described in the tenant selection plan. (For information and guidance about income limit exceptions, see paragraph 3-7.)

NOTE: Compliance with income targeting requires owners to count both move-ins and initial admissions to the Section 8 project based assistance program. For

2. Working families. Owners may adopt a preference in selecting families from the waiting list for those families in which the head of household or spouse is employed. Even if the owner adopts such a preference, however, discrimination against persons unable to work is prohibited. Owners must not deny the preference to households in which the head or spouse is 62 or older, or to a person with disabilities.
3. Disability. Owners may adopt a preference to select families that include a person with a disability. Owners may not create preferences for persons with a specific type of disability unless allowed in the controlling documents for the property. (See Chapter 3, Section 2.) Owners may not apply a preference for persons without disabilities.
4. Victims of Domestic Violence. Owners may adopt a preference for admission of families that include victims of domestic violence.
5. Specific groups of single persons. Owners may adopt a preference for single persons who are elderly, displaced, homeless or persons with disabilities over other single persons.

D. **Determining the Relative Weight of Owner-Adopted Preferences**

Owners may decide to assign various importance to owner-adopted preferences. If the owner chooses to do so, a ranking, rating, or combination of preference circumstances must be identified in the Tenant Selection Plan and consistently used. For example, an owner may choose to provide the highest ranking to working families, though this ranking is subordinate to income targeting requirements and to statutory and regulatory preferences described in paragraphs 4-6 A and B above. Alternatively, an owner might choose to adopt a policy that provides top priority to an applicant who qualifies for the most preference categories (also known as combining preferences).

4-7 **Screening for Suitability**

Screening is used to help ensure that families admitted to a property will abide by the terms of the lease, pay rent on time, take care of the property and unit, and allow all residents to peacefully enjoy their homes. Information collected through the screening process enables owners to make informed and objective decisions to admit applicants who are most likely to comply with the terms of the lease. An effective screening policy will also ensure fair, consistent, and equal treatment of applicants. All screening criteria adopted by the owner must be described in the tenant selection plan and consistently applied to all applicants in a non-discriminatory fashion and in accordance with all applicable fair housing and civil rights laws.

A. **Screening Versus Determining Eligibility**

Screening for suitability of tenancy is not a determination of *eligibility* for the program.

1. Eligibility is a determination that an applicant family meets all of the criteria for the type of subsidy in the property. To be eligible a family must meet the income limits and provide specific information and documentation of other family information (i.e., SSNs, and citizenship information). Eligibility is discussed in detail in Chapter 3.
2. Screening is a determination that an otherwise eligible household has the ability to pay rent on time and to meet the requirements of the lease.

B. Key Requirements

1. Owners are permitted to establish and apply written screening criteria to determine whether applicants will be suitable tenants. If an owner's review of information about the applicant indicates that the applicant will not be a suitable tenant, the owner may reject the application for assistance or tenancy.
2. Owners must establish written screening criteria to prohibit the admission of certain individuals who have engaged in drug-related criminal behavior, or are subject to a state lifetime sex offender registration program, or are individuals whose abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. Owners may choose to expand these requirements regarding prohibition of admission to certain applicants [24 CFR part 5, subpart I & J].
3. Screening criteria must be included in the tenant selection plan. (See paragraph 4-4 C and Figure 4-2.)
4. Owners must apply screening criteria uniformly to all applicants to prevent discrimination and avoid fair housing violations.
5. The screening of live-in aides at initial occupancy and the screening of persons or live-in aides to be added to the tenant household after initial occupancy involve similar screening activities. Both live-in aides and new additions to the tenant household must be screened for drug abuse and other criminal activity ****by applying the same criteria established for screening other applicants.**** In addition, owners may apply any other owner established applicant screening criteria to new household members in order to establish suitability for tenancy. Owner established screening criteria may also be applied to live-in aides, except for the criterion regarding the ability to pay rent on time because live-in aides are not responsible for rental payments.
6. * Police officers and other security or management personnel that reside in subsidized units are subject to the same screening criteria as other applicants. *
7. The costs of screening must not be charged to applicants. Such costs may be charged against the project operating account. A variation on this rule applies to cooperatives.

8. Certain types of screening are prohibited. See paragraph 4-8 below.

C. Screening For Drug Abuse And Other Criminal Activity

1. Tenant selection plans must contain screening criteria that include standards ****for**** prohibiting admission of those who have engaged in drug-related or criminal activity. The plan may, under certain circumstances, include additional provisions that deny admission to applicants for other drug and criminal activity.
2. Owners must establish standards that prohibit admission of:
 - a. Any household containing a member(s) who was evicted in the last three years from federally assisted housing for drug-related criminal activity. The owner may, but is not required to, consider two exceptions to this provision:
 - (1) The evicted household member has successfully completed an approved, supervised drug rehabilitation program; or
 - (2) The circumstances leading to the eviction no longer exist (e.g., the household member no longer resides with the applicant household).
 - b. A household in which any member is currently engaged in illegal use of drugs or for which the owner has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents;
 - c. Any household member who is subject to a state sex offender lifetime registration requirement; and
 - d. Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.
3. Owners may establish additional standards that prohibit admission if the owner determines that any household member is currently engaging in, or has engaged in, the following activities during a reasonable time before the admission decision:
 - a. Drug-related criminal activity. The owner may include additional standards beyond the required standards that prohibit admission in the case of eviction from federally assisted housing for drug-related criminal activity and current drug use.

- b. Violent criminal activity.
- c. Other criminal activity that threatens the health, safety, and right to peaceful enjoyment of the property by other residents or the health and safety of the owner, employees, contractors, subcontractors, or agents of the owner.

NOTE:* If an owner's admission policy includes any of the activities above or similar restrictions that uses a standard regarding a household member's current or recent actions, the owner may define the length of time prior to the admission decision during which the applicant must not have engaged in the criminal activity. The owner shall ensure that the relevant "reasonable" time period is uniformly applied to all applicants in a non-discriminatory manner and in accordance with applicable fair housing and civil rights laws.*

- 4. An owner's screening criteria also may include the following provisions:
 - a. Exclusion of culpable household members. An owner may require an applicant to exclude a household member when that member's past or current actions would prevent the household from being eligible.
 - b. Drug or alcohol rehabilitation. When screening applications, an owner may consider whether the appropriate household member has completed a supervised drug or alcohol rehabilitation program. The owner may require appropriate documentation of the successful completion of a rehabilitation program.
 - c. Length of mandatory prohibition. The owner may set a period longer than required by the regulation (as described in subparagraph C.2 above) that prohibits admission to a property for disqualifying behavior. For those behaviors that would result in denial for a "reasonable time," the owner must define a reasonable period in the tenant selection plan.
 - d. Reconsideration of previously denied applicants. An owner may reconsider the application of a previously denied applicant if the owner has sufficient evidence that the members of the household are not and have not engaged in criminal activity for a reasonable period of time. The owner must define a reasonable period of time in the tenant selection plan. * When the owner chooses to adopt this admission provision, the owner must require the household member to submit documentation to support the reconsideration of the decision which includes:
 - (1) A certification that states that she or he is not currently engaged in such criminal activity and has not engaged in such criminal activity during the specified period.

- (2) Supporting information from such sources as a probation officer, a landlord, neighbors, social service agency worker or criminal record(s) that were verified by the owner.*
- e. Consideration of the circumstances relevant to a particular case. In developing optional screening criteria for a property, and applying the criteria to specific cases, owners may consider all the circumstances relevant to a particular household's case. Such considerations may not be applied to the required screening criteria described in subparagraph C.2 above. These types of circumstances include:
- (1) The seriousness of the offense;
 - (2) The effect denying tenancy would have on the community or on the failure of the responsible entity to take action;
 - (3) The degree of participation in the offending activity by the household member;
 - (4) The effect denying tenancy would have on nonoffending household members;
 - (5) The demand for assisted housing by persons who will adhere to lease responsibilities;
 - (6) The extent to which the applicant household has taken responsibility and takes all reasonable steps to prevent or mitigate the offending action; and
 - (7) The effect of the offending action on the program's integrity.

D. **Considerations In Developing Screening Criteria**

Specific screening criteria will vary from property to property. In developing screening criteria, owners may want to consider the following factors:

1. Length of the property's waiting list. An owner of a property that has a long waiting list may consider establishing relatively restrictive screening standards, whereas an owner of a property with little or no waiting list may want to have less restrictive standards. Setting standards involves balancing the need to fill vacancies with the long-term effect of accepting higher risk tenants. Thorough screening often makes the project more attractive to applicants, thereby decreasing vacancies and turnover.
2. Application and screening fees. Screening takes staff time and may require funds to pay for credit reports and other information.
 - a. Rental housing. Owners may not charge application fees or require applicants to reimburse them for the cost of screening,

including screening for criminal history. Therefore, owners will want to carefully weigh the cost of various screening activities against the benefits. Screening costs may be charged as an operating expense against the property operating account.

b. Screening criteria for assisted units in cooperatives.

(1) Application fees. Cooperatives may require prospective members to pay application fees if such fees are permissible under state and local laws. The cooperative's board of directors must approve the application fee. While the fee must be reasonable in amount and consistently applied, cooperatives need not submit the fee for Field Office approval. The cooperative must treat the application fee as an earnest money deposit. The application fee is not intended to cover the administrative expenses the cooperative incurs in processing applications. If the applicant is accepted for membership, the cooperative must apply the application fee to the purchase of the membership. If the applicant is rejected by the cooperative, the cooperative must refund the full application fee. The cooperative may retain the application fee only if the applicant backs out of the purchase transaction. While rental projects may not collect application fees, cooperatives may do so because application fees are traditional for homeownership transactions, and admission to a cooperative requires completion of more complicated paperwork than does admission to a rental. Collection of an earnest money deposit will minimize instances in which the cooperative spends time and money processing the application and then the applicant backs out.

(2) Credit report fees. Cooperatives may charge applicants for the cost of credit reports. This fee is intended to cover the cooperative's out-of-pocket cost; these fees are not refundable and need not be applied to the applicant's purchase costs. Cooperatives are permitted to charge these costs to applicants because:

- Such charges are standard industry practice for homeownership;
- Costs of these reports for home purchase can be more expensive than those required for rental purposes; and
- During initial occupancy, HUD requires cooperatives to obtain credit reports on all applicants, and many cooperatives have continued that policy as memberships are resold in later years.

E. Permitted Screening Criteria Commonly Used by Owners

1. **Overview.** Owners are permitted to screen applicants for suitability to help them to determine whether to accept or deny an applicant's tenancy. Owners should consider at least developing screening criteria related to the following factors and may establish other criteria not specifically prohibited in paragraph 4-8 below. All screening criteria adopted by the owner must be described in the tenant selection plan and consistently applied to all applicants.
2. **Screening for credit history.** Examining an applicant's credit history is one of the most common screening activities. The purpose of reviewing an applicant's credit history is to determine how well applicants meet their financial obligations. A credit check can help demonstrate whether an applicant has the ability to pay rent on time.
 - a. Owners may reject an applicant for a poor credit history, but a lack of credit history is not sufficient grounds to reject an applicant.
 - b. As part of their written screening criteria, and in order to ensure that all applicants are treated fairly, owners should describe the general criteria they will use for distinguishing between an acceptable and unacceptable credit rating. Owners are most often interested in an applicant's credit history related to rent and utility payments. A requirement for applicants to have a perfect credit rating is generally too strict a standard.
 - c. Owners may determine how far back to consider an applicant's credit history. Owners generally focus on credit activity for the past three to five years. It is a good management practice to give priority to current activity over older activity.
 - d. Owners may have to justify the basis for a determination to deny tenancy because of the applicant's credit rating, so there should be a sound basis for the rejection.
3. **Minimum Income Requirement.** Section 236 and Section 221(d)(3) BMIR applicants who receive no other form of assistance, such as Section 8, may be screened for the ability to pay the Section 236 basic rent or the BMIR rent. Owners may establish a reasonable minimum income requirement to assess the applicant's ability to pay the rent. In the Section 8, RAP, and Rent Supplement programs, owners may **not** establish a minimum income requirement for applicants. (See paragraph 4-8 A.)
4. **Screening for rental history.** In addition to determining whether applicants are likely to meet their financial obligations as tenants and pay rent on time, owners are also interested in whether applicants have the ability to meet the requirements of tenancy.

- a. Owners must not reject an applicant for lack of a rental history but may reject an applicant for a poor rental history.
 - b. As part of their written screening criteria, and in order to ensure that all applicants are treated fairly, owners should describe the general criteria they will use for distinguishing between acceptable and unacceptable rental history.
5. Screening for housekeeping habits. Owners may visit the applicant's current dwelling to assess housekeeping habits.
- a. As part of their written screening criteria, and in order to ensure that all applicants are treated fairly, owners should describe the general criteria they will use for distinguishing between acceptable and unacceptable housekeeping practices.
 - b. Owners must establish reasonable standards which can be consistently applied to all families. Messy living quarters are not the same as safety and health hazards.
 - c. In defining the home visit standards, the owner should establish a geographic radius within which home visits are made, and outside of which home visits are not made. It is impractical to establish a policy requiring home visits for all applicants, which might require the owner to visit units many miles from the property. For example, an owner may determine that 50 miles is the maximum distance that can be traveled to visit an applicant at home.
6. Consideration of extenuating circumstances in the screening process. Owners may consider extenuating circumstances in evaluating information obtained during the screening process to assist in determining the acceptability of an applicant for tenancy. ** If the applicant is a person with disabilities, the owner must consider extenuating circumstances where this would be required as a matter of reasonable accommodation.**

4-8 Prohibited Screening Criteria

Owners are prohibited from establishing any of the following types of screening criteria.

A. Criteria That Could Be Discriminatory

Owners must comply with all applicable federal, state or local fair housing and civil rights laws and with all applicable civil rights related program requirements.

1. Owners may not discriminate based on race, color, religion, sex, national origin, age, familial status, or disability.
2. Owners may not discriminate against segments of the population (e.g., welfare recipients, single parent households) or against individuals who

are not members of the sponsoring organization of the property. Owners may not require a specific minimum income, except as allowed by paragraph 4-7 E.3 of this Handbook.

3. These prohibitions apply to (1) accepting and processing applications; (2) selecting tenants from among eligible applicants on the waiting list; (3) assigning units; (4) certifying and recertifying eligibility for assistance; and (5) all other aspects of continued occupancy.
4. Complaints alleging violations of these prohibitions must be referred to HUD's Regional Offices of Fair Housing and Equal Opportunity.

B. Criteria That Require Medical Evaluation or Treatment

1. Owners may not require applicants to undergo a physical exam or medical testing such as AIDS or TB testing as a condition of admission.
2. Owners may not require pregnant women to undergo medical testing to determine whether she is pregnant in order to assign a unit with the appropriate number of bedrooms.
3. Owners may uniformly require all applicants to provide evidence of an ability to meet the obligations of tenancy, but owners may not impose greater burdens on persons with disabilities. Persons with disabilities may meet the requirements of the lease with the assistance of others, including an assistance animal, a live-in aide, or with services provided by someone who does not live in the unit.

C. Criteria That Require Meals and Other Services

Owners may not require tenants to participate in a meals program that is not approved by HUD. **NOTE:** 24 CFR, part 278, prohibits HUD from approving new mandatory meals programs after April 1, 1987.

D. Criteria That Require Donation or Contribution

Owners must not require a donation, contribution, membership fee, application fee, or processing fee as a condition of admission. Cooperative housing projects may charge a membership fee. Owners may not require any payments that are not described in the lease.

E. Criteria That Inquire about Disabled Status

It is unlawful for an owner to make an inquiry to determine whether an applicant, or any person associated with the applicant, has a disability or to make an inquiry about the nature or severity of a disability. However, in accordance with paragraph 4-29, an owner may request supporting documentation in order to verify whether an individual is a qualified individual with a disability when an applicant requests an accessible unit or a reasonable accommodation/modification and must adhere to the guidelines as set forth in 2-31 F. (Refer to Chapter 2 for more information on fair housing requirements.)

F. Criteria Prohibited by State and Local laws

Owners must adhere to state and local laws that prohibit certain screening criteria.

4-9 Rejecting Applicants and Denial of Rental Assistance

A. Key Requirements

1. Prohibition of discrimination in the denial of tenancy or rental assistance. Owners must not discriminate against an applicant based on race, color, religion, sex, national origin, familial status, or disability. (See Chapter 2 for additional information.)
2. Prompt notification. Owners must promptly notify the applicant in writing of the denial of admission or assistance.

B. Conditions under Which Owners May Reject Applicants

An owner may reject an applicant if the applicant:

1. Is ineligible for occupancy in a particular unit or property (see Chapter 3, Sections 1 and 2 for eligibility requirements);
2. Is unable to disclose and document SSNs of all household members who are at least 6 years old, or does not execute a certification stating that no SSNs have been assigned;
3. Does not sign and submit verification consent forms or the Authorization for Release of Information (forms HUD-9887 and HUD-9887-A);
4. Has household characteristics that are not appropriate for the specific type of unit available at the time, or has a family of a size not appropriate for the unit sizes that are available;

NOTE: In such cases, the owner may deny the applicant admission to a specific unit, but the applicant may continue to wait for another unit. See the example below.

Example – Denial of Unit

An owner could deny an applicant family a particular unit and place the family on the waiting list if the only available unit is an accessible unit and the following is true: (a) the applicant household does not include an individual requiring the features of the unit, and (b) there are either tenants in the property or applicants on the waiting list who desire such a unit and who have a member of the household requiring the features of the unit.

NOTE: In some programs, eligibility is dependent on the head or spouse meeting particular eligibility criteria.

5. Includes family members who did not declare citizenship or noncitizenship status, or sign a statement electing not to contend noncitizen status (see paragraph 4-31). However, an owner should permit families to revise their application to exclude proposed family members who do not declare citizenship or eligible noncitizen status; or
6. Does not meet the owner's tenant screening criteria.

C. Notification of Applicant Rejection

1. Rejection notices must be in writing
2. The written rejection notice must include:
 - a. The specifically stated reason(s) for the rejection;
 - b. The applicant's right to respond to the owner in writing or request a meeting within 14 days to dispute the rejection. and
 - c. ****That persons with disabilities have the right to request reasonable accommodations to participate in the informal hearing process.****

D. Owner Meetings with Applicants to Discuss Rejection Notices

1. Any meeting with the applicant to discuss the applicant's rejection must be conducted by a member of the owner's staff who was not involved in the initial decision to deny admission or assistance.
2. Within 5 business days of the owner response or meeting, the owner must advise the applicant in writing of the final decision on eligibility.

TENANT SELECTION PLAN

Frank B. Peers
DEVELOPMENT NAME

400 Central Avenue, Highland Park, IL 60035
DEVELOPMENT ADDRESS

Revised: March 22, 2012

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TENANT SELECTION PLAN FOR FEDERALLY SUBSIDIZED DEVELOPMENTS (For Section 8 and 236 developments)



IHDA Identification Number: 12-2269 (aka ML-93)

Frank B. Peers
"Development"

Peers Housing Association
Owner's Name (the "Owner")

Evergreen Real Estate Services, LLC
Managing Agent's Name (the "Management")

I. INTRODUCTION

This Tenant Selection Plan (this "Plan") outlines the procedures that will be followed in selecting tenants for the Development. Management is responsible for implementing these procedures.

A. **Development Description** (Check the one that applies)

The Development offers subsidized rents. This means the rent that a tenant pays is based upon the tenant's household income. Therefore, the rent paid by tenants may vary among tenants as well as from time to time for an individual tenant. The rents attached to this Plan as **Exhibit A** reflect the market or contract rent for the Development and **not** the typical tenant portion of the rent. (Subsidized rents are usually made available through participation in one of two housing programs: (i) the HUD Section 8 program or (ii) the HUD 236 program, which are further augmented by either the Rent Supplement or Rental Assistance programs. Both of these programs have household income limitations.)

In addition, the Development **does** **does not** accept Housing Choice Vouchers.
(Check the one that applies)

B. **Tenant Type** (Check the one that applies)

The Development is not designated as housing exclusively for any particular tenant type. (This would typically include those developments known as "Family")

The Development is designated as housing exclusively for: (check all that apply)

Elderly

Family & Special Needs

Special Needs Family

Elderly & Special Needs

If the "Elderly" or "Elderly & Special Needs" designation is selected, the age restriction, for the units designated Elderly, will be:

(Check the one that applies)

- 55 and above (households whose head or spouse or sole member is at least 55 years of age) or,
- 55 and above (one person 55 years of age or older) or,
- 62 and above (**all** members of the household are 62 years of age) or,
- 62 and above (households whose head **or** spouse **or** sole member is at least 62 years of age) (this is only available to developments participating in a HUD housing program); or
- Other *(please describe)* _____

If any of the "Special Needs" designations is selected, the Development is serving the following special needs population(s):

(Check all that apply)

- | | |
|---------------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> Battered Women | <input type="checkbox"/> Developmentally Disabled |
| <input checked="" type="checkbox"/> Disabled | <input type="checkbox"/> Physically Disabled |
| <input type="checkbox"/> HIV/AIDS | <input type="checkbox"/> Ex-offenders |
| <input type="checkbox"/> Homeless | <input type="checkbox"/> Substance Abusers |
| <input type="checkbox"/> Foster Care Families | <input type="checkbox"/> Mentally Ill |
| <input type="checkbox"/> Transient Families | |
| <input type="checkbox"/> Other <i>(please describe)</i> _____ | |

C. Unit Distribution

1. Development (Start-Up only)

The Development will offer _____ rental units.

This **includes** **does not include** a management unit.

(Check the one that applies)

The income limitations of these units are as follows:

- _____ Market rate (no income restriction) units
- _____ Units at _____% Median income
- _____ Manager unit(s)

2. Development (Up and Running only)

<u>Per Regulatory Agreement</u>				<u>Per Extended Use Agreement (if applicable)</u>			
_____	Market rate units			_____	Market rate units		
<u>50</u>	Units at	<u>50%</u>	Median income	_____	Units at	_____ %	Median income
<u>17</u>	Units at	<u>80%</u>	Median income	_____	Units at	_____ %	Median income
_____	Units at	_____ %	Median income	_____	Units at	_____ %	Median income
_____	Units at	_____ %	Median income	_____	Units at	_____ %	Median income
_____	Manager unit(s)			_____	Manager unit(s)		

D. Rent Structure

The current rent structure for the Development, by unit size and income distribution, is attached to this Plan as **Exhibit A**.

E. Civil Rights and Nondiscrimination Requirements

1. General

Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants on the basis of race, color, national origin, sex, age, disability, religion, and familial status. The Illinois Human Rights Act addressing fair housing prohibits discrimination against applicants or tenants on the basis of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service.

The remaining paragraphs in this section provide brief descriptions of key federal civil rights laws regarding fair housing and accessibility.

Owner and Management shall be familiar and comply with the regulations implementing these applicable federal civil rights laws and any state civil rights laws or local ordinance regarding fair housing and accessibility.

2. Fair Housing Act

Fair Housing Act Amendments of 1988 ("Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, disability, familial status and national origin regardless of any federal financial assistance.

Under the Fair Housing Act, Owner and Management shall not take any of the actions listed below based on race, color, religion, sex, disability, familial status and national origin:

- a. Deny anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs;
- b. Provide anyone housing that is different from that provided to others;
- c. Subject anyone to segregation, even if by floor or wing;

- d. Restrict anyone's access to any benefit enjoyed by others in connection with housing program;
- e. Treat anyone differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of a lease;
- f. Deny anyone access to the same level of services;
- g. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- h. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; and
- i. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

Fair Housing Act provides additional protections for persons with disabilities. It requires that the Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford handicapped persons equal opportunity to use and enjoy a dwelling. Moreover, it contains specific accessibility requirements that apply to the design and construction of new multi-household housing.

Owner of federally assisted housing program shall display the Fair Housing poster required by the Fair Housing Act.

3. Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 prohibits all recipients of federal financial assistance from discriminating based on race, color or national origin.

4. Age Discrimination Act of 1975

Age Discrimination Act of 1975 (the "Age Discrimination Act") prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances. It is not a violation of the Age Discrimination Act to use age as screening criteria in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

5. Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973 ("Section 504") prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on the Owner to make their programs as a whole, accessible to persons with disabilities. Section 504 obligations include the following:

- a. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
- b. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- c. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;

- d. Performing a self-evaluation of Management's programs and policies to ensure that they do not discriminate based on disability; and
- e. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements.
- f. Section 504 also establishes accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units.

If the Owner, Management and Development employ 15 or more persons, regardless of their location or duties, a Section 504 Coordinator must be designated.

Does the Section 504 Coordinator requirement apply?
(Check the one that applies)

Yes No

If "Yes" was checked, indicate the name of the Section 504 Coordinator:

Name: Heidi

Telephone Number: (847) 433-7694

TDD Number: (800) 526-0844

6. Executive Order 13166 – Limited English Proficiency (for HUD programs only)

Executive Order 13166 requires Owner/Management to take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.

7. Violence Against Women and Justice Department Reauthorization Act of 2005 (for Section 8 developments only)

Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA 2005) protects victims of domestic violence, dating violence or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance if an incident of violence is reported and confirmed.

Owner/Management responding to an incident of actual or threatened domestic violence, dating violence or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign and submit within 14 business day of the request, the HUD-approved certification form (HUD-91066).

Alternatively, in lieu of the certification form or in addition to it, Owner/Management may accept (i) a federal, state, tribal, territorial, or local police record or court record or (ii) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim has sought assistance.

Owner/Management are encouraged to carefully evaluate abuse claims as to avoid conducting an eviction based on false or unsubstantiated accusations.

II. PREFERENCES

A. Establishing Preferences

Preferences are not permitted if they in any way negate affirmative marketing efforts or fair housing obligations. The following preferences apply to the Development:

1. Existing Tenant Preferences

The following actions are always given priority if applicable. If not, State Mandated Preferences take precedence.

- a) A unit transfer because of household size.
- b) A unit transfer based on the need for an accessible unit.
- c) A unit transfer of a non-handicapped individual living in a handicapped accessible unit to accommodate a handicapped applicant on the Waiting List (as defined below). A lease addendum (**Exhibit B**) will be entered into with non-handicapped tenant living in a handicapped accessible unit.

2. State Mandated Preferences

The Development must comply with the three Illinois mandatory preferences required in Section 11 and 12 of 20 ILCS 3805 as described below:

- a) Displaced from an urban renewal area.
- b) Displaced as a result of a governmental action.
- c) Displaced as a result of a major disaster.

3. Optional Preferences

In addition to the preferences mandated by the State of Illinois and the Existing Tenant Preferences listed above, the Development may establish the following preferences. The preferences listed below are subordinate to State Mandated Preferences and Existing Tenant Preferences.

*(Check **all** that apply and rank in the order of highest preference (1) to lowest preference):*

- a) Former Federal Preferences Order # _____
- b) HUD Pre-approved Preferences
 - i. Preference for Working Families Order # _____
 - ii. Preference for Persons with Disabilities Order # _____
 - iii. Preference for Victims of Domestic Violence Order # _____
 - iv. Preference for elderly, displaced, homeless, or disabled single person over other single persons Order # _____
- c) Residency Preferences (with HUD approval) Order # 2 _____

- d) Local Preference (as established by PHA) Order # _____
- e) Existing Tenant Transfers (other) Order # 1 _____
 including, but not limited to a change in household composition, a deeper rent subsidy, or for medical reasons certified by a doctor.

B. Verification of Preference

The State Mandated Preferences will be verified by third party verification (**Exhibit C**). Third party verification will also be utilized if the Owner has adopted any of the Former Federal Preferences. If Management has selected any of the optional preferences and will not be using third party verification the following means of verification will be utilized:

All verification will require 3rd party documentation as a priority, with actual documents serving as the secondary resource.

Frank B. Peers is a project designed primarily for occupancy by Elderly Families. Therefore, pursuant to Title VI of the Housing and Community Development Act of 1992 and U.S. Department of Housing and Urban Development Interim Rule dated May 3, 1995 (54 Federal Register 22916), preference or priority of opportunity for occupancy will be given to Elderly Families.

Notwithstanding this preference, Frank B. Peers is required by the above mentioned HUD Rule to reserve a percentage of its Section 8 units for occupancy by Disabled Families who are not Elderly or Near Elderly. The applicable percentage of units to be reserved shall not be less than (a) the greater of the percentage of Section 8 units occupied by Disabled Families on October 28, 1992 who are not Elderly or Near Elderly and the percentage of Section 8 units occupied by Disabled Families on January 1, 1992 who are not Elderly or Near Elderly, or ten (10%) percent of the total number of Section 8 units.

The percentage of Section 8 units occupied by Disabled Families who were not Elderly or Near Elderly at Frank B. Peers as of January 1, 1992 and October 28, 1992 was 4.4% and 4.4%, respectively. Therefore, the project is required to reserve a minimum of 4.4% or 3 units for occupancy by such Disabled Families.

If an insufficient number of Disabled applicants between the ages of 18 and 49 are available to fulfill the above 3 unit target occupancy by Disabled, Frank B. Peers will give a preference to the Near Elderly to occupy those units. If an insufficient number of Elderly applicants 62 years of age or older are available to fill the percentage of units allocated to Elderly, Frank B. Peers will give a preference to the Near Elderly to occupy those units.

An Elderly Family is defined as families whose heads of household (or their spouses) or sole members are at least 62 years of age.

Near Elderly Family is defined as families whose heads of household (or their spouses) or sole members are persons who are 50-61 years of age.

Disabled Family is defined as families whose heads of household (or their spouses) or sole members are persons with disabilities. Person with Disabilities is defined to mean a person who:

- a) has a disability as defined in Section 223 of the Social Security Act;
- b) is determined pursuant to regulations issued by the Secretary of HUD, to have physical, mental or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or
- c) has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bills of Rights Act.

Frank B. Peers gives a preference to applicants who reside in the City of Highland Park. An

applicant who is a Highland Park resident is a person who currently resides in Highland Park or is expected to reside in Highland Park as a result of current or planned employment. Planned employment means a bona fide offer to work within the boundaries of Highland Park. An applicant who is a Highland Park resident may be housed prior to an applicant who is not a Highland Park resident even if the non-resident applicant has a higher position on the applicable Waiting List. This residence preference does not supercede any Mandated Preferences or the In-House Transfer Preference for a vacant unit.

The overall order of preference for a vacant unit is:

- 1) In-house transfer
- 2) State of Illinois Mandated preferences - Elderly Highland Park Resident
- 3) State of Illinois Mandated preferences - Elderly (outside Highland Park)
- 4) State of Illinois Mandated preferences - Disabled Highland Park Resident (to meet the target percentage defined above)
- 5) State of Illinois Mandated preferences - Disabled (outside Highland Park) (to meet the target percentage defined above)
- 6) Elderly - Highland Park Resident
- 7) Elderly - Outside Highland Park Resident
- 8) Disabled - Highland Park Resident (to meet the target percentage defined above)
- 9) Disabled - Outside Highland Park Resident (to meet the target percentage defined above)
- 10) Near Elderly - Highland Park Resident (if otherwise qualified Elderly or Disabled persons meeting the age requirements defined above are not available)
- 11) Near Elderly - Outside Highland Park (if other qualified Elderly or Disabled persons meeting the age requirements defined above are not available).

C. Selection of Families for Participation

1. An eligible applicant who qualifies for a preference will receive housing before any other applicant who is not so qualified. These preferences take precedence over other applicants' place on the Waiting List, or date of submission of application.
2. Applicants will be informed of the availability of preferences, and will be given an opportunity to certify that they qualify for a preference. Applicants may claim a preference at any time during the application process.

D. When a Preference Is Denied

1. If it is determined that an applicant does not meet the criteria for receiving a preference, the applicant will promptly receive a written notice of this determination from Management (**Exhibit D**). The notice will contain a brief statement of the reasons for the determination, and state that the applicant has the right to meet with the Management's designee to review this decision. If the applicant requests a meeting, it will be conducted by a person or persons designated by Management.
2. Denial of a preference does not prevent the applicant from exercising any legal rights the applicant may have against Management and/or Owner.

E. Exceptions to the Preference Rule

1. **Relocation and/or Unit Transfers:**
Management must give priority to current households
 - i) when their units are designated for rehabilitation and/or
 - ii) for current households residing in a unit within the Development that has been designated as uninhabitable by federal, state, local municipalities or Management due to fire, flood or other natural disaster.

III. PRE-APPLICATION CARD PROCESSING

(Please check which method will be used)

- The Development will use pre-application cards or;
- The Development will use pre-applications.

A. Distribution of Pre-Application Cards or Pre-Applications

1. A letter will be sent to households who respond to the marketing efforts (**Exhibit E**). This letter will include a Pre-Application Card or Pre-Application (**Exhibit F**) to be completed and mailed to Management. This letter will also inform persons about the Development's preferences and will indicate that all applicants will be given an opportunity to show that they qualify for a preference.
2. The letter will state that those persons qualifying for a preference will receive housing before any other applicant who is not so qualified.
3. In addition, the letter will inform all applicants that for those persons not claiming a preference, screening will be conducted according to the order in which the Pre-Application Cards or Pre-Applications are received.
4. All returned Pre-Application Cards or Pre-Applications will be logged in, indicating the time and date received (**Exhibit G**). The Pre-Application log will indicate whether the applicant has claimed a preference or has requested a handicapped accessible unit.

B. Processing Pre-Application Cards or Pre-Applications

1. Pre-Application Cards or Pre-Applications will be filed in the order of receipt. In addition, Pre-Application Cards or Pre-Applications will also be categorized according to preferences, unit size and Special Occupancy Categories (as described in **Section X**).
2. All persons making inquires will be provided a Pre-Application Card or Pre-Application with instructions to mail this Pre-Application Card or Pre-Application to Management. Pre-Application Cards or Pre-Applications received after initial sorting will be categorized in accordance with the process stated above.
3. For Developments beginning their initial marketing efforts (start-up), no Pre-Application Cards or Pre-Applications will be accepted after the date on which 95% occupancy of the Development has been reached and the applicable Waiting List has been closed.
4. For Developments, which have completed their initial marketing efforts (Up and Running), no Pre-Application Cards or Pre-Applications will be accepted after the date on which the applicable Waiting List has been closed.
5. All Pre-Application Cards or Pre-Applications will be retained on-site permanently.

IV. WAITING LIST(S) PROCEDURES

A. Creation of Waiting List(s)

If an applicant is eligible for tenancy, but no appropriately sized unit is available (as referred to in **Section VII**), Management will place the applicant on a waiting list (the "Waiting List") for the Development (**Exhibit H**). The Waiting List(s) will be maintained in either:
(Check the one that applies)

- a bound ledger (manually)
- a computer program (electronically)

The Waiting List(s) will contain the following information for each applicant listed:

1. Applicant name
2. Household unit size (number of bedrooms household qualifies for under site occupancy standards)
(NOTE: applicant may qualify for multiple unit sizes)
3. Date and time application received
4. Qualification for any preferences and ranking
5. Annual income level
6. Targeted program qualifications
7. Accessibility requirements
8. Number of persons in household

The Waiting List will be maintained in accordance with the following guidelines:

- The pre-application or pre-application card will be a permanent file.
- All applicants will be maintained in order of preference. Applications equal in preference will be maintained by date and time sequence.

B. Changes In Income or Household Composition

When placed on the Waiting List, applicants will be informed to notify Management when the following changes occur:

- Address and/or phone number
- Household composition
- Preference status
- Income (Optional)

If an applicant's income changes to an amount which is no longer eligible, written notice will be given advising the applicant that: (1) they are not presently eligible; (2) the applicant could be eligible if the household income decreases, the number of household member changes, or the Income Limit changes; and (3) they may choose to remain or not remain on the Waiting List.

If an applicant's household composition changes resulting in a need for a different apartments size, Management will, upon notification by applicant, place the applicant on the appropriate Waiting List. Management's policy for handling changes in household composition are indicated below: (check the one that applies)

Applicant will maintain original application date. (Applicant will be placed on new bedroom list according to original application date.)

Applicant will receive new application date based on redetermination. (Applicant will be placed at bottom of new bedroom list.)

C. Contacting Persons on the Waiting List(s)

1. Applicants on the Waiting List will be contacted as follows:

When a unit becomes or will become available within ___ days, Management will select the next applicant who meets applicable preference criteria or whose name is chronologically at the top of the appropriate Waiting List. Management will contact the selected applicant utilizing the following procedure: (*i.e. certified mail, regular mail, telephone or other.*)

Management will telephone the applicant 3 times within 48 hours. If the applicant cannot be reached, a letter will be sent to the last known address of the applicant household.

Applicants, who respond timely and accept the offered unit, will be contacted to schedule an interview. This represents the beginning of the screening process. Those applicants

who do not respond timely or who do not accept the offered unit will be processed in the manner indicated below:

- a. If Management does not receive a response within 10 days, the applicant will forfeit the opportunity to apply for the offered unit (check the one that applies)

and will be removed from the applicable Waiting List.

but will remain at the top of the applicable Waiting List. When a second unit becomes available, Management will again attempt to contact the applicant and will explain that if the applicant does not respond within 10 days or fails to accept the second unit, the applicant's name will be removed from the applicable Waiting List.

(other)

- b. If Management receives a timely response but the applicant rejects the first offered unit, the applicant (check the one that applies)

will be removed from the applicable Waiting List.

will remain at the top of the applicable Waiting List. When a second unit becomes available, Management will again attempt to contact the applicant and will explain that if the applicant does not respond within 10 days or fails to accept the second unit, the applicant's name will be removed from the applicable Waiting List.

(other)

2. If, after an interview has been scheduled, the applicant fails to attend or to contact Management to reschedule the interview, the policy regarding how applicants will be addressed is: *(Please indicate Management's policy below.)*

If the applicant does not attend the interview and does not contact the management office, the Manager will attempt to contact the applicant via telephone 3 times. If the applicant cannot be reached, a letter will be sent via regular mail indicating that unless the applicant contacts the management office within 5 days from the date the letter was sent, the applicant household will be removed from the waiting list.

D. Updating the Waiting List(s)

1. The Waiting List will be updated at least once every twelve months in the following manner:

A letter will be sent via regular/certified mail to each applicant on the Waiting List(s) (**Exhibit I**). The letter will include a Reply Card (**Exhibit J**) to be returned if the applicant is still interested in living at the Development. The applicant will be given 20 days (excluding weekends and designated federal holidays) from the date the letter was mailed in which to respond. If no response is received, the applicant's Pre-Application Card will be removed from the Waiting List and a letter will be sent informing the applicant of this action. If the letter is returned with a forwarding address, it will be re-mailed to the address indicated and a new response time same as above will begin.

(Other)

-
2. After each of the Waiting List(s) are updated based on the Reply Cards returned, an acknowledgement letter (**Exhibit K**) will will not (*Check the one that applies*) be sent to each applicant. It is the applicant's responsibility to notify the Management office of any change in address, telephone number or telephone device for the deaf (TDD) number (if applicable).
 3. If it is determined an applicant failed to respond to a Waiting List update due to a disability and such applicant was either removed or lowered on the Waiting List, the applicant must be reinstated at the original place on the Waiting List.

E. Closing and Re-Opening the Waiting List(s)

1. Closing the Waiting List(s)

The Waiting List(s) for the Development will be closed when the following occurs:

The Waiting List(s) will be closed when there is more than a 5-year wait. It is assumed that it requires several applications to fill one vacancy and that the average annual turnover is approximately 15/year.

When Management decides to close the Waiting List(s), future applicants will be advised that the Waiting List(s) are closed and additional applications will not be taken. When Management decides to no longer accept applications, a notice to that effect will be published in the following publication(s):

Local newspaper and posted on the office door.

The notice must state the reasons for the Management's refusal to accept additional applications.

2. Re-opening the Waiting List(s)

Prior to each re-opening of the Waiting List(s), a notice, announcing the re-opening and providing information on how to apply, will be placed in the following publications:

Advertising will be conducted according to the approved Affirmative Fair Housing Marketing Plan and the approved Marketing Plan.

The Waiting List(s) will be re-opened when the following occurs:

There is less than a 5 year wait for any unit, or there are insufficient numbers of applicants meeting the income targeting requirements.

3. Affirmative Marketing Plan Requirements

Management will affirmatively market the Development in its outreach efforts during the re-opening of the Waiting List(s). Management will provide a copy of the Affirmative Fair Housing Plan to applicants upon request for review.

V. THE (INTERVIEW) SCREENING PROCESS

A. Application Requirements*

The following information will be used to determine program eligibility for anyone who is seeking housing at the Development.

Live in aides, new household members and police officers, security personnel or managers

residing in HUD subsidized units will be subject to same screening for drug abuse and other criminal activity applied to other applicants.

1. The head of household must complete a written application certifying the accuracy of all information that is provided. The applicant will be provided with the appropriate disclosures concerning the Privacy Act (5 U.S.C. § 552a). In addition to providing applicant(s) the opportunity to complete applications at the Development, Management may also send out and receive applications by mail. Management shall accommodate persons with disabilities who, as a result of their disabilities, cannot utilize the Management's preferred application process by providing alternative methods of taking applications.
2. A credit report will be ordered.
 A credit report will not be ordered.
3. A criminal background search will be obtained.
 A criminal background search will not be obtained.
4. Verification of employment, income, bank accounts, and other assets, etc., is required as applicable for each applicant.
5. Verification of previous housing, for ___ years, is required. This will include references from previous landlords. If applicable, it will also include verification for those who were homeowners or lived with parents or guardians. Applicants will not be rejected solely for a lack of rental history.
6. Proof of citizenship status for all members of the household is required.
7. Verification of Social Security Numbers for all members of the household is required.
8. Other: A sexual predator check will be conducted. A check for previous evictions will be conducted.

B. Home Visits

Home Visits will be conducted to inspect the current dwelling of the applicant to determine that the housekeeping practices are acceptable. Details of this process are outlined in **Exhibit L**. Home Visits will be conducted for all applicants who reside within _____ miles of the Development. Home Visits will be conducted for every applicant household reaching the final stages of the approval process.

Home Visits will not be conducted.

C. Completion of Application Process

All applications will be processed within thirty days after the date of the applicant's initial interview or within five business days of receipt of all required documentation, whichever is later (excluding weekends and designated federal holidays).

VI. ELIGIBILITY REQUIREMENTS

A. Income

The annual gross income of the applicant(s) must be equal to or less than the income limit established by the applicable program's administrative rules for the appropriate household size.

B. Income Targeting – (Applicable Only to the Section 8 Project Based Program)

1. The Development is not required to comply with the Income Targeting requirement.
 The Development is required to comply with the Income Targeting requirement.

2. The method with which to achieve this requirement is selected below:
 (check the one that applies)
 - Admit only extremely low-income applicants until the requirement is met.
 In chronological order, select eligible applicants from the Waiting List whose incomes are at or below the extremely low-income limit to fill the first 40% of expected vacancies in the Development. Once the Development has achieved the 40% target, admit applicants in the Waiting List order.

 - Alternate between the first extremely low-income applicant on the Waiting List and the applicant at the top of the Waiting List. To implement this method, select the first extremely low-income applicant on the Waiting List (bypassing applicants on the Waiting List with higher incomes) for the next available unit. Then the next eligible applicant currently at the top of the Waiting List (regardless of income level) for the next available unit. As subsequent units become available, tenant selection continues to alternate between the next extremely low-income applicant and the eligible applicant at the top of the Waiting List until the 40% target is reached.

 - Alternate between the first extremely low-income applicant on the Waiting List and the applicant at the top of the Waiting List in groups of 10. In chronological order, admit the first 4 extremely low-income households from the Waiting List and then admit the next 6 households from the top of the Waiting List, regardless of income. This procedure results in 40% or more of admissions being extremely low-income. After filling the first 10 available units, again admit the first 4 extremely low-income households on the Waiting List and then the next 6 households currently at the top of the Waiting List.

C. Sole Residence

The unit must be the applicant's sole residence in order for the applicant to be eligible for housing.

D. Citizenship Requirements

Only applicants and tenants who are either United States citizens or eligible non-citizens may benefit from federal rental assistance. Specifics regarding citizenship requirements and the documentation process are provided in **Addendum 1** attached to this Plan.

E. Certification of Social Security Numbers

The head of household/spouse/co-head must disclose Social Security Numbers for all household members. If no Social Security Numbers have been assigned to a particular household member, applicants must sign a certification stating that no Social Security Numbers has been assigned. An explanation of required documentation and provisions for accepting applicants without proper documentation is provided in **Addendum 2** attached to this Plan.

F. Student Eligibility Requirements (for Section 8 only)

For the household to be eligible for assistance, any person residing in the Unit who attends an institute of higher learning (full or part-time) must be one of the following:

2. A dependent of the head of household
3. Over age 23
4. A veteran

5. Married to another person residing in the Unit
6. A parent with dependent child(ren) who are also residing in the Unit
7. A disabled individual who was receiving rental assistance prior to November 30, 2005
8. Independent from parents or have parents who are income-eligible for Section 8 assistance

NOTE: To prove that a person aged 18-23 is "Independent", an owner must verify (and document) that the student meets all of the following criteria:

1. Is of legal contract age under state law,
2. Has established a separate household from parents for at least a year or meets the U.S. Department of Education definition of an independent student*,
3. Is not claimed on parents' tax return, and
4. Receives (or does not receive) financial help from parents?

If the student is not "Independent", then the parents must be income-eligible for Section 8. The parents may sign a self declaration and certification of income. They must be below the applicable HUD income limit. The income limit that will be used is:

If the parents live in the U.S. - income limit for the country that the parents live in.
If the parents live outside the U.S. – limit where the property is.

* U.S. Department of Education defines an independent student as:

To be classified as an independent student for Title IV aid, a student must meet one or more of the following criteria:

- be at least 24 years old by December 31 of the applicable award year for which aid is sought;
- be an orphan or a ward of the court or have been one until the age of 18;
- be a veteran of the U.S. Armed Forces;
- have legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);
- be on active military duty for purposes other than training;
- be a graduate or professional student; or
- be married.

VII. OCCUPANCY STANDARDS

The unit must have enough space to accommodate the household. Occupancy standards must comply with federal, state and local occupancy standards, and/or laws in connection with occupancy requirements, fair housing and civil rights laws, as well as landlord-tenant laws and zoning restrictions.

1. For the purpose of determining the unit size for which a household may be eligible; the following will be counted as members of the household:
 - a. Fulltime household members
 - b. Unborn children
 - c. Children in the process of being adopted
 - d. Children whose custody is being determined
 - e. Foster children
 - f. Children temporarily in a foster home

- g. Children in joint custody 50% of the year or more
- h. Children away at school but home for recess
- i. Live in aides
- j. Foster adults

The Occupancy Standards for the development are:

1 person in a Studio and up to 2 persons in a One-bedroom unit (this does not include live-in care attendants that are approved).

- 2. Upon request, an applicant or resident may be placed on as many of the Development's Waiting List(s) that the household size qualifies.
- 3. A household may be required to provide proof of custody of related or unrelated occupants in order to be considered for a change in unit size.

VIII. REJECTION CRITERIA

The ability of the applicant to fulfill lease obligations will be considered. An applicant may be rejected for one or more of the following reasons:

A. Insufficient/Inaccurate Information on Application

Refusing to cooperate fully in all aspects of the application process or supplying false information will be grounds for rejection.

B. Credit and Financial Standing

- 1. Unsatisfactory history of meeting financial obligations (including, but not limited to timely payment of rent, outstanding judgments or a history of late payment of bills) will be considered. If an applicant is rejected based on the credit report, they will be provided with the reasons for rejection and given the name of the credit bureau that performed the credit check. Applicants will also be given two weeks to dispute any information on the credit report.
- 2. The inability to verify credit references may result in rejection of an applicant. Special circumstances will be considered in which credit has not been established (income, age, marital status, etc.) and lack of credit history will not cause an applicant to be rejected. In such circumstances, a person with a history of creditworthiness may be required to guarantee the lease (Not applicable for Section 8 properties).
- 3. The applicant's financial inability to pay his/her monthly contribution toward the rent of the unit may be assessed. Ordinarily, the total of the applicant's monthly contribution plus other long-term obligations (payments extending more than twelve months) should be less than 50% of his/her monthly gross income. Income ratios may be considered in the context of the applicant's credit and employment history and potential for increases in income.

C. Criminal Convictions/Current Drug Use

- 1. Applicants who fall into the following categories will be rejected:
 - a) current addiction to or engagement in the illegal use of a controlled substance.
 - b) any household containing a member(s) who was evicted in the last three years from federally assisted housing for drug-related criminal activity. Exception: if the evicted household member has successfully completed an approved supervised drug rehabilitation or the circumstances leading to the eviction no longer exist (e.g. the household member no longer resides with

the applicant household).

- c) any household member that is subject to a state sex offender lifetime requirement.
- d) any household member for whom there is reasonable cause to believe that the member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

2. Applicants who fall into the following categories may be rejected. In addition, if other persons that will be living in the unit fall into these categories, the applicant may be rejected.

- a) criminal convictions that involved physical violence to persons or property, or endangered the health and safety of other persons within the last 15 year(s);
- b) criminal convictions in connection with the manufacture or distribution of a controlled substance within the last 20 year(s); or
- c) Other _____

D. Household Characteristics

Household size or household characteristics were not appropriate for the specific type of unit available at the time of application.

E. Unsanitary Housekeeping

Housekeeping will be considered because home visits are conducted (**See Section V.B**). Housekeeping criteria are not intended to exclude households whose housekeeping is only superficially unclean or disorderly if such conditions do not appear to affect the health, safety or welfare of other residents.

F. Exception to Rejection Criteria

The development has adapted the following policy regarding Extenuating Circumstances: (Check the one that applies)

- Extenuating circumstances will not be considered.
- Extenuating circumstances will be considered in cases when applicants would normally be rejected. The applicants will have to provide, in writing, the circumstances under which he/she will be an acceptable resident in the future.

(For Section 8 developments only)

If the applicant is a person with disabilities, Management must consider extenuating circumstances where this would be required as a matter of reasonable accommodation.

IX. REJECTION PROCEDURES

A. Written Notification

Each rejected applicant will be promptly notified in writing of the reason(s) for rejection (**Exhibit N**). This notice will advise the applicant that he/she may, within 14 days of receipt of the notice (excluding weekends and designated federal holidays), respond in writing or request to meet with Management to discuss the notice.

B. Review of Rejected Applications

The applicant will have 14 days (excluding weekends and designated federal holidays) to respond in writing or request a meeting to discuss the rejection. Any meeting with the applicant or review of the applicant's written response will be conducted by a member of Management's staff who did not participate in the decision to reject the applicant.

If the applicant appeals the rejection, the applicant will be given a final written decision from Management within five days (excluding weekends and designated federal holidays) of the applicant's written response or meeting. If the decision is reversed, the applicant will be offered a suitable vacant unit. If no such unit is available, the applicant will be offered the next appropriate unit.

X. SPECIAL OCCUPANCY CATEGORIES

Applicants will be interviewed and processed as authorized in **Sections V through VIII**, with exceptions made as follows:

A. Persons with Disabilities

An applicant with disabilities will be given priority for an accessible unit if such applicant deems that this type of unit is appropriate for their household.

If the household determines that the accessible unit is not appropriate for the household's needs, the household's name will be returned to its place on the Development's Waiting Lists, as applicable.

XI. AMENDING THE TENANT SELECTION PLAN

This Plan may be amended only with the prior written approval of the Illinois Housing Development Authority.

XII. CERTIFICATION

By signing this Plan, Management certifies that the contents of this Plan will be followed as written, and that no other Tenant Selection Plan has been executed for the Development at this time, or will be executed in the future without written approval from the Illinois Housing Development Authority.

MANAGEMENT:

Entity Name: Evergreen Real Estate Services, LLC

Signature: _____

Print Name: Polly Kuehl, CPM

Title: Senior Vice President

Today's Date: April 1, 2012

OWNER:

Entity Name: Peers Housing Association

Signature: _____

Print Name: David Wigodner

Title: Chairperson

Today's Date: _____

This Plan is reviewed as of this _____ day of _____, 20_____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

Signature: _____

Print Name: _____

Title: _____

ADDENDUM 1

CITIZENSHIP REQUIREMENTS

Only United States citizens and eligible non-citizens may benefit from federal rental assistance. These requirements apply to households making application to the property, households on the waiting list and existing tenants. *(If the applicant is not proficient in the English language, Management will arrange to provide this request in a language that is understood by the applicant.)*

A mixed household *(a household with one or more eligible and one or more ineligible household members)* may receive prorated assistance, continued assistance or a temporary deferral of termination of assistance.

NOTE: A household receiving federal assistance on June 19, 1995 under one of the programs covered by the non-citizen rules is eligible for temporary deferral of termination of assistance when the following applies: (i) household has no eligible members or (ii) mixed household qualifies for prorated assistance (and does not qualify for continued assistance) and chooses not to accept the partial assistance. The deferral allows the household time to find other suitable housing before HUD terminates assistance. During the deferral period, the household continues to receive its current level of assistance. The initial deferral period is for six months and may be extended for an additional six-month period, not to exceed 18 months.

All applicants for assistance will be required to submit evidence of citizenship or eligible immigration status at the time of application. This includes all household members, regardless of age. Please note that financial assistance is contingent on submission and verification of citizenship or eligible immigration status.

In order to verify citizenship or eligible immigration status, **Exhibit 1** must be completed for each member of the household by the following date _____. In addition, management will also require verification of this declaration by requiring the following documentation:

- **From U.S. citizens**, presentation of a U.S. birth certificate or U.S. passport.
- **From non-citizens 62 years and older**, a signed declaration and proof of age.
- **From non-citizens under the age of 62**, a signed consent form (**Exhibit 2**) and one of the DHS-approved documents listed in **Figure 1** (attached).

Non-citizens **not** claiming eligible immigration status may elect to sign a statement that they acknowledge their ineligibility for assistance.

If an applicant cannot supply the documentation within the specified timeframe, Management may grant an extension of not more than 30 days, but only if the applicant certifies that the documentation is temporarily unavailable and additional time is needed to collect and submit the documentation. Management may establish a shorter extension period. Management will inform the applicant in writing if an extension period is granted or denied. If the request is granted, Management will state (in writing) the new deadline. If the request is denied, Management will state the reasons for the denial in writing.

Management cannot delay the household's assistance if the household submitted its immigration information in a timely manner but the Department of Homeland Security ("DHS") verification or appeals process has not been completed. If at least one member of the household has submitted the required documentation in a timely manner, the owner must offer the household a unit and provide prorated assistance to those household members whose documentation were received on time. Management must continue to provide prorated assistance to such households until information establishing the immigration status of any remaining non-citizen household members

has been received and verified. The prorated assistance is calculated by multiplying a household's full assistance by a fraction. This is based upon the number of household members who are eligible compared with the total number of household members.

Once Management has determined the final citizenship/immigration status of a household assisted prior to completion of the verification or appeal process, Management will:

- Offer full assistance to a household that has established the eligibility of all of its members; or
- Offer continued prorated assistance to a mixed household, or temporary deferral of termination of assistance if the household does not accept the offer of prorated assistance;

Management will notify all households in writing as soon as possible if the secondary verification process returns a negative result and applicants may appeal Management's decision directly to the DHS. The household must send a copy of the appeal directly to the Management. The DHS should respond to the appeal within 30 days.

Figure 1

Acceptable Department of Homeland Security Documentation

- Form I-551, *Alien Registration Receipt Card* (for permanent resident aliens)
- Form I-94, *Arrival-Departure Record* annotated with one of the following:
 - “Admitted as a Refugee Pursuant for Section 207”;
 - “Section 208” or “Asylum”;
 - “Section 243(h)” or “Deportation stayed by Attorney General”;
 - “Paroled Pursuant for Section 212(d)(5) of the INA.”
- Form I-94, *Arrival-Departure Record* (with no annotation) accompanied by one of the following:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (application filed before October 1, 1990);
 - A court decision granting withholding or deportation; or
 - A letter from an asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).
- Form I-688, *Temporary Resident Card* annotated “Section 245A” or “Section 210”.
- Form I-668B, *Employment Authorization Card* annotated “Provision of Law 274a.12(11)” or “Provision of Law 274a.12.”
- A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant’s entitlement to the document has been verified.
- Form I-151, *Alien Registration Receipt Card*.
- Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*.

EXHIBIT 1

DECLARATION FORM

INSTRUCTIONS: Complete this Declaration for each member of the household.

LAST NAME _____ FIRST NAME _____

RELATIONSHIP TO HEAD OF HOUSEHOLD _____

SEX _____ DATE OF BIRTH _____

SOCIAL SECURITY # _____

ALIEN REGISTRATION # _____

ADMISSION NUMBER _____ If applicable
(this is an 11-digit number found on the DHS I-94, Departure Record)

NATIONALITY _____ (Enter the foreign nation or
country to which you owe legal allegiance. This is normally but not always the country of birth.)

SAVE VERIFICATION # _____
(To be entered by owner if and when received.)

INSTRUCTIONS: Complete the Declaration Form below by printing or by typing the person's First name, middle initial, and last name in the space provided. Then review the blocks below and complete either block 1, 2, or 3:

DECLARATION

I, _____ hereby declare, under Penalty of perjury,
that I am _____
(print or type first name, middle initial, last name):

1. A citizen or national of the United States.

Sign and date below and return to the name and address given to you by Management. If this block is checked on behalf of a child, the adult who will reside in the assisted unit and who is responsible for the child should sign and date below.

Signature

Date

Check here if adult signed for a child:

2. A non-citizen with eligible immigration status as evidenced by one of the documents listed below:

Note: If you checked this block and you are 62 years of age or older, you need only submit

a proof of age document together with this format, and sign below:

If you checked this block and you are less than 62 year of age, you should submit the following documents:

A. Verification Consent Form (Exhibit 2)

AND

B. One of the following documents:

- 1) Form I-551, *Alien Registration Receipt Card (for permanent resident aliens)*.
- 2) Form I-94, *Arrival-Departure Record*, with one of the following annotations:
 - a) "Admitted as Refugee Pursuant to Section 207";
 - b) "Section 208" or "Asylum";
 - c) "Section 243(h)" or "Deportation stayed by Attorney General"; or
 - d) "Paroled Pursuant to Sec. 212(d)(5) of INA".
- 3) If Form I-94, *Arrival-Departure Record*, is not annotated, it must be accompanied by one of the following documents:
 - a) A final court decision granting asylum (but only if no appeal is taken);
 - b) A letter from a DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from a DHS district director granting asylum (if application was filed before October 1, 1990);
 - c) A court decision granting withholding or deportation; or
 - d) A letter from a DHS asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).
- 4) Form I-688, *Temporary Resident Card*, which must be annotated "Section 245A" or "Section 210."
- 5) Form I-688B, *Employment Authorization Card*, which must be annotated "Provision of Law 274a.12(11)" or "Provision of Law 274a.12."
- 6) A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant's entitlement to the document has been verified.
- 7) Form I-151 Alien Registration Receipt Card.

If this block is checked, sign and date below and submit the documentation required above with this declaration and verification consent form to the name and address given to you by Management. If this block is checked on behalf of a child, the adult who will reside in the assisted unit and who is responsible for the child should sign and date below.

If for any reason, the documents shown in subparagraph 2.b above are not currently available, complete the Request for Extension block below.

Signature

Date

Check here if adult signed for a child:

REQUEST FOR EXTENSION

I hereby certify that I am a non-citizen with eligible immigration status, as noted in block 2 above, but the evidence needed to support my claim is temporarily unavailable. Therefore, I am requesting additional time to obtain the necessary evidence. I further certify that diligent and prompt efforts will be undertaken to obtain this evidence.

Signature

Date

Check if adult signed for a child:

- 3.** I am not contending eligible immigration status and I understand that I am not eligible for financial assistance.

If you checked this block, no further information is required, and the person named above is not eligible for assistance. Sign and date below and forward this format to the name and address specified by Management. If this block is checked on behalf of a child, the adult who is responsible for the child should sign and date below.

Signature

Date

Check here if adult signed for a child:

EXHIBIT 2

Verification Consent Form

INSTRUCTIONS:

Complete this form for each non-citizen household member who declared eligible immigration status on the Declaration Form. If this form is being completed on behalf of a child, the adult responsible for the child must sign it.

CONSENT

I, _____ hereby consent to the following:
(print or type first name, middle initial, last name)

1. The use of the attached evidence to verify my eligible immigration status to enable me to receive financial assistance for housing; and
2. The release of such evidence of eligible immigration status by Management without responsibility for the further use or transmission of the evidence by the entity following entities:
 - a. HUD, as required by HUD; and
 - b. The DHS for purposes of verification of the immigration status of the individual.

NOTIFICATION TO HOUSEHOLD:

Evidence of eligible immigration status shall be released only to the DHS for purposes of establishing eligibility for financial assistance and not for any other purpose. HUD is not responsible for the further use or transmission of the evidence or other information by the DHS.

Signature

Date

Check here if adult signed for a child:

ADDENDUM 2

SOCIAL SECURITY NUMBER REQUIREMENTS

The head of household/spouse/co-head must disclose social security numbers (SSN's) for all household members. In addition, applicants must provide adequate documentation or acceptable evidence of the SSN including any of those listed below:

- Original Social Security card
- Driver's license with SSN
- Identification card issued by a federal, state or local agency, a medical insurance provider, or an employer or trade union
- Earnings statements on payroll stubs
- Bank statement
- Form 1099
- Benefit award letter
- Retirement benefit letter
- Life insurance policy
- Court records

Applicants do not need to disclose or provide verification of a SSN to be placed on the waiting list; however applicants must disclose a SSN and provide adequate documentation to verify each SSN for all non-exempt household members before they can be housed.

If household members have not disclosed and/or provided verification of the SSN at the time a unit becomes available, the next eligible applicant must be offered the available unit.

The applicant who has not provided required SSN has 90 days from the date they are first offered an available unit to disclose/verify the SSN. During this 90-day period, the applicant may retain its place on the waiting list. After 90 days, if the applicant has been unable to supply the SSN documentation the applicant will be determined ineligible and removed from the waiting list. An additional 90 days will be granted if the failure to provide documentation of a SSN is due to circumstances that are outside the control of the applicant.

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

The Social Security Number requirements do not apply to:

- Individuals who do not contend eligibility immigrant status; and
- Individuals age 62 or older as of January 31, 2010, whose initial determination was begun before January 31, 2010.

ADDENDUM 3

ENTERPRISE INCOME VERIFICATION (EIV)

HUD has developed a web-based computer system containing employment and income information on individuals participating in HUD's rental assistance programs.

The EIV system provides the owner and/or manager of the property with income information and employment history for applicants and residents. This information is used to meet HUD's requirement to independently verify employment and/or income when applicants certify for rental assistance.

This development will use EIV to perform an Existing Tenant Search Report for all applicants. This report identifies applicants applying for assisted housing that may be receiving rental assistance at the time of application processing at another location.

Owners/Agents must:

1. Run this report at the time they are processing an applicant for admission to determine if the applicant or any applicant household members are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location.
2. Provide a copy of the handout "EIV & You" (see attached) for all new applicants.



RENTAL HOUSING INTEGRITY IMPROVEMENT PROJECT

EIV & You

ENTERPRISE INCOME VERIFICATION



What YOU Should Know
if You are Applying for or are Receiving
Rental Assistance through the Department of
Housing and Urban Development (HUD)

What is EIV?

EIV is a web-based computer system containing employment and income information on individuals participating in HUD's rental assistance programs. This information assists HUD in making sure "the right benefits go to the right persons".



What income information is in EIV and where does it come from?

- The Social Security Administration:
 - Social Security (SS) benefits
 - Supplemental Security Income (SSI) benefits
 - Dual Entitlementment SS benefits

The Department of Health and Human Services (HSS) National Directory of New Hires (NDNH):

- Wages
- Unemployment compensation
- New Hire (W-4)

What is the information in EIV used for?

The EIV system provides the owner and/or manager of the property where you live with your income information and employment history. This information is used to meet HUD's requirement to independently verify your employment and/or income when you recertify for continued rental assistance. Getting the information from the EIV system is more accurate and less time consuming and costly to the owner or manager than contacting your income source directly for verification.

Property owners and managers are able to use the EIV system to determine if you:

- correctly reported your income

They will also be able to determine if you:

- Used a false social security number
- Failed to report or under reported the income of a spouse or other household member
- Receive rental assistance at another property

Is my consent required to get information about me from EIV?

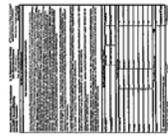
Yes. When you sign form HUD-9887, Notice and Consent for the Release of Information, and form HUD-9887-A, Applicant's/Tenant's Consent to the Release of Information, you are giving your consent for HUD and the property owner or manager to obtain information about you to verify your employment and/or income and determine your eligibility for HUD rental assistance. Your failure to sign the consent forms may result in the denial of assistance or termination of assisted housing benefits.

Who has access to the EIV information?

Only you and those parties listed on the consent form HUD-9887 that you must sign have access to the information in EIV pertaining to you.

What are my responsibilities?

As a tenant in a HUD assisted property, you must certify that information provided on an application for housing assistance and the form used to certify and recertify your assistance (form HUD-50059) is accurate and honest. This is also described in the *Tenants Rights & Responsibilities* brochure that your property owner or manager is required to give to you every year.



Penalties for providing false information

Providing false information is fraud. Penalties for those who commit fraud could include eviction, repayment of overpaid assistance received, fines up to \$10,000, imprisonment for up to 5 years, prohibition from receiving any future rental assistance and/or state and local government penalties.

Protect yourself, follow HUD reporting requirements

When completing applications and recertifications, you must include all sources of income you or any member of your household receives. Some sources include:

- Income from wages
- Welfare payments
- Unemployment benefits
- Social Security (SS) or Supplemental Security Income (SSI) benefits
- Veteran benefits
- Pensions, retirement, etc.
- Income from assets
- Monies received on behalf of a child such as:
 - *Child support*
 - *AFDC payments*
 - *Social security for children, etc.*

If you have any questions on whether money received should be counted as income, ask your property owner or manager.

When changes occur in your household income or family composition, immediately contact your property owner or manager to determine if this will affect your rental assistance.

Your property owner or manager is required to provide you with a copy of the fact sheet "How Your Rent is Determined" which includes a listing of what is included or excluded from income.



What if I disagree with the EIV information?

If you do not agree with the employment and/or income information in EIV, you must tell your property owner or manager. Your property owner or manager will contact the income source directly to obtain verification of the employment and/or income you disagree with. Once the property owner or manager receives the information from the income source, you will be notified in writing of the results.

What if I did not report income previously and it is now being reported in EIV?

If the EIV report discloses income from a prior period that you did not report, you have two options: 1) you can agree with the EIV report if it is correct, or 2) you can dispute the report if you believe it is incorrect. The property owner or manager will then conduct a written third party verification with the reporting source of income. If the source confirms this income is accurate, you will be required to repay any overpaid rental assistance as far back as five (5) years and you may be subject to penalties if it is determined that you deliberately tried to conceal your income.

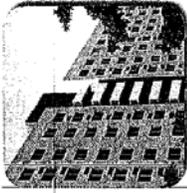
What if the information in EIV is not about me?

EIV has the capability to uncover cases of potential identity theft; someone could be using your social security number. If this is discovered, you must notify the Social Security Administration by calling them toll-free at 1-800-772-1213. Further information on identity theft is available on the Social Security Administration website at: <http://www.ssa.gov/pubs/10064.html>.

Who do I contact if my income or rental assistance is not being calculated correctly?

First, contact your property owner or manager for an explanation.

If you need further assistance, you may contact the contract administrator for the property you live in; and if it is not resolved to your satisfaction, you may contact HUD. For help locating the HUD



office nearest you, which can also provide you contact information for the contract administrator. Please call the Multifamily Housing Clearinghouse at: 1-800-685-8470.

Where can I obtain more information on EIV and the income verification process?

Your property owner or manager can provide you with additional information on EIV and the income verification process. They can also refer you to the appropriate contract administrator or your local HUD office for additional information.

If you have access to a computer, you can read more about EIV and the income verification process on HUD's Multifamily EIV homepage at: www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm.



JULY 2009

1. Preface

Highland Park Housing #3 is the owner of Ravinia Housing and is a corporation whose sole purpose is to own and operate Ravinia Housing. The owner has signed a management agreement with Evergreen Real Estate Services L.L.C. to provide property management and regulatory compliance services for Ravinia Housing, which includes marketing for and admissions to the building.

Ravinia Housing receives project based Section 8 subsidies that enables Residents to pay no more than 30% of their adjusted incomes, 10% of their gross income or a \$25 minimum for rent. Ravinia Housing provides 14 three-bedroom townhouses and 3 four-bedroom townhouses on two sites located on St. Johns and Pleasant Avenues in Highland Park, Illinois.

The primary purpose of Ravinia Housing is to provide affordable housing for low-income families. Ravinia Housing provides housing to eligible families, as defined by HUD. In addition, applicant households must meet income eligibility requirements and their gross annual incomes may not exceed 50% of the median income for the area, as defined by HUD. Ravinia Housing utilizes the HUD definition of "income" to calculate gross income for an applicant household/resident. The current maximum income limit being used by Ravinia Housing is available for review in the Management Office.

2. General Information

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

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

Non-Discrimination

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

HUD programs are open to eligible persons regardless of sexual orientation, gender identity or marital status. Ravinia Housing will comply with the rules and state and local laws that provide the same or similar protections.

Ravinia Housing shall not discriminate, based on race, age, color, sex, religion, disability, familial status, or national origin or:

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

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

504 Statement

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

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

Reasonable Accommodation Policy Statement

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

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

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

Lease Requirements

The Manager will review the lease and its attachments with all incoming residents and a copy of the lease/attachments (for example: House Rules, Violence Against Women Act (VAWA), Pet Policy, Enterprise Income Verification (EIV) information, Care Giver Policy) will be given to all residents. These documents outline resident and management rights and responsibilities. Residents are required to fulfill all lease requirements and follow the House Rules. If the resident requires assistance in order to fulfill the lease requirements, i.e. community services or live-in care attendant, the resident is encouraged to seek such assistance.

Limited English Proficiency (LEP)

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

Affirmative Fair Housing Marketing Plan

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

Amendments to the Resident Selection Plan

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

3. Preferences

Ravinia Housing has three preferences for filling a vacant unit:

- a) In-house transfers (within Ravinia Housing), due to change in family size or approved reasonable accommodations, are given preference for any vacant unit before an applicant from the waiting list is considered.
- b) Section 221(d)3 Program Preference – In accordance with Section 221(d)3 of the National Housing Act, as amended, preference or priority of opportunity to occupy dwelling units must be given to individuals or families who have been displaced by government action or as a result of a presidentially declared disaster.

The preference does not affect eligibility for housing at Ravinia Housing, only the order in which applicant households are considered for residency. Applicants with a 221(d) 3 preference will be considered first.

4. Extremely Low Income Procedures (Income Targeting)

Ravinia Housing receives project- based Section 8 rental subsidies and, as such, is required to lease not less than 40% of its apartments that become available during any fiscal year period to extremely low-income families (gross income at or below 30% of the median income).

In order to implement this requirement Ravinia Housing will fill the first vacant apartment during any fiscal year with someone who qualifies as "extremely low income". This may result in "skipping over" the first person on the waiting list or others who have incomes higher than 30% of the median income. All persons who are "skipped over" retain their positions on the waiting list. During the remainder of the fiscal year, selection for vacant units will alternate between the top person on the waiting list who is eligible (regardless of income level) and the first "extremely low income" applicant household on the waiting list.

5. Admissions

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

Applicant households are placed on the waiting list on a “first come, first served” basis (considering the preferences discussed above) after housing management staff receive, date and time stamp and determine that the application is complete and, preliminarily eligible. Final determination of eligibility and suitability will be made at the time there is an available unit.

Admission is prohibited if any of the following conditions exist:

- A. An applicant household or household member was evicted from any housing for drug related criminal activity within 5 years.
- B. Any household member is currently engaging in illegal use of a drug.
- C. Any household member is subject to registration under any state sex offender registration program.
- D. If there is reasonable cause to believe that a household member’s abuse of alcohol or previous verified behavior may interfere with the health, safety or right of the peaceful enjoyment by others.

This building is a Section 8 assisted building and as such will follow Section 8 Income Targeting Limits (see Section 4).

Enterprise Income Verification (EIV)

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

Consideration will be given to those families who share 50% custody of minor children. Failure to fully disclose rental history will be considered misrepresentation of information and may be cause for denial of the application.

Violence Against Women Act (VAWA)

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

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

VAWA protects anyone who:

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

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

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

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

The VAWA Lease Addendum (HUD-91067) will be signed by all household members 18 years of age and older at move-in, or at/by the next Annual or Interim certification after a current tenant's 18th birthday.

6. Procedures for Application Process

- A. Interested persons may contact the leasing office by phone, fax, e-mail, in person, or by mail to apply. Completed applications received will be date and time stamped. All applications will be considered for admission based on a "first come-first serve" basis, taking into account the preferences and income targeting requirements described above.
- B. When the marketing of units generates an application pool such that the waiting list period is more than three years, Ravinia Housing may suspend the intake of preliminary applications. This would be done by means of a public notice to that effect, posted in the office where applicant households are interviewed and published in a local paper.
- C. If the waiting list has been closed and the application pool (including the number of persons considered eligible for income-targeting requirements) diminishes to a point where the waiting list period is less than one year, Ravinia Housing will re-market pursuant to the provisions of the HUD approved Affirmative Fair Housing Marketing Plan.
- D. An Applicant Household Log will be maintained as a permanent record of all those who have requested applications and up-dated as their status changes.

- E. All applications requested by telephone or mail will be sent in a timely manner. Only eligible and “completed” applications will be accepted by the management office, date and time stamped and placed on the waiting list. Applications will be deemed “complete” when all information requested in the application packet has been submitted, including all information necessary to establish whether an applicant household is eligible for residency.
- F. An application which is deemed “incomplete” will be returned to the applicant household indicating the specific area(s) requiring completion. A copy of the application and cover letter will be placed in a “pending” file prior to returning the application. This will serve as documentation of status until a completed application is returned. No application will be date and time stamped until is deemed “complete”.
- G. Upon up-dating the Application Log with each “completed” application, Management will screen each application for preliminary eligibility based on Ravinia Housing’s income and family size criteria. Applicant households deemed ineligible based on pre-screening criteria will not be placed on the waiting list, but will be notified of their ineligibility and informed that they have fourteen (14) days from the date on the letter to appeal that decision, in writing. Applicant households deemed to be, preliminarily, eligible, based on the information reviewed, will be placed on the waiting list and be notified, in writing of their position and the requirements of annual waiting list up-dates of the waiting list and the manner in which the waiting list operates.
- H. Applicant households selected from the waiting list will be selected for an apartment in chronological order based on their “date/time of application”, taking into account all HUD eligibility criteria and preferences effective at the time of selection and approved project screening criteria. Applicants with a 221(d)3 preference will be considered first.
- I. As an applicant household reaches the top of the waiting list, it will be screened to determine eligibility and whether the applicant household is willing and able to satisfy Ravinia Housing’s requirements for residency (lease). The applicant household will be interviewed by the Manager to obtain current information about the family’s circumstances, including up-dated income and assets, family composition and residency. In addition, the HUD form 9887/87A, citizenship forms and verification releases will be signed by any adult member of the applicant household at that time. The HUD Fact Sheet, the Violence Against Women Act information (VAWA), Enterprise Income Verification (EIV) brochure, and House Rules will be distributed to the applicant household for review.
- J. Management will initiate criminal, credit sexual predator and eviction screening, as well as send the landlord(s) providing housing to the applicant household for the past 5 years a reference form for completion.
- K. When all the income, eligibility and screening information has been received, the Manager will make the final decision as to whether or not to offer the next apartment that becomes vacant to this applicant household. (Note eligibility information older than 120 days will be updated).
- L. When a unit or apartment becomes available, the Manager will notify the next applicant household on the waiting list (taking into account residence and income targeting requirements) in the following manner:

- 1) The Manager will telephone the applicant household first. If, after 3 times within 48 hours, the applicant household cannot be reached, a letter will be sent to the last known address of the applicant household.
 - 2) After 7 days from the date the letter was sent, if no contact has been made by the applicant household, the Manager will offer the apartment to the next person on the waiting list.
 - 3) Applicant households who have not responded to the letter offering an apartment will be considered to have "Refused" the apartment and will be treated as per the Refusal Policy.
 - 4) Applicant households whose names have been removed from the waiting list are required to re-apply if interested in being placed, again, on the waiting list. They will not resume their original position on that list.
- M. Applicant households are permitted to refuse the offer of an apartment once and still retain their position on the waiting list. Written notice will be sent after that refusal stating this policy. If an applicant household refuses a second time and wishes to remain on the waiting list, their name will be placed at the bottom of the specific waiting list. The "date of application" will be replaced by the date of the second refusal, thereby changing the applicant household's permanent position on the waiting list.
- N. If the applicant household is rejected, a notice to that effect stating the reason for rejection, will be sent to the applicant household indicating that it has fourteen (14) days after the notice date, to request a meeting with the Agent (someone other than the person who issued the rejection) to appeal the decision. The Manager will proceed to the next person on the waiting list to offer the vacant apartment. If the applicant household that has been rejected, appeals the decision and the decision is overturned, the applicant household will resume its original position on the waiting and be offered the next available apartment for which it is eligible.
- O. Landlord and background checks are conducted if an applicant responds to the initial contact and is being considered for admissions.

7. Proof of Residency

Ravinia Housing requires that all Residents be either U.S. Citizens or eligible non-citizens, as defined by HUD. All applicants must submit evidence of citizenship or eligible immigration status at the time of application interview. All family members, regardless of age, must declare their citizenship or immigration status. Citizens and eligible non-citizens aged 62 and older will be required to sign a declaration of citizenship status and provide proof of age. Noncitizens aged 61 and under will be required to sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status.

The Management will verify with the Department of Homeland Security (DHS) the validity of documents provided by those under 62 years of age. The original documents may include, but are not limited to: an Alien Registration Receipt Card, a Temporary Resident Card, and Employment Authorization Card. This verification will occur in advance of other verification efforts in order to avoid delays in receipt information. Ravinia Housing would notify an applicant as to whether or not they would be eligible for assistance, or for partial assistance (if a mixed family).

8. Student Status

Section 8 apartments are not available to a student who meets the following criteria:

- a) Is enrolled as a student at an institution of higher education;
- b) Is under 24 years of age;
- c) Is not a veteran of the United States military;
- d) Is unmarried;
- e) Does not have a dependent child;
- f) Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the U.S. Housing Act of 1937.

NOTE: Students with disabilities (as defined in Section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(e)(E)) are exempt from this provision as long as the student with the disability was receiving the Section 8 assistance as of November 30, 2005.

In order for a student who meets the above criteria to be eligible for Section 8 assistance, both the student and the student's parents/legal guardians (individually and jointly) must be income eligible for Section 8, or the student, a dependent who has been living with his/her parents or legal guardians who are receiving Section 8 assistance. Under certain circumstances, the parents' income may not be relevant because the student is determined to be independent of his or her parents. The following criteria will be utilized in determining a student's independence:

- a) The student is of legal contract age under state law.
- b) The student has established a separate household from parents or legal guardian for at least one year prior to application for occupancy or the person meets the US Department of Education's definition of an independent student, which is:
 - (1) Be at least 24 years old by December 31 of the year for which Section 8 is sought;
 - (2) Be an orphan or a ward of the court through the age of 18
 - (3) Be a veteran of the US Armed Forces
 - (4) Have a legal dependent other than a spouse (i.e. dependent child or elderly dependent parent);
 - (5) Be a graduate or professional student;
 - (6) Be married.
- c) The student must not be claimed as a dependent by parents or legal guardians.
- d) The student must obtain a certification of the amount of financial assistance to be provided by parents. The certification is required regardless of whether assistance is actually received.

9. Proof of Social Security Number (SSN)

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

If social security documentation for each member of the applicant household, including newborns, cannot be produced prior to move-in, the family may keep their position on the Waiting List during the 90-day period from

the date they are first offered an available unit to disclose and/or verify the SSNs. The application will continue to be processed. If the applicant is unable to supply the required SSN documentation within the 90-day period, the household will be determined to be ineligible and removed from the Waiting List. Adequate documentation means a social security card issued by the Social Security Administration (SSA) or other acceptable evidence of the SSN.

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

10. Interviews

Purpose of an Interview

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

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

When Should the Interview be Conducted?

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

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

The Interview Process

All interviewing is done in compliance with the HUD regulations and the owner's occupancy standards.

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

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

- A. Application (Currently at site)
- B. Verification of personal identification
- C. Verification of Legal Alien Status
- D. Family Composition
- E. Names/Addresses of Landlords over the past 5 years
- F. Names/Addresses of 2 Emergency Contacts
- G. Social Security/Alien Status #
- H. Authorization Forms (available at the site)
 - 1) Income (Social Security, SSI, Pension, Veterans Administration Benefits, Employment Income, Public Assistance, Disability)
 - 2) Assets (Stocks, Bonds, Checking Accounts, Savings Accounts, Real Estate Appraisals, Certificates of Deposits) and assets disposed of within the last two years
 - 3) Residency Status
 - 4) Medical Expenses (Including Insurance Premiums, Out-of-Pocket related expenses, Medicare Premiums) – (This is in the case of seniors or persons who are considered disabled and eligible for such deductions)
 - 5) Credit/Criminal/Sex Offender Registration Checks
 - 6) Certification of Handicap/Disabled Status (as appropriate)
 - 7) Verification of student status in accordance with HUD guidelines

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

11. Screening and Rejection Criteria

Applicant household screening will be conducted to assist in making the determination that the applicant household will be a suitable resident. These screening procedures will be administered uniformly for all applicant households and applicant households will be required to sign release forms for this purpose. It should be noted that live-in aides or live-in caregivers (either at the time of initial application or subsequent to move-in by the applicant household) will be subject to similar screening, except for the ability to pay rent. Screening procedures address the following areas:

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

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

- A. Evidence of successful rehabilitation, i.e. completion of an approved, supervised drug rehabilitation program for previous drug users.
- B. Evidence of the applicant household family's participation in or willingness to participate in social service or other appropriate counseling service.
- C. Evidence of successful modification of previous disqualifying behavior.

Screening

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

- A. Personal interviews held on-site will be conducted with all applicant household family members being considered for admission in accordance with HUD Handbook 4350.3 or its successor.
- B. Verification and documentation of previous five (5) years of housing for each applicant household. (Note: This includes those applicant households who were homeowners or lived with family.)
- C. Landlord reference checks and rental history checks through Existing Tenant Search in EIV.
- D. Sexual predator checks for all household members to the extent as allowed by state and local laws.
- E. Credit, criminal and eviction checks conducted by a contracted screening company.
- F. Verification of student status at an institution of higher education.

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

Rejections

An applicant household will be rejected if it fails to meet any HUD's eligibility requirements with regard to income limits, age, family definition, citizenship status and family composition. An applicant household will be rejected if it does not meet Ravinia Housing's approved screening criteria. An applicant household may be rejected for any of the following reasons:

- 1) Poor housekeeping that result in safety, health or hygiene hazards.
- 2) Poor credit history. (Note: Applicant households will not be penalized for not having a credit history. Management will look at the last 5 years of credit, with an emphasis on timely payment of rent, utilities and credit cards. Late payments of school loans or medical bills will not be considered serious credit concerns. Bankruptcy will not, necessarily, result in a rejection.)
- 3) History of rent arrears or poor rental background. (Note: The lack of a rental history will not be a cause for rejection.)
- 4) Refusal to occupy apartment in accordance with Ravinia Housing's apartment size and occupancy standards.
- 5) Refusal/failure to fully cooperate with application process or sign and submit verification forms in a timely fashion.
- 6) Misrepresentation of facts on the application or during the admission process.
- 7) Admission to this project will not be the applicant household's only place of residence.
- 8) History of damage or previous residence of property of others.*
- 9) History of disturbing the quiet enjoyment of others. *
- 10) History of violations of house rules or disruptive behavior at prior residences.*
- 11) Inability to disclose and document social security numbers in accordance with HUD Notice 10-08.
- 12) Has household characteristics that are not appropriate for the specific type of unit available at the time, or is of a household size not appropriate for the unit sizes that are available.
- 13) Includes household members who did/will not declare citizenship or non-citizenship status, or sign a statement electing not to contend non-citizen status.
- 14) An applicant household may revise their application to exclude proposed family members who do not declare citizenship or eligible non-citizen status.
- 15) Previous history of violence and no current rehabilitative services.

- 16) History of controlled substance or pattern of behavior due to alcohol abuse within the last 5 years and no current rehabilitative services.
- 17) Current use of illegal drugs or the sale, distribution and manufacture of such drugs.
- 18) Any household member is, or has been, subject to registration under any state sex offender registration program.
- 19) Any applicant household member who was evicted from any housing for drug related or other criminal activity **within 5 years** from the date of the application.
- 20) Ineligible due to student status in accordance with HUD guidelines.
- 21) Any household member has a record of any conviction or adjudication, other than acquittal of the following, which includes, but is not limited to: murder, arson, kidnapping, felony assault, burglary, treason, crimes involving harm to adults, children or animals, crimes involving explosives, terrorism, and fraud.
- 22) Any household member has a record of any conviction or adjudication, other than acquittal, for any other felonies, not listed above within the last 10 years of conviction or completion of parole or home-monitoring, whichever is later.
- 23) Any household member has a record of any conviction or adjudication, other than acquittal, for any misdemeanors within the last 5 years of conviction or completion of parole or home-monitoring, whichever is later.
- 24) If Management is unable to complete the required criminal or sex offender screening, the application will be rejected.

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

NOTE: * Consideration will be given to victims of documented incidents relating to VAWA.

Ravinia Housing will notify applicant households, in writing, of the reason for rejection and advise of its right, within 14 days of the date of the notice, to respond, in writing, or request a meeting to dispute the rejection. Any meeting with the applicant household or review of the applicant household's written response will be conducted by a representative of management who was not involved in the initial determination. Such notice, also, will inform the applicant household of its right to notify management if it is disabled and to request reasonable accommodations in non-essential policies or practices to enable to applicant household equal opportunity.

If the applicant household responds, in writing, or a meeting is held, management will advise the applicant household, in writing, within five (5) working days whether or not management's position has changed. Ravinia Housing will keep the following materials on file for at least three (3) years: application, initial rejection notice; management's final response; and all interview and verified information on which management based the rejection.

12. Waiting List

Purpose of a Waiting List

The waiting list is a vehicle of organization of eligible applications. The maintenance and updating of this list(s) is one of the major steps in limiting the time a unit is vacant during turnover of occupancy. The facility may have more than one waiting list. Waiting lists can be broken down into the following areas.

- A. Unit Size
- B. Preferences

Creating/Maintaining a Waiting List

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

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

Information which will be included on the waiting list:

- A. Date/time the application is received.
- B. Name of applicant household.
- C. Number of household members.
- D. Income as per the application or the most recent up-date.
- E. Need for accessible unit.
- F. Desired unit size.
- G. Residency Preference.
- H. Final status/action.

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

Applicant households must be informed that its placement on a waiting list in no way guarantees that the household is eligible or acceptable for residency.

If more than one waiting list exists, an application if qualified may be placed on multiple waiting lists. Order of placement may vary from list to list but will always be based on the date of receipt of the application.

Updating a Waiting List

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

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

If the applicant household does not respond within the specified 20 day period (not including weekends), is determined to be ineligible or if the applicant household no longer desires to reside in the subject property, its name will be removed from the waiting list. A letter will be sent to the applicant household confirming this final action. The applicant household will have the right to appeal this action within a specified period of time.

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

Applicant households whose names are removed from the waiting list due to failure to respond to the update card within the specified time period deadline, and who later indicate they are still interested in residency, must reapply and complete a new application. These applicant households will assume a new position on the waiting list based on the date the most recent application is received. All waiting list changes, including removal of names, will be documented, time/dated and initialed.

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

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

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

Contacting Applicant Households on a Waiting List

When management is aware that a unit is scheduled to become available, they will contact the next applicant household on the appropriate waiting list by telephone. If management does not receive an initial response

from the applicant household, they will continue to call (no less than 3 times) over a 48-hour period. If the applicant household cannot be reached, a letter will be mailed to the applicant household stating that the applicant household must contact the office by a specific date to schedule an interview. If management does not receive a response from the letter within 7 days, the next applicant household on the waiting list will be contacted. Management will notify the original applicant household again through mail when another unit is scheduled to become available. If the applicant household fails to respond for a second time, their name will be removed from the active waiting list and placed in an inactive file. A letter will be sent via mail informing the applicant household of the final actions.

Closing/Reopening a Waiting List

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

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

Record of Changes on a Waiting List

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

Record Keeping of a Waiting List

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

13. Occupancy Size Standards

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

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

Occupancy Standards

3 Bedrooms	3-6 Persons
4 Bedrooms	4-8 Persons

Ravinia Housing will compare household composition to occupancy standards when there is a change in resident household size. This comparison is done to determine whether the household needs to transfer to another unit. If an appropriate size unit becomes available in the building, the resident household will be required to move.

If the resident household refuses to move to the correct size unit, the household may stay in the current unit and pay the market rent. Ravinia Housing will not evict the resident household for refusing to move but will evict the household if it fails to pay the market rent in accordance with the lease. If no appropriate size unit exists, the household may remain in the current unit with continuation of the rental subsidy.

Live-in Aides

Residents or perspective residents requiring the assistance of a live-in aide will be required to have verification from their physician to confirm the need. If the household size, with the addition of the live-in aide, is greater than the size permitted by occupancy standards and if the building has an appropriate size unit, the resident household will be placed on a transfer list for a larger apartment.

Ravinia Housing will screen the live-in aide prior to allowing him/her to move into the unit. Live-in aides will be screened for drug abuse and other criminal activity. In addition, Ravinia Housing will apply any other owner-established applicant household screening criteria to new household members in order to establish suitability for tenancy, including landlord reference checks. Ravinia Housing's screening criteria will apply to live-in aides, except for ability to pay rent in a timely manner, because live-in aides are not responsible for rental payments.

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

14. Transfer Policies

Ravinia Housing permits unit transfers only due to changes in household size or composition, medical reasons or to accommodate a person with a disability (reasonable accommodations). In-house transfers that are approved are given priority for an available unit over persons on the Ravinia Housing waiting list. The project maintains a Transfer Waiting List and all requests for transfers must be made in writing to the Manager. Requests for transfers will be made on a "first come – first serve" basis (the order in which the household's written request for transfer was either received in the management office (family size or composition) or approved for placement on the Transfer Waiting List (medical or reasonable accommodation)).

The following are conditions for which transfers will be considered at Ravinia Housing:

- A. Transfer request for medical reasons and reasonable accommodations will require 3rd party verification of need from the appropriate professional before the transfer can be approved and placed on the Transfer Waiting List.
- B. If a household's composition changes and there is an appropriate sized unit in the building, the household will be placed on an in-house transfer waiting list and required to move when an apartment becomes available.
- C. If the resident household is occupying a unit that is larger than needed and there is no demand for that larger unit, the household will not be required to relocate to a smaller unit until there is a demand for that size unit.

Transfers will be given in the following order:

- A. A resident requiring reasonable accommodations or due to a medical condition
- B. A resident household requiring transfer due to change in household size.

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

15. Records Management

Ravinia Housing will ensure that:

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

16. Pets

Persons with verified disabilities are permitted to have service animals.

17. Business Relationship

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

- Yes No Is the Head or Co-Head of Household at least 62 years of age or older OR 18 years of age with a verified disability?
- Yes No Would anyone in your household benefit from a special needs unit or need a "reasonable accommodation"? (for mobility, vision, hearing, other)
- Yes No Is any member of the household a full- or part-time student at an institution of higher education? WHO? _____ Where? _____
If YES, verification will be required to determine eligibility for Sec. 8 subsidy.
- Yes No Does any member receive financial assistance through loans, grants or scholarships? If YES, verification will be required to determine eligibility for Sec.8 subsidy.

3. General Information: Check either YES or NO to each question.)

- Yes No a) Applicants for **RAVINIA Housing** are eligible for a preference if they have been displaced due to a presidentially declared disaster or due to government action. If you qualify for one of these preferences, please check YES. It will be verified at time of consideration or interview for a unit.
- Yes No b) Has ANY member of the household 13 or older been arrested or has a record of conviction, adjudication other than acquittal; OR is or was under home-monitoring to a felony or misdemeanor in ANY state for acts other than a minor traffic violation? If Yes, please explain (List who, record, dates of incarceration, years of monitoring, State)
Attach a separate page for these explanations.
- Yes No c) Is any member of the household listed on the sex offender registry? Please list **ALL states** in which household members 18 and over have lived in since 1996:

- Yes No d) Has any member of your household been evicted, or, involuntarily removed from any apartment, including subsidized housing, in the last 5 years for any reason?
If "YES", please explain (List name, reason)::

- Yes No e) Has any member of the household had a pattern of behavior due to alcohol abuse that affects the rights of others?
- Yes No f) Does any member of the household use, sell, store, buy or manufacture illegal drugs?
- Yes No g) Has any member of your household ever been convicted of the use or the illegal distribution or manufacture of an illegal drug or other illegal controlled substance? If "YES", please explain:

- Yes No h) Have you ever filed for bankruptcy? If Yes, please list the year and explain why.

- Yes No i) Are you currently living in subsidized or Section 8 housing?
- Yes No j) Do you understand that you may not collect subsidy at 2 locations at the same time?
NOTE: You must be completely moved out of your current unit, return the keys & complete the move-out inspection prior to receiving subsidy at this property. Management will request a copy of the move-out inspection at lease signing.

___ Yes ___ No k) Have you ever failed to cooperate with the leasing process, the recertification process, or violated the lease or house rules in previous conventional or subsidized housing?

___ Yes ___ No l) Was your housing or housing assistance ever terminated, or in the process of being terminated for suspected fraud?

If YES, WHEN and at WHAT property? _____

4. Current Job: List Job information for all adult members of household (full- or part-time jobs, cash jobs)

a) Employer: _____ Hours per week worked: _____

Address: _____

Phone: _____ Contact Name: _____

Household Member Employed: _____

b) Employer: _____ Hours per week worked: _____

Address: _____

Phone: _____ Contact Name: _____

Household Member Employed: _____

Attach additional sheets, as necessary.

5. Vehicle Identification: a) License #: _____ State Issued: _____

Make/Model/Year: _____

b) License #: _____ State Issued: _____

Make/Model/Year: _____

6. Landlord References: List the last 5 years of where you have lived, even if with family.

Landlord is the person/company to whom you pay rent or the company for a mortgage.

a) **Current** Landlord's Name: _____

Landlord's Address, city, zip: _____

Current Landlord's Phone: _____ Rent: \$ _____

Dates you lived there: From: _____ To: _____

Name(s) on Lease: _____

Is the Landlord a relative? _____ If "YES", relationship? _____

Why do you want to relocate? _____

Are you being evicted or have you, family or guests caused damages to the unit? _____

b) Previous Landlord's Name: _____

Landlord's Address, city, zip: _____

Landlord's Phone: _____ Rent: \$ _____

Dates you lived there: From: _____ To: _____

Was the Landlord a relative? _____ If "YES", relationship? _____

Why did you relocate? _____

Were you evicted or had you, family or guests caused damages to the unit? _____

c) Previous Landlord's Name: _____
 Landlord's Address, city, zip: _____
 Landlord's Phone: _____ Rent: \$ _____
 Dates you lived there: From: _____ To: _____
 Was the Landlord a relative? _____ If "YES", relationship? _____
 Why did you relocate? _____

Attach additional pages, if necessary to cover last 5 years.

7. Household Income, Assets and Liabilities

Attach additional sheets if necessary.

a) **INCOME:** (List all income received by any person who will reside in the apartment such as FT/PT jobs, seasonal jobs, social security, SSI, disability, AFDC, cash for jobs, money gifts, child support, alimony, Veterans' or RR benefits, unemployment, pensions, worker's compensation, self-employment, military,)

Family Member Name	Source of Income	Amount of Income	Frequency of Income
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

b) **ASSETS:** (List all assets such as checking, savings, CD's trusts, IRA's, 401K, Keogh Account, retirement, land, house, stocks, bonds, mutual funds, treasury bills, mortgage or deed of trust, surrender value of life insurance policy)

Family Member Name	Type of Asset/Held Where	Cash Value
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

c) **Has any member of the house disposed of any asset (savings, CDs, homes, cash) in the last 2 year for less than fair market value?** ___ YES ___ NO

If YES, who? _____ Amount: \$ _____

d) **LIABILITIES (Bills You Owe):** Please list any monthly financial bills, including all credit accounts, (i.e. car/cycle payments, personal loans, credit cards, car insurance, cell phone payments, hair/nails, internet and/or cable TV payments, landline phone bills, student loans, etc.)

Lender:	Amount Owed	Monthly Payment
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Allowances and Deductions (if applicable)

If the Head of Household, spouse or co-head is 62 years or older, handicapped or disabled, the household is eligible for the "Elderly Household" benefits. Does your household fit this qualification? YES _____ NO _____

Do you or any members of your household have the followin Medicare Part D? ___ Yes ___ No
 Medicare: ___ Yes ___ No Other Health Insurance: ___ Yes ___ No
 Medicaid: ___ Yes ___ No Dental Insurance: ___ Yes ___ No

Do you pay childcare for a dependent household member 12 and under? YES _____ NO _____

If Yes, How much do you pay annually? \$ _____ To Whom: _____

9. Emergency Contact: (List someone not living in household.)

1st Contact Names: _____ **Relationship:** _____

Address, city, zip: _____

Phone: _____ Work Phone _____

Alt. Phone: _____

2nd Contact Name: _____ **Relationship:** _____

Address, city, zip: _____

Phone: _____ Work Phone _____

Alt. Phone: _____

10. How did you hear about this property? _____

Selection Criteria: Applicants must meet program guidelines which include, but are not limited to:

- 1) Applicant households must be program eligible at the property for which the household is being considered.
- 2) Verification will be conducted including landlord, income, assets, disability, credit, criminal, sexual predator and eviction.

Rejection Criteria: Applicants may be rejected for reasons which include, but are not limited to:

- 1) Inappropriate family size for the unit or income that exceeds program regulations for maximum income
- 2) Credit, criminal, evictions or landlord checks that do not meet screening criteria approved by the property.
- 3) Application process is not completed, or lack of cooperation with the process, or false information provided
- 4) Applicant does not meet the Student Rule, as defined by HUD

For further information, applicants may request to see a copy of the Tenant Selection Plan.

MODEL LEASE AGREEMENT

1. Parties and Dwelling Unit:

The parties to this Agreement are «sitename», referred to as the Landlord, and «leasesigners», referred to as the Tenant. The Landlord leases to the Tenant unit number «unitnumber», located at «unitaddressline1» «unitaddressline2», «unitaddresscity», «unitaddressstate» «unitaddresszipcode» in the project known as «sitename».

2. Length of Time (Term):

The initial term of this Agreement shall begin on «effectivedate» and end on «leaseenddate». After the initial term ends, the Agreement will continue for successive terms of one month each unless automatically terminated as permitted by paragraph 23 of this Agreement.

3. Rent:

The Tenant agrees to pay \$ «tenantrentprorateamount» for the partial month ending on «lastdayofmonthfromleasestart». After that, Tenant agrees to pay a rent of \$ «totaltenantrent» per month. This amount is due on the first day of the month at «siteaddressline1», «siteaddressline2», «siteaddresscity», «siteaddressstate». The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the tenant assistance payment and is shown on the "Assistance Payment" line of the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures form which is Attachment No. 1 to this Agreement.

4. Changes in the Tenant's Share of the Rent:

The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:

- a. HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
- b. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
- c. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
- d. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
- e. HUD's procedures for computing the Tenant's assistance payment or rent change; or
- f. the Tenant fails to provide information on his/her income, family composition or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy programs. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in paragraphs 11, 15 or 17. The notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. Charges for Late Payments and Returned Checks:

If the Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, the Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 23. The Landlord may collect a fee of \$«leasfee» on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.

6. Condition of Dwelling Unit:

By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment No. 2 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

d. The Landlord agrees to refund the amount computed in paragraph 8c within 30 days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.

e. If the unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of this Agreement.

f. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph 11.

9. Keys and Locks:

The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant \$25 for each key not returned.

10. Maintenance:

a. The Landlord agrees to:

- (1) regularly clean all common areas of the project;
- (2) maintain the common areas and facilities in a safe condition;
- (3) arrange for collection and removal of trash and garbage;
- (4) maintain all equipment and appliances in safe and working order;
- (5) make necessary repairs with reasonable promptness;
- (6) maintain exterior lighting in good working order;
- (7) provide extermination services, as necessary; and
- (8) maintain grounds and shrubs.

b. The Tenant agrees to:

- (1) keep the unit clean;
- (2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
- (3) not litter the grounds or common areas of the project;
- (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
- (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
- (6) remove garbage and other waste from the unit in a clean and safe manner.

11. Damages:

Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:

- a. the cost of all repairs and do so within 30 days after receipt of the Landlord's demand for the repairs charges; and
- b. rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD-approved market rent rather than the Tenant rent shown in paragraph 3 of this agreement.

12. Restrictions on Alterations:

No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

13. General Restrictions:

The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, Attachment 1. The Tenant agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the Landlord. The Tenant agrees not to:

- a. sublet or assign the unit, or any part of the unit;
- b. use the unit for unlawful purposes;
- c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
- d. have pets or animals of any kind in the unit without the prior written permission of the Landlord, but the Landlord will allow the tenant to keep an animal needed as a reasonable accommodation to the tenant's disability, and will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities; or
- e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.

14. Rules:

The Tenant agrees to obey the House Rules which are Attachment No. 3 to this Agreement. The Tenant agrees to obey additional rules established after the effective date of this Agreement if;

- a. the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
- b. the Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.

15. Regularly Scheduled Recertifications:

Every year around the first day of «days120beforenextannualrecertmonth», the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent and assistance payment, if any.

a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multifamily subsidy programs.

- (1) Require the Tenant to pay the higher, HUD-approved market rent for the unit.
- (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this Agreement.

b. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

16. Reporting Changes Between Regularly Scheduled Recertifications:

a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.

(1) Any household member moves out of the unit.

(2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.

(3) The household's income cumulatively increases by \$200 or more a month.

b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent. (Revised 03/22/89)

c. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD - approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.

d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

17. Removal of Subsidy:

a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.

(1) The Tenant does not provide the Landlord with the information or reports required by paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.

(2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.

b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the ten calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.

c. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

18. Tenant Obligation to Repay:

If the tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

19. Size of Dwelling:

The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards. These standards include consideration of unit size, relationship of family members, age, and sex of family members

and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant agrees to:

- a. move within 30 days after the Landlord notifies him/her that a unit of the required size is available within the project; or
- b. remain in the same unit and pay the HUD-approved market rent.

20. Access by Landlord:

a. The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, and to enter the unit only after receiving the Tenant's consent to do so, except when urgency situations make such notices impossible or except under paragraph (c) below.

b. The Tenant consents in advance to the following entries into the unit:

(i). The Tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.

(ii). After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective tenants during reasonable hours.

c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

21. Discrimination Prohibited:

The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status and disability.

22. Change in Rental Agreement:

The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the Tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph 23.

23. Termination of Tenancy:

a. To terminate this Agreement, the Tenant must give the Landlord 30-days written notice before moving from the unit.

b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement.

c. The Landlord may terminate this Agreement only for the following reasons:

1. the Tenant's material noncompliance with the terms of this Agreement;
2. the Tenant's material failure to carry out obligations under any State Landlord and Tenant Act;
3. drug related criminal activity engaged in or on or near the premises, by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control;
4. determination made by the Landlord that a household member is illegally using a drug;
5. determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;
6. criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control;

(a) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or

(b) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;

7. if the tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
8. if the tenant is violating a condition of probation or parole under Federal or State law;
9. determination made by the Landlord that household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
10. if the Landlord determines that the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in the criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.

d. The Landlord may terminate this Agreement for other good cause, which includes, but is not limited to, the tenant's refusal to accept change to this agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

The term material noncompliance with the lease includes:

(1) one or more substantial violations of the lease;

(2) repeated minor violations of the lease that: (a) disrupt the livability of the project, (b) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, (c) interfere with the management of the project, or (d) have an adverse financial effect on the project;

(3) failure of the tenant to timely supply all required information on the income and composition, or eligibility factors, of the tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies), and

(4) non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.

e. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this agreement for "other good cause", the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit and in accordance with the State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:

- o specify the date this Agreement will be terminated;
- o state the grounds for termination with enough detail for the Tenant to prepare a defense;
- o advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
- o advise the Tenant of his/her right to defend the action in court.

f. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph (e).

24. Hazards:

The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes a material non-compliance. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

25. Penalties for Submitting False Information:

Knowingly giving the Landlord false information regarding income or other factors considered in determining Tenant's eligibility and rent is a material noncompliance with the lease subject to termination of tenancy. In addition, the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.

26. Contents of this Agreement:

This Agreement and its Attachments make up the entire agreement between the Landlord and the Tenant regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

27. Attachments to the Agreement: The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.

- a. Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, Form HUD-50059.
- b. Attachment No. 2 - Unit Inspection Report.
- c. Attachment No. 3 - House Rules (if any).

28. Tenants' right to organize: Landlord agrees to allow tenant and tenant organizers to conduct on the property the activities related to the establishment or operation of a tenant organization set out in accordance with HUD requirements.

29. Tenant Income Verification: The Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.

30. The lease agreement will terminate automatically, if the Section 8 Housing Assistance contract terminates for any reason.

31. Signatures:

TENANT

BY:

1. _____

_____/_____/_____
Date Signed

2. _____

_____/_____/_____
Date Signed

3. _____

_____/_____/_____
Date Signed

LANDLORD

BY:

1. _____

_____/_____/_____
Date Signed

Public reporting burden - HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.

Frank B. Peer House Rules Updated 5/1/2014

1. Alcohol
2. Annual or Other Certifications
3. Apartment Abandonment
4. Attire/Clothing
5. Barred Guests
6. Bedbug Pest Infestation
7. Behavior
8. Businesses
9. Change in Income of Family Composition
10. Common Areas/Passageways
11. Crime Free/Drug Free
12. Damages
13. Decorating
14. Disturbances
15. Flammable Items/Hazardous Materials/Safety
16. Garbage Refuse
17. Grilling
18. Keys/Locks
19. Mail Delivery
20. Maintenance
21. Minor Household Members or Visitors
22. Mold
23. Occupancy
24. Outdoor Parties
25. Oxygen Use
26. Parking
27. Pets
28. Plumbing
29. Security
30. Smoke Detectors and Carbon Monoxide Detectors
31. Smoking
32. Soliciting
33. Utilities
34. Vandalism
35. Visitors-Visitor Policy
36. VAWA

These rules are for the benefit of all Residents and are a part of the lease. It is your responsibility to read and understand both the lease and the House Rules. If there is any part of the Lease or House Rules that you do not understand, please contact the management office. House Rules may be revised at any time by management. Residents will be given 30-days written notice of any changes prior to the effective date.

You are responsible for informing your household members and any visitors of these rules. You are responsible for your visitor's behavior. The Resident household will be responsible for any violations of the Lease or House Rules made by household members or guests. Violations of these rules may result in termination of the lease.

The rent collection policy is posted in the site office and in the property handbook.

1. Alcohol

Open alcoholic beverages are not permitted in any common areas, on the grounds and or in the parking lot. Residents are required to follow all applicable laws related to serving alcohol in their apartments. A violation of these laws will be considered a material non-compliance violation of the lease.

2. Annual or other Certifications

Households are required to recertify at least annually. Households reporting zero income must come to the office every 120 days and complete the Zero Income Affidavit. You are required to report any changes in income of \$200 per month or more and changes in household size to the management office within 10 calendar days of your receipt of the information.

FRAUD: Providing false information or not reporting all of your income may be considered fraud and a violation of the law. If management determines that a Resident acted fraudulently, termination of tenancy may occur. Fraud is handled as both a civil violation and as a criminal violation.

Sexual predator checks are conducted on all residents aged 18 and over during the recertification process. Lease terminations will occur for any household that whose check reflects criminal activity within the last 12 months.

Regulations require that management verify personal and income information at various times through EIV (Enterprise Income Verification). This information will assist in matching what a resident has reported as income with the income that is on file with state and federal agencies. If there are discrepancies, management is required to contact the resident and resolve the discrepancies. Residents must cooperate with this process or the rent will be increased to market rent until the discrepancy is resolved.

Within 10 days of any resident reaching his/her 18th birthday, the resident must come to the office to sign the Notice for Release of Information forms, the Lease and other required paperwork. EIV reports will be obtained for that resident.

3. Apartment Abandonment

The apartment must be your sole and only residence. If the resident family is absent from the unit for more than 120 days (unless for a verified medical reason), the unit will be considered

abandoned, and the lease will be terminated. If any member of the household is out of the unit for more than 150 days in one year for a non-medical reason, the resident will be removed from the lease. (This does not apply to dependent students living in a dorm)

4. Attire/Clothing

Applicants and residents must be appropriately attired in all common areas, on the grounds and when visiting the management office. Appropriate attire includes shoes, shirts and appropriate pants or skirts. Attire with gang symbols is not permitted on the property or in any common area. Unacceptable attire in common areas includes: pajamas, robes, bathing suits (except at a pool area if the property has a pool) and clothing that allows displays of underwear.

5. Barred Guests

Residents are required to inform their guests of the rules and regulations. Guests violating house rules or the resident's lease will be "barred" from the property. A "Barred" list will be posted in the management office.

The "barred" person who comes onto the property may be arrested for criminal trespassing. If the resident is seen in the company of a "barred" person on the property, or permits a "barred" person onto the property, this is grounds for termination of the lease.

Any resident who has been evicted, or was in the process of eviction and moved from the property, is "barred" from returning to the property.

6. Bedbugs, pest infestation:

Residents must **immediately** report to the management office any signs of bedbugs or any other bugs (roaches, water-bugs, fleas and lice) and vermin in the unit, **or** when visiting another unit. (If the office is closed, the report must be made as soon as the office is open.) If you are uncertain as to whether you have bed bugs or other pests, let the management office know immediately so that a maintenance person or a licensed exterminator can perform a thorough inspection.

New residents must sign the *Pest-Free Certification*, attached to these House Rules upon move-in. Residents must follow the written procedures for disposal of items that have become infested. A copy of those procedures may be requested from the management office. If procedures are not followed, residents may be billed for costs that are incurred as a result. Treatment of an infested unit is not voluntary. Refusal to cooperate with treatment, as approved by management, will result in a lease violation.

7. Behavior

Verbal or physical intimidation, bullying, racial, ethnic or religious slurs of any kind, verbal or physical harassment or threats to residents, residents' guests, site staff, or contracted vendors, or any activity or behavior that is disruptive to the security or quiet enjoyment of the property by others is not permitted. Residents are responsible for the actions of their guests and family members while on the property. Victims should report such incidents to the police and the management office.

Residents and/or Resident's guests are not to congregate or loiter in hallways, stairwells, parking lot or grounds. Residents are prohibited from violating local curfew ordinances, engaging in any gang-related activity or interfering with any police activity.

8. Businesses

No business, including volunteer work, conducted from the unit, may be operated without prior written knowledge and written permission from management, as there are specific guidelines for in-unit businesses that must be observed. No advertising of any business may be placed on the property, in the windows or on the buildings or on the City’s property near the buildings.

9. Change in income or family composition:

ANY changes in family composition or income must be reported to the management office within 10 business days. This includes new employment, unemployment, loss of job, addition of family members, move-out of any current family members, and change in student status for high school and institutions of higher education.

10. Common Areas/Passageways

All personal possessions must be kept in the apartment. Passages, public halls, stairways and landings are for no other purpose than for ingress (entering) or egress (exiting) from the building or apartments. Residents may not block or obstruct these spaces, nor will anyone be permitted to congregate or play in these areas. Items found in these spaces will be discarded by management and removal costs charged to the resident.

11. Crime-free and Drug-free

Frank B. Peers is a crime-free and drug-free property. Illegal activity is not allowed on the grounds or in your apartment. Residents involved in any illegal activity (including but not limited to illegal drug use, holding/storage of illegal items) or permitting their guests to be involved in any illegal activity while on the property will be subject to termination of lease. Any resident harboring a fugitive will be subject to termination of lease.

12. Damages

Normal “wear and tear” within apartments is expected. Damages or vandalism to apartments and/or the property are considered lease violations and residents will be billed separately for the repairs. Payment will be due within 30 days of receipt of the bill.

Appliances may only be replaced or changed by the management office. Mildew and deterioration caused by turning off refrigerators for any length of time could result in replacement of the appliance at the resident’s expense.

No furniture filled with liquid or waterbeds may be brought into the unit.

Residents may not dismantle any fire related equipment in their apartments. Batteries (if applicable) may not be removed from smoke detectors. This will result in a lease violation and/or immediate termination of lease.

13. Decorating

Any alteration of the apartment may be done only with prior written approval from the management office. This includes any painting; stenciling; wallpaper or borders; contact paper; removal of property window treatment(if applicable); removal of carpet or flooring materials; nailing holes in the wall for pictures; or any changes to other property owned surfaces. The property has a schedule for cycle painting and floor replacement and the need to perform those

tasks earlier might be considered “damages” or beyond “normal wear and tear,” resulting in a lease violation and/or charges to the resident.

No sheets, blankets, flags or tapestries may be used as window treatments Blinds are supplied for each window.

No signs, posters, stickers, stenciling, ads, notices or other lettering, or equipment may be placed in windows.

No awnings or other items including TV or radio antennas, satellite dishes, or wiring shall be attached to or extend from the outside walls of the building.

14. Disturbances

Residents or guests may not disturb other residents with loud noises, i.e. television, music, stereos, game systems. Noise levels must be low enough to remain with your apartment and not be heard from the hallway or another apartment.

15. Flammable Items/Hazardous Materials/Safety

For the safety of all residents, residents may not bring onto the premises any firecrackers; fireworks; flammable oils or fluids such as gasoline, kerosene, naphtha, and benzene; or other explosives, which are considered hazardous.

Possession of a weapon, firearms or ammunition on the property or in your apartment is discouraged. Illegal possession of weapons, ammunition or firearms will result in notification to the police and termination of the lease.

Candle use is not permitted in the apartment unless associated with a religious rite or holiday. In these instances, extreme caution must be used to ensure candles are not placed near flammable objects. Resident must be home during the entire period of use. Candle residue must be disposed of properly. Grease must not be left on stoves in pans or in containers. Grease MUST be cleaned from your appliances after use and may not be discarded down drains or the toilet. Papers, clothing or any flammable materials may not be left on, in or near the stove.

Portable heaters are not to be utilized in any apartments.

Residents may not run extension cord wiring for electrical appliances or fixtures. Cords may not be run from your unit to another unit, any common area outlet, or electrical room.

Windows must not be blocked by any furniture such that exit in case of fire (4th floor or below) is not possible.

16. Garbage/Refuse

All residents are required to dispose of refuse in tied plastic bags in the appropriate container. Residents who violate the proper disposal of refuse will be considered to have violated the lease. Littering in or around the building is prohibited. Aerosol cans, flammable materials and needles shall not be placed in garbage receptacles. Contact the management office to arrange for disposal of these items. In addition, to dispose of large items such as beds, dressers, tables contact the management office to arrange for a special pick up.

17. Grilling

No barbequing, outdoor cooking or open fires are allowed in or around the building except in the

designated area. **NO grilling** may be done in your apartment.

18.Keys/Locks

Each household is issued keys to the main entrance of the building, apartment door and mailbox. Residents may not add locks, padlocks, peepholes, alarms or chains to any apartment doors. Residents may not change locks in their unit without prior written approval by management. These keys may not be duplicated or given to others. If lost or stolen, the resident must pay for the keys and the locks that must be changed.

Chains are not allowed on any doors. Such items will be removed by maintenance, and damages to doors or woodwork will be considered “damages” for which the resident may be charged.

19.Mail Delivery

Delivered mail to the property must only be in the resident's name. Mail to anyone else will not be allowed and will be returned to the Post Office.

20.Maintenance

Residents are required to report any maintenance needs or repairs to the management office promptly to avoid further damages or safety issues. Failure to do so may result in damage charges.

Residents are required to allow management access to their units with proper notice or with no notice in cases of emergency or resident well-being check.

Residents must allow access to their apartments for purposes of professional exterminating and are required to properly prepare their apartments for exterminating, as notified by management.

21.Minor Household Members or Visitors

At no time may household members, visitors or guests under the age of thirteen (13) years be left alone in the apartment. Children under that age must be under the supervision of a parent, grandparent, legal guardian or responsible individual over the age of 16 while in the unit, the common areas or outside on the property grounds. Minors under the age of 18 years may not be left overnight without an adult in the unit. There is no playing in the hallways, in the parking lot, in the stairwells or in the elevators, for safety reasons.

22.Mold

To minimize the occurrence and growth of mold on the leased premises, residents must:

- remove any visible moisture accumulation in the unit, including on walls, windows, floors, ceilings and bathroom fixtures;
- mop up spills and thoroughly dry affected area as soon as possible after occurrence;
- use exhaust fans in kitchen and bathroom (as supplied) when necessary; and keep climate and moisture on the leased premises at reasonable levels.

Residents must promptly notify management of the presence of the following conditions:

- A water leak, excessive moisture, or standing water inside the leased premises;
- A water leak, excessive moisture, or standing water in any common areas;
- Mold growth in or on the leased premises that persists after resident has tried several times to remove it with household cleaning solution, such as Lysol or Pine-Sol disinfectants, Tilex Mildew Remover, or Clorox, or a combination of water and bleach;

- A malfunction in any part of the heating, air-conditioning system in the apartment.

23. Occupancy

The occupancy standards for Frank B. Peers are:

- 0 Bedroom unit (Studio): 1 person
- 1 Bedroom unit: 1 to 2 people

Only those people listed on the official HUD form, the 50059, may occupy the apartment on a permanent basis. There are no exceptions. Residents requesting the addition of another person (including family members) in their apartment must contact the office PRIOR to the move-in so that the management office can properly screen the individual(s) and recertify the household. The occupancy standards do not include "live-in" aides, but all "aides" must complete the admission process as a "live-in" aide.

Unauthorized occupants places the resident's lease and tenancy at risk for eviction. Those requesting residency with a current resident MUST first complete an application and be screened, except in the case of a minor child. Custody or legal guardianship papers must be provided in the case of a minor child

Residents who are over housed (too few people for the unit size), will be required to transfer to an appropriate-sized unit when one is available, in accordance with HUD guidelines. Refusal to move in such circumstances will result in the resident being charged contract rent.

24. Outdoor parties

Outdoor parties may be hosted by residents for their immediate families only, or as a group of residents together, up to 15 people total, with prior written approval by the Manager. No alcohol or illegal drugs may be served/used at any outdoor party. Any noise disturbances reported by others may be charged as a lease violation against the resident.

25. Oxygen Use

Residents who use oxygen are required to follow the safety procedures given to them by the vendor. Those using oxygen may NOT permit smoking in their apartment for safety reasons.

26. Parking

Parking is restricted to assigned spaces in the parking lot/areas provided for resident use. At no time may any vehicle be parked on the lawn, walk areas or in marked "No Parking" areas, or blocking walkways or fire exits. Cars must be functioning and running, with all wheels, and not in a 'junk' condition. Resident cars must have building stickers displayed in their windows.

Spaces provided for those with disability placards or disability license plates are to be used only by those who are disabled and have a current and valid placard, license plate or permit from the State displayed on the vehicle. No maintenance work or washing on a car, cycle, van, SUV, etc. is allowed on the property.

Cars will be towed at the owners' expense if they are not in compliance with the Parking Policy.

There is no visitor parking.

27. Pets

No pets are allowed in or around the building , other than resident pets that have signed Pet Policies and paid a pet security deposit, if required. Annual inoculations and registration of the dog or cat with city/county tags are required. Visiting pets and resident's baby-sitting of pets are not permitted. This does not apply to a visitor who has an assistance animal. Please see the property's pet policies for further information.

28. Plumbing

Toilets, sinks and other drains may not be used for any other purpose than those for which they were intended. The resident will be required to pay for any damage, including the plumbing company charges if one must be contacted, resulting from misuse of plumbing in the unit, a common area, or a laundry area.

29. Security

Resident and their guests may be required to show identification upon entering the building. Resident must be home and "buzz" their guests into the building. They may not give their keys to others to enter the building while they are away without express written consent from management.

30. Smoke Detectors and Carbon Monoxide Detectors

Smoke detectors and carbon monoxide detectors (if needed) are provided for the protection of your family. **Do not disconnect or remove a smoke detector or carbon monoxide detector and do not remove the batteries at any time.** When the battery in your detector becomes weak, it will make a beeping sound. When this happens, the resident is to report this to the office immediately. Maintenance will replace the battery. Under no circumstances are Smoke or Carbon Monoxide Detector batteries to be replaced by residents. Removing or disabling the smoke or carbon monoxide detector will result in the termination of your lease.

31. Smoking Smoking is not allowed in the common areas of the building, nor within 15 feet of the main entrance to the building. If residents and/or their guests smoke in the apartments, it must be done in a safe manner. Do not smoke in bed for safety reasons.

32. Soliciting

Door-to-door soliciting is not permitted within the apartment community by either residents, or outside people/groups. Residents are asked to notify the management immediately when solicitors appear at the door.

33. Utilities

All units must maintain electric service at all times. Utilities paid by the resident (electricity, telephone, cable TV) will be billed directly from the utility company and is the responsibility of the resident to pay. Failure to maintain electric service is cause for termination of your tenancy.

Illegal utility hookups between apartments, common areas, maintenance areas, and tampering with utility meters is dangerous and a violation of your lease. Residents who allow another resident to hookup to their utility service and residents who use another resident's or the property's utility service through an illegal hookup will be evicted.

34. Vandalism

Vandalism, graffiti, breakage, or damage to Frank B. Peers Apartment property, common area furniture, laundry equipment, property buildings, structures, fence, landscaping or other residents' property, caused by any family member or guest is strictly prohibited. Residents will be required to pay for such damages caused by any of their household members or guests. Repeated incidents or one serious offense may result in termination of tenancy. Guests, including relatives of the resident causing damages of this nature will be barred from the property. All damages to the property will be reported to the appropriate law enforcement agency and billed to the resident.

35. Visitors

Frank B. Peers has a Visitor Policy and residents who violate that policy are subject to lease violations and subsequent termination of lease. Residents must register all overnight guests, as per the Visitor Policy.

Residents' visitors may not stay overnight at the property in any resident apartment for more than 14 nights consecutively or for 45 nights intermittently in any calendar year without written consent of management. Resident guest(s) may not move to another resident unit at the property after they have stayed the maximum number of days with a given resident.

All parking places are assigned to residents. If resident finds a vehicle in their assigned spot and they are not aware of the vehicle's ownership, they should report the vehicle to the office and it will be towed. Vehicles that are parked in Residents' parking spots must be will be towed, and the vehicle owner will be liable for the payment of the towing charges.

36. Violence Against Women Act

The property is covered under the Violence Against Women Act (VAWA), which applies to both men and women. This gives residents certain protections and support when a resident reports an incident of domestic violence, dating violence, stalking or sexual assault. All witnessed physical or domestic violence incidents must be immediately reported to Police. Any type of violence against another member of your household or any member of the community will immediately result in a report to the police and possible termination of lease.

Physical violence, dating violence, stalking or sexual assault by a guest or another resident toward any resident will result in the offender being barred from the property, immediately after the action and permanently when the legal case is resolved. After contacting the police for these incidents, the management office, Security, and the Service Coordinator (if the property has this position), should be informed.

Any resident claiming to be a victim of one of these acts covered under VAWA, is asked to report the incident to the police immediately and then complete and sign/date the Certification paperwork (form 91006) to report the incident to management. Instead of this form, documentation by an agent of a victim service provider, an attorney, a medical professional from whom the victim has asked for help is acceptable, under penalty of perjury. This information will be kept confidential from other residents, except to the extent as required by law for legal purposes in a court of law. Once a police report is filed by the victim, and the paperwork is complete and received by management within 10 days, management will evaluate the

paperwork, and if the claim appears to be valid, management will work with the victim, the police and Social Services, if applicable to protect the victim in accordance with HUD guidelines for VAWA.

Guests must comply with the House Rules and it is the responsibility of the resident to ensure that all guests understand these requirements. Residents are accountable for the actions of their guests.

All members of the household agree to abide by the above House Rules and acknowledge that they are part of the lease:

Resident Signature: _____ Date: ____/____/20____

Manager Signature: _____ Date: ____/____/20____

Addendum to House Rules for Ravinia Housing

Effective June 1, 2014, paragraph 33 of the Ravinia Housing House Rules will read as follows:

33. Utilities All units must maintain all utilities at all times. Utilities paid by the resident (electricity, gas, water/sewer, telephone, cable TV, or other) will be billed directly from the utility company and is the responsibility of the resident to pay. Failure to maintain electric service is cause for termination of your tenancy. Illegal utility hookups between apartments, common areas, maintenance areas, and tampering with utility meters is dangerous and a violation of your lease. Residents who allow another resident to hookup to their utility service and residents who use another resident's or the property's utility service through an illegal hookup will be evicted.

All members of the household agree to abide by the House Rules and acknowledge that they are part of the lease.

Resident Name

Date

Resident Name

Date

Resident Name

Date

Management Name

Date

Ravinia House Rules

Updated 5/1/2014

1. Alcohol
2. Annual or Other Certifications
3. Apartment Abandonment
4. Attire/Clothing
5. Barred Guests
6. Bedbug Pest Infestation
7. Behavior
8. Businesses
9. Change in Income of Family Composition
10. Common Areas/Passageways
11. Crime Free/Drug Free
12. Damages
13. Decorating
14. Disturbances
15. Flammable Items/Hazardous Materials/Safety
16. Garbage Refuse
17. Grilling
18. Keys/Locks
19. Mail Delivery
20. Maintenance
21. Minor Household Members or Visitors
22. Mold
23. Occupancy
24. Outdoor Parties
25. Oxygen Use
26. Parking
27. Pets
28. Plumbing
29. Security
30. Smoke Detectors and Carbon Monoxide Detectors
31. Smoking
32. Soliciting
33. Utilities
34. Vandalism
35. Visitors-Visitor Policy
36. VAWA

These rules are for the benefit of all Residents and are a part of the lease. It is your responsibility to read and understand both the lease and the House Rules. If there is any part of the Lease or House Rules that you do not understand, please contact the management office. House Rules may be revised at any time by management. Residents will be given 30-days written notice of any changes prior to the effective date.

You are responsible for informing your household members and any visitors of these rules. You are responsible for your visitor's behavior. The Resident household will be responsible for any violations of the Lease or House Rules made by household members or guests. Violations of these rules may result in termination of the lease.

The rent collection policy is posted in the site office and in the property handbook.

1. Alcohol

Open alcoholic beverages are not permitted in any common areas, on the grounds and or in the parking lot. Residents are required to follow all applicable laws related to serving alcohol in their apartments. A violation of these laws will be considered a material non-compliance violation of the lease.

2. Annual or other Certifications

Households are required to recertify at least annually. Households reporting zero income must come to the office every 120 days and complete the Zero Income Affidavit. You are required to report any changes in income of \$200 per month or more and changes in household size to the management office within 10 calendar days of your receipt of the information.

FRAUD: Providing false information or not reporting all of your income may be considered fraud and a violation of the law. If management determines that a Resident acted fraudulently, termination of tenancy may occur. Fraud is handled as both a civil violation and as a criminal violation.

Sexual predator checks **and criminal background checks** are conducted on all residents aged 18 and over during the recertification process. Lease terminations will occur for any household that has had criminal activity within the last 12 months.

Regulations require that management verify personal and income information at various times through EIV (Enterprise Income Verification). This information will assist in matching what a resident has reported as income with the income that is on file with state and federal agencies. If there are discrepancies, management is required to contact the resident and resolve the discrepancies. Residents must cooperate with this process or the rent will be increased to market rent until the discrepancy is resolved.

Within 10 days of any resident reaching his/her 18th birthday, the resident must come to the office to sign the Notice for Release of Information forms, the Lease and other required paperwork. EIV reports will be obtained for that resident.

3. Apartment Abandonment

The apartment must be your sole and only residence. If the resident family is absent from the unit for more than 120 days (unless for a verified medical reason), the unit will be considered

abandoned, and the lease will be terminated. If any member of the household is out of the unit for more than 150 days in one year for a non-medical reason, the resident will be removed from the lease. (This does not apply to dependent students living in a dorm)

4. Attire/Clothing

Applicants and residents must be appropriately attired on the grounds and when visiting the management office. Appropriate attire includes shoes, shirts and appropriate pants or skirts. Attire with gang symbols is not permitted on the property or in any common area. Unacceptable attire in common areas includes: pajamas, robes, bathing suits (except at a pool area if the property has a pool) and clothing that allows displays of underwear.

5. Barred Guests

Residents are required to inform their guests of the rules and regulations. Guests violating house rules or the resident's lease will be "barred" from the property. A "Barred" list will be distributed to all residents when changes occur.

The "barred" person who comes onto the property may be arrested for criminal trespassing. If the resident is seen in the company of a barred" person on the property, or permits a "barred" person onto the property, this is grounds for termination of the lease.

Any resident who has been evicted, or was in the process of eviction and moved from the property, is "barred" from returning to the property.

6. Bedbugs, pest infestation:

Residents must **immediately** report to the management office any signs of bedbugs or any other bugs (roaches, water-bugs, fleas and lice) and vermin in the unit, **or** when visiting another unit. (If the office is closed, the report must be made as soon as the office is open.) If you are uncertain as to whether you have bed bugs or other pests, let the management office know immediately so that a maintenance person or a licensed exterminator can perform a thorough inspection.

New residents must sign the *Pest-Free Certification*, attached to these House Rules upon move-in. Residents must follow the written procedures for disposal of items that have become infested. A copy of those procedures may be requested from the management office. If procedures are not followed, residents may be billed for costs that are incurred as a result. Treatment of an infested unit is not voluntary. Refusal to cooperate with treatment, as approved by management, will result in a lease violation.

7. Behavior

Verbal or physical intimidation, bullying, racial, ethnic or religious slurs of any kind, verbal or physical harassment or threats to residents, residents' guests, site staff, or contracted vendors, or any activity or behavior that is disruptive to the security or quiet enjoyment of the property by others is not permitted. Residents are responsible for the actions of their guests and family members while on the property. Victims should report such incidents to the police and the management office.

Residents and/or Resident's guests are not to congregate or loiter in hallways, stairwells, parking lot or grounds. Residents are prohibited from violating local curfew ordinances, engaging in any gang-related activity or interfering with any police activity.

8. Businesses

No business, including volunteer work, conducted from the unit, may be operated without prior written knowledge and written permission from management, as there are specific guidelines for in-unit businesses that must be observed. No advertising of any business may be placed on the property, in the windows or on the buildings or on the City's property near the buildings.

9. Change in income or family composition:

ANY changes in family composition or income must be reported to the management office within 10 business days. This includes new employment, unemployment, loss of job, addition of family members, move-out of any current family members, and change in student status for high school and institutions of higher education.

10. Common Areas/Passageways

All personal possessions must be kept in the apartment. Passages, public halls, stairways and landings are for no other purpose than for ingress (entering) or egress (exiting) from the building or apartments. Residents may not block or obstruct these spaces, nor will anyone be permitted to congregate or play in these areas. Items found in these spaces will be discarded by management and removal costs charged to the resident.

11. Crime-free and Drug-free

Ravinia Housing is a crime-free and drug-free property. Illegal activity is not allowed on the grounds or in your apartment. Residents involved in any illegal activity (including but not limited to illegal drug use, holding/storage of illegal items) or permitting their guests to be involved in any illegal activity while on the property will be subject to termination of lease. Any resident harboring a fugitive will be subject to termination of lease.

12. Damages

Normal "wear and tear" within apartments is expected. Damages or vandalism to apartments and/or the property are considered lease violations and residents will be billed separately for the repairs. Payment will be due within 30 days of receipt of the bill.

Appliances may only be replaced or changed by the management office. Mildew and deterioration caused by turning off refrigerators for any length of time could result in replacement of the appliance at the resident's expense.

No furniture filled with liquid or waterbeds may be brought into the unit.

Residents may not dismantle any fire related equipment in their apartments. Batteries (if applicable) may not be removed from smoke detectors. This will result in a lease violation and/or immediate termination of lease.

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Any alteration of the apartment may be done only with prior written approval from the management office. This includes any painting; stenciling; wallpaper or borders; contact paper; removal of property window treatment(if applicable); removal of carpet or flooring materials; nailing holes in the wall for pictures; or any changes to other property owned surfaces. The property has a schedule for cycle painting and floor replacement and the need to perform those

tasks earlier might be considered “damages” or beyond “normal wear and tear,” resulting in a lease violation and/or charges to the resident.

No sheets, blankets, flags or tapestries may be used as window treatments Blinds are supplied for each window.

No signs, posters, stickers, stenciling, ads, notices or other lettering, or equipment may be placed in windows.

No awnings or other items including TV or radio antennas, satellite dishes, or wiring shall be attached to or extend from the outside walls of the building.

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Residents or guests may not disturb other residents with loud noises, i.e. television, music, stereos, game systems. Noise levels must be low enough to remain with your apartment and not be heard from the hallway or another apartment.

15. Flammable Items/Hazardous Materials/Safety

For the safety of all residents, residents may not bring onto the premises any firecrackers; fireworks; flammable oils or fluids such as gasoline, kerosene, naphtha, and benzene; or other explosives, which are considered hazardous.

Possession of a weapon, firearms or ammunition on the property or in your apartment is discouraged. Illegal possession of weapons, ammunition or firearms will result in notification to the police and termination of the lease.

Candle use is not permitted in the apartment. Grease must not be left on stoves in pans or in containers. Grease MUST be cleaned from your appliances after use and may not be discarded down drains or the toilet. Papers, clothing or any flammable materials may not be left on, in or near the stove.

Portable heaters are not to be utilized in any apartments.

Residents may not run extension cord wiring for electrical appliances or fixtures. Cords may not be run from your unit to another unit, any common area outlet, or electrical room.

Windows must not be blocked by any furniture such that exit in case of fire is not possible.

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All residents are required to dispose of refuse in tied plastic bags in the appropriate container. Residents who violate the proper disposal of refuse will be considered to have violated the lease. Littering in or around the building is prohibited. Aerosol cans, flammable materials and needles shall not be placed in garbage receptacles. Contact the management office to arrange for disposal of these items. In addition, to dispose of large items such as beds, dressers, tables contact the management office to arrange for a special pick up.

17. Grilling

No barbequing, outdoor cooking or open fires are allowed in or around the building except in the designated area. **NO grilling may be done in your apartment.**

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Each household is issued keys to the main entrance of the building, apartment door and mailbox. Residents may not add locks, padlocks, peepholes, alarms or chains to any apartment doors. Residents may not change locks in their unit without prior written approval by management. These keys may not be duplicated or given to others. If lost or stolen, the resident must pay for the keys and the locks that must be changed.

Chains are not allowed on any doors. Such items will be removed by maintenance, and damages to doors or woodwork will be considered "damages" for which the resident may be charged.

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Delivered mail to the property must only be in the resident's name. Mail to anyone else will not be allowed and will be returned to the Post Office.

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Residents are required to report any maintenance needs or repairs to the management office promptly to avoid further damages or safety issues. Failure to do so may result in damage charges.

Residents are required to allow management access to their units with proper notice or with no notice in cases of emergency or resident well-being check.

Residents must allow access to their apartments for purposes of professional exterminating and are required to properly prepare their apartments for exterminating, as notified by management.

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At no time may household members, visitors or guests under the age of thirteen (13) years be left alone in the apartment. Children under that age must be under the supervision of a parent, grandparent, legal guardian or responsible individual over the age of 16 while in the unit, the common areas or outside on the property grounds. Minors under the age of 18 years may not be left overnight without an adult in the unit. There is no playing in the hallways, in the parking lot, in the stairwells or in the elevators, for safety reasons.

22.Mold

To minimize the occurrence and growth of mold on the leased premises, residents must:

- remove any visible moisture accumulation in the unit, including on walls, windows, floors, ceilings and bathroom fixtures;
- mop up spills and thoroughly dry affected area as soon as possible after occurrence;
- use exhaust fans in kitchen and bathroom (as supplied) when necessary; and keep climate and moisture on the leased premises at reasonable levels.

Residents must promptly notify management of the presence of the following conditions:

- A water leak, excessive moisture, or standing water inside the leased premises;
- A water leak, excessive moisture, or standing water in any common areas;
- Mold growth in or on the leased premises that persists after resident has tried several times to remove it with household cleaning solution, such as Lysol or Pine-Sol disinfectants, Tilex Mildew Remover, or Clorox, or a combination of water and bleach;

- A malfunction in any part of the heating, air-conditioning system in the apartment.

23. Occupancy

The occupancy standards for Ravinia Housing are:

- 3 Bedroom unit 3 to 6 people
- 4 Bedroom unit 4 to 8 people

Only those people listed on the official HUD form, the 50059, may occupy the apartment on a permanent basis. There are no exceptions. Residents requesting the addition of another person (including family members) in their apartment must contact the office PRIOR to the move-in so that the management office can properly screen the individual(s) and recertify the household. The occupancy standards do not include "live-in" aides, but all "aides" must complete the admission process as a "live-in" aide.

Unauthorized occupants places the resident's lease and tenancy at risk for eviction. Those requesting residency with a current resident **MUST first** complete an application and be screened, except in the case of a minor child. Custody or legal guardianship papers must be provided in the case of a minor child

Residents who are over housed (too few people for the unit size), will be required to transfer to an appropriate-sized unit when one is available, in accordance with HUD guidelines. Refusal to move in such circumstances will result in the resident being charged contract rent.

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Outdoor parties may be hosted by residents for their immediate families only, or as a group of residents together, up to 15 people total, with prior written approval by the Manager. No alcohol or illegal drugs may be served/used at any outdoor party. Any noise disturbances reported by others may be charged as a lease violation against the resident.

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Residents who use oxygen are required to follow the safety procedures given to them by the vendor. Those using oxygen may NOT permit smoking in their apartment for safety reasons.

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Parking is restricted to assigned spaces in the parking lot/areas provided for resident use. At no time may any vehicle be parked on the lawn, walk areas or in marked "No Parking" areas, or blocking walkways or fire exits. Cars must be functioning and running, with all wheels, and not in a 'junk' condition. Resident cars must have building stickers displayed in their windows.

Spaces provided for those with disability placards or disability license plates are to be used only by those who are disabled and have a current and valid placard, license plate or permit from the State displayed on the vehicle. No maintenance work or washing on a car, cycle, van, SUV, etc. is allowed on the property.

Cars will be towed at the owners' expense if they are not in compliance with the Parking Policy.

There is no visitor parking.

27. Pets

This property has a no-pet policy. This does not apply to assistance animals. Visiting pets and a resident's baby-sitting of another's' pet are not permitted. This does not apply to guests or visitors with an assistance animal. Assistance animals owned by residents must be registered with the management office.

28. Plumbing

Toilets, sinks and other drains may not be used for any other purpose than those for which they were intended. The resident will be required to pay for any damage, including the plumbing company charges if one must be contacted, resulting from misuse of plumbing in the unit, a common area, or a laundry area.

29. Security

Ravinia Housing has cameras installed on the property. Information obtained from these cameras may be used to demonstrate resident non-compliance with the lease.

30. Smoke Detectors and Carbon Monoxide Detectors

Smoke detectors and carbon monoxide detectors (if needed) are provided for the protection of your family. **Do not disconnect or remove a smoke detector or carbon monoxide detector and do not remove the batteries at any time.** When the battery in your detector becomes weak, it will make a beeping sound. When this happens, the resident is to report this to the office immediately. Maintenance will replace the battery. Under no circumstances are Smoke or Carbon Monoxide Detector batteries to be replaced by residents. Removing or disabling the smoke or carbon monoxide detector will result in the termination of your lease.

31. Smoking Smoking is not allowed at the management office. If residents and/or their guests smoke in the apartments, it must be done in a safe manner. Do not smoke in bed for safety reasons.

32. Soliciting

Door-to-door soliciting is not permitted within the apartment community by either residents, or outside people/groups. Residents are asked to notify the management immediately when solicitors appear at the door.

33. Utilities

All units must maintain all utilities at all times. Utilities paid by the resident (electricity, gas, water/sewer, telephone, cable TV, or other) will be billed directly from the utility company and is the responsibility of the resident to pay. Failure to maintain electric service is cause for termination of your tenancy.

Illegal utility hookups between apartments, common areas, maintenance areas, and tampering with utility meters is dangerous and a violation of your lease. Residents who allow another resident to hookup to their utility service and residents who use another resident's or the property's utility service through an illegal hookup will be evicted.

34. Vandalism

Vandalism, graffiti, breakage, or damage to Ravinia Housing property, common area furniture, laundry equipment, property buildings, structures, fence, landscaping or other residents' property, caused by any family member or guest is strictly prohibited. Residents will be required to pay for such damages caused by any of their household members or guests. Repeated incidents or one serious offense may result in termination of tenancy. Guests, including relatives of the resident causing damages of this nature will be barred from the property. All damages to the property will be reported to the appropriate law enforcement agency and billed to the resident.

35. Visitors

Ravinia Housing has a Visitor Policy that is attached to these rules and residents who violate that policy are subject to lease violations and subsequent termination of lease. Residents must register all overnight guests, as per the Visitor Policy.

Residents' visitors may not stay overnight at the property in any resident apartment for more than 14 nights consecutively or for 45 nights intermittently in any calendar year without written consent of management. Resident guest(s) may not move to another resident unit at the property after they have stayed the maximum number of days with a given resident.

36. Violence Against Women Act

The property is covered under the Violence Against Women Act (VAWA), which applies to both men and women. This gives residents certain protections and support when a resident reports an incident of domestic violence, dating violence, stalking or sexual assault. All witnessed physical or domestic violence incidents must be immediately reported to Police. Any type of violence against another member of your household or any member of the community will immediately result in a report to the police and possible termination of lease.

Physical violence, dating violence, stalking or sexual assault by a guest or another resident toward any resident will result in the offender being barred from the property, immediately after the action and permanently when the legal case is resolved. After contacting the police for these incidents, the management office, Security, and the Service Coordinator (if the property has this position), should be informed.

Any resident claiming to be a victim of one of these acts covered under VAWA, is asked to report the incident to the police immediately and then complete and sign/date the Certification paperwork (form 91006) to report the incident to management. Instead of this form, documentation by an agent of a victim service provider, an attorney, a medical professional from whom the victim has asked for help is acceptable, under penalty of perjury. This information will be kept confidential from other residents, except to the extent as required by law for legal purposes in a court of law. Once a police report is filed by the victim, and the paperwork is complete and received by management within 10 days, management will evaluate the paperwork, and if the claim appears to be valid, management will work with the victim, the police and Social Services, if applicable to protect the victim in accordance with HUD guidelines for VAWA.

Guests must comply with the House Rules and it is the responsibility of the resident to ensure that all guests understand these requirements. Residents are accountable for the actions of their guests.

All members of the household agree to abide by the above House Rules and acknowledge that they are part of the lease:

Resident Signature: _____ Date: ____/____/20____

Manager Signature: _____ Date: ____/____/20____

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34. Vandalism

Highland Park Housing Complaint and Grievance Resolution
Procedures for Residents and Management

In accordance with the mission of the City of Highland Park municipal government, the Housing Commission is committed to providing the residents of Frank B. Peers, Walnut Place and Ravinia Housing with excellent services delivered with the highest degree of fairness and equity. To accomplish these goals, the Housing Commission contracts with a private property management firm to manage these housing developments. The guidelines and procedures that follow outline:

1. the process for residents to make requests and complaints and
2. the process for management to enforce lease compliance.

Residents are not entitled to a grievance hearing for any allegations of criminal and/or drug-related activity by residents, household members, guests, or other people under the resident's control.

Below is the contact information for the staff who are mentioned in the procedures that follow.

Contact List:

Building Manager:

Heidi Martin.
Highland Park Housing
400 Central Street
Highland Park, IL 60035
Phone: (847) 433-7694

Senior Vice President of Property Management, Evergreen Real Estate Services

Polly Kuehl
Evergreen Real Estate Services
566 West Lake Street, Suite 400
Chicago, IL 60661-3220
Phone: (312) 382-3228

City of Highland Park, Housing Planner

Mary Smith
City of Highland Park
1150 Half Day Road
Highland Park, IL 60035
Phone: (847) 926-1852

1. Procedures for Resident Requests and Complaints:

Residents with repair requests, questions, or concerns should first contact the management office at (847) 433-7694 to either schedule the repair or to discuss any problems. The management office is located at 400 Central Avenue in the Peers Building.

Emergency Repairs - An emergency repair request should be called into the management office, and staff will address it immediately. Please refer to the contact list at the beginning. If the office is closed, the resident message will be forwarded to the on-call maintenance person for response.

Routine Repairs - A routine repair request also should be made to the management office and the repair will be addressed either the same business day or an appointment will be scheduled by the management for a time convenient to the resident. If a repair is not adequately addressed, the resident may choose to initiate a complaint (see below).

Complaint and Grievance Process

Step #1 - Residents with complaints should either call or come to the management office to discuss the complaint with the Building Manager. Please see the contact list on the first page. While the goal is to maintain an “open-door” policy, the Building Manager may schedule a specific appointment that is convenient for both parties. It is hoped that most complaints can be addressed to the satisfaction of both parties through this method. If the resident, however, considers the Building Manager’s proposed resolution unsatisfactory or for any reason feels that he/she is being treated unfairly, the resident should proceed to Step #2 below.

It should be noted that a resident’s decision to appeal the Building Manager’s decision will not result in retribution of any kind. Should the resident feel that retribution is occurring, the resident should contact immediately the Senior Vice President of Property Management for Evergreen Real Estate Services.

Step #2 - If the resident wants to appeal the Building Manager’s decision, the resident should call or write to the Property Supervisor. The management company’s contact information also is posted on the management office door and in the resident handbook.

If the resident has appealed in writing, then the Property Supervisor will contact the resident via telephone within 2 business days after receiving the letter. If the resident cannot be contacted by phone, the Property Supervisor will respond in writing to schedule a meeting in order to discuss the resident’s concern. Following the telephone conversation or meeting with the resident, the Property Supervisor will investigate the complaint and provide a written response to the resident.

Step #3 – If the resident wants to appeal the decision made by the Property Supervisor, the resident should contact the Senior Vice President of Property Management to either discuss the complaint by telephone or schedule a meeting. The Senior Vice President of Property

Management will investigate the complaint and provide a written response to the resident. The written response is the property management company's final decision.

Step #4 - If the resident wants to appeal the management company's final decision, the resident should summarize, in writing, the concern and why the resident disagrees with management's decision. This document should be sent to the Senior Vice President of Property Management to the address listed on the first page. Management will forward the letter to the Housing Commission along with management's summary of events and actions taken related to the resident's issue or concern. Should the Housing Commission have additional questions, the resident may be contacted directly. There will be an internal review conducted either by a Housing Commission sub-committee or the Housing Commission as a whole. The resident will receive a written response from the Housing Commission.

Any decision made by the Housing Commission is final. This decision, however, does not constitute a waiver of or eliminate any rights that the resident may have in judicial proceedings.

At all times, the resident retains the right to contact the regulatory agency that is connected to the specific housing development. In the case of Frank B. Peers and Walnut Place, the regulatory agency is the Illinois Housing Development Authority. In the case of Ravinia Housing, the regulatory agency is the U.S. Department of Housing and Urban Development (Contract Administrator for HUD is Georgia HAP Administrators). The contact information for each of these regulatory agencies is listed below:

Frank B. Peers and Walnut Place:	Illinois Housing Development Authority Attn: Asset Manager 401 North Michigan Avenue Chicago, IL 60611 (312) 836-5200
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Ravinia Housing:	Georgia HAP Administrators Illinois Field Office 8608 W. Catalpa Avenue, Suite 801 Chicago, IL 60656 (773) 304-0431
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2. Procedures for Resident Lease Compliance:

When residents do not abide by the lease requirements or the House Rules provided to the resident at the time of move-in, the management company will address these issues with the residents through the process indicated below in the hope that a quick resolution can be achieved. These issues can range, for example, from not maintaining the apartment in “decent, safe and sanitary conditions,” interfering with the peaceful and quiet enjoyment of other residents to non-payment of rent or lack of cooperation with the certification process as the lease and House Rules require.

If management is concerned that the resident may have an emergency that would prevent the resident from making sound decisions or that the resident is placing himself/herself, the building, or other occupants in jeopardy, management may contact the resident’s emergency contacts and such other people as permitted by law.

Residents are not entitled to a grievance hearing for any allegations of criminal and/or drug-related activity by residents, household members, guests, or other people under the resident’s control.

Description of Termination of Lease/Eviction Process:

The overall goal is to address lease violations directly with the resident and to arrive at a mutually agreeable solution. However, if a resident does not respond or the lease violation continues, more formal methods will be implemented, up to and including eviction from the property.

Non-payment of rent is a lease violation, and without a payment plan in place and current, management will be forced to terminate the lease. If this occurs, the resident will receive a Termination of Lease notice giving a specific number of days to pay the amount owed or to vacate the apartment. If the resident does not comply within the time period specified or does not vacate the unit, management will contact its attorney and proceed with eviction as permitted by law.

Residents who have a first time minor violation of the lease for other than non-payment of rent will receive a Lease Violation letter documenting the incident(s) that occurred. This initial letter will indicate that although termination of lease will not occur at this time, future violations could result in termination of lease. The resident is encouraged to meet with management to discuss the violation and to ensure that future violations do not occur. It should be noted that with lease violations involving drugs and/or criminal activity management will proceed directly to terminate the lease without issuing lease violation letters to the resident, and management will issue a notice of termination of lease that will not include grievance procedures.

Subsequent to the delivery of a lease violation letter, if further violations occur that are either material or repeated minor violations, management may terminate the lease in accordance with law. At that time, the resident will receive a 10-day Notice of Termination from management’s

attorney. During that 10-day period, the resident will be given an opportunity to contact management and resolve the issue or to vacate the unit. If management determines that the violations have not been adequately addressed during the 10-day period, and/or the resident did not vacate the unit, then management may instruct its attorney to proceed with the eviction process. Should the lease violation result in a court ordered eviction, the household would not be eligible to move into other Section 8 housing, as per HUD regulations.

Management will inform the Housing Commission's staff regarding the lease violation(s) prior to proceeding with eviction of a resident. If eviction proceedings are initiated, the resident is advised to seek legal counsel for representation. If the resident wishes to appeal the eviction decision, then the resident or resident's attorney should contact management's attorney. The resident will need to contact the Senior Vice President for Property Management in order to obtain contact information to reach management's attorney. Once contacted, management's attorney will then advise management and the Housing Commission of the resident's requests. At this time, the Housing Commission would decide either to continue to communicate through management's attorney or to inform management to return to more direct communication with the resident.

Conclusion:

While the intent of this document is to formally outline the steps that are available to residents and management to resolve disputes, the goal is to address concerns to the satisfaction of the resident, management, and the Housing Commission through the most informal and constructive methods. It is to the benefit of both residents and management to promote quality and responsive communication.

Up-Dated 11/7/2013

Section 7 Legal

Legal issues most associated with property management include Lease Enforcement, Eviction, Fair Housing Discrimination Complaints, Access to Property, Resident Rights and Insurance Claims.

7.1 Lease Enforcement

The Resident and Manager both sign the Lease and House Rules upon move-in. Managers should carefully explain to the new resident the property's responsibilities to the resident and the resident's responsibilities to the property. The House Rules should be reviewed, thoroughly, so that there is no misunderstanding of their importance and the consequences of not following the lease provisions and House Rules.

Consistency in enforcement and documentation of violations are critical in order for the Manager to take legal action when needed. There are generally two types of lease violations:

- 1) Non-payment of rent
- 2) Material non-compliance with the terms of the lease

There are different procedural steps that must be followed for non-payment of rent and material non-compliance violations. Failure to follow the proper procedures may result in a court decision in the resident's favor and additional costs to the property.

7.2 Non-Payment of Rent

Collection of rent is one of the primary responsibilities that the Manager has to the property. Without sufficient income, the property cannot meet its financial obligations.

The rent is due on the first day of the month. If the resident has not paid by the end of the fifth day, a Notice of Termination of Tenancy should be served to the resident on the sixth day of the month. This notice is, also, commonly referred to as a "five-day" for market rate properties or "ten-day" notice for subsidized or Tax Credit properties (Exhibits 7.1 and 7.2), depending upon the jurisdiction in which the property is located. The ERES eviction attorney being used by the property will be able to provide the proper notification format and timeline.

The notice informs the resident that unless the balance of rent is paid within the notification timeframe, an eviction action may be filed against the resident in court.

Content Requirements: Below is a list of information that must be included in the Notice of Termination for Non-Payment of Rent:

- Resident Names – List the names of all known adult occupants of the unit and add the phrase "and all unknown occupants".

- Amount of Balance due by Resident – List the total amount of rent due plus late fees. You CANNOT include amounts for damages or NSF charges.
- Resident Address – List the full address, including apartment number.
- Date of Notice – Indicate the date on which the notice is served to the resident.
- Payment Deadline Period – The payment deadline listed is stated as “5 days after the service of this notice”, etc. so no calculation of days is required.
- Method of Service – This is based on the property type and jurisdictional location of the property.

Market rate and subsidy properties must serve the notice by hand delivery unless special circumstances exist and the attorney for the property has authorized a different method of service. In addition to hand delivery, subsidized properties must, also, send a copy via regular U.S. Mail in addition to the below methods of personal service. The authorized methods of personal service are:

- (i) By personally delivering a copy of the notice to the resident; OR
 - (ii) By personally delivering a copy of the notice to a person above the age of 12, residing in the unit (If this form of service is used, the person residing in the unit should be listed on the lease as an authorized occupant.
- Signature – The Notice to Terminate must be signed by the person who prepared it. In addition, the party who served the notice must sign a certification that they served the notice and identify the date and method of service used.
 - The notice must include a statement advising the resident that they have ten days from the date the notice is personally served or the day after the notice is mailed to discuss the termination with the landlord.
 - The notice must advise the resident that if the resident remains in the leased apartment on the date specified for termination, the owner may seek to enforce the termination only by bringing a judicial action, at which time the resident may present a defense.

As soon as the timeframe for the resident to pay has expired and if the resident has not made full payment of all amounts due as set forth in the notice by the payment deadline, contact the property’s eviction attorney on the next business day and authorize the attorney to file an eviction action in court for non-payment.

At the time the eviction action is filed, a court date will be scheduled. The eviction attorney will inform the Manager of that date and let the Manager know whether a representative from the management office needs to attend the court hearing. If so, make

sure that whoever is required to attend has sufficient notice of the date and time of the hearing. Failure to appear by any employee who is required to attend the hearing is grounds for disciplinary action up to and including termination of employment.

Once a decision has been rendered by the court, the attorney will inform the Manager of the next steps. If the court finds in favor of the landlord and enters a judgment against the resident for non-payment, the judge will order the resident to vacate the unit and turn possession over to the landlord by a specific date called the "Stay Date". Make note of this date.

If the resident fails to move out of the apartment by the date of possession as ordered by the court, notify the eviction attorney so that the local Sheriff's office can be contacted and instructed to evict the resident.

Depending upon the jurisdiction, there may be requirements related to removing personal property in the apartment and/or a requirement for storage. The eviction attorney will provide guidance related to these requirements.

If the court finds in favor of the resident, it is important to determine whether the judgment resulted from a managerial error (i.e. service notice was not proper, notice failed to name a leaseholder, etc.). If so, it is likely that you will need to re-file a new notice against the resident. These options should be discussed with the Regional Supervisor and the eviction attorney.

Accepting Rent:

If a resident tenders payment of rent during the notice period (after a Notice of Termination for Non-Payment of Rent is served, but before the 5 days or 10 days have passed, the payment should be accepted only if all outstanding rent due and all late fees are included. Management is not required to accept partial payments.

Late rent tendered after the eviction action has been filed in court may **not** be accepted unless you have obtained prior approval from the attorney; all outstanding rent, late fees and all attorney's and court costs owed by the resident are included in the payment; and payment is made in the form of a money order, certified check or cashier's check.

Acceptance of any portion of the rent after the Notice of Termination for Non-Payment of Rent is served waives the eviction process until the next time rent is not paid on-time and the process is initiated from the start.

7.3 Material Non-Compliance (For Cause)

A resident may be evicted for material non-compliance with the terms of the lease agreement. Examples of material non-compliance include (but are not limited to) the following:

- Repeated late payment of rent
- Permitting unauthorized persons to live in the apartment
- Serious or repeated damage to the apartment or common area
- Serious or repeated violation of House Rules
- Creation of physical hazards or other hazards that may increase the property's insurance premium or endanger the health or safety of others at the property
- Engaging in activity that disrupts the livability of the property, adversely affects the health or safety of any person or has an adverse financial effect on the property, or interferes with the rights and quiet enjoyment of other residents
- Engaging in or permitting unlawful activities
- Failure to repay unauthorized assistance payments (HUD subsidized properties only)
- Providing false information regarding income or other factors considered in determining the resident eligibility or rent (Tax Credit and HUD subsidized properties only)
- Failure to timely supply all the required information in connection with the certification process (Tax Credit and HUD subsidized properties only)
- Submitting any false information on the rental application or Questionnaire when up-dating for Interim or Annual Certification (Tax Credit and HUD subsidized properties only)

As indicated above, it is critical that the Manager be consistent with enforcing the lease and documenting all lease violations. When a lease violation occurs the following steps should be taken:

- The first minor lease violation should be discussed with the resident on an informal basis so that the resident can better understand the lease expectations and have an opportunity to comply. Examples include: Children running in the hallways, loud music, etc. These verbal discussions should be documented in the resident file with date/time and purpose of the meeting, and written notice needs to be sent to the resident in the form a lease violation letter so that the violation may be preserved and used at a later date.
- Repeated minor violations should be documented with written Incident Reports and followed-up with a written Lease Violation letter (Exhibit 7.3) to the resident. The Manager should utilize the Lease Violation format developed by ERES's eviction attorney. A copy of the correspondence should be attached to the Incident Report and filed in the resident file.
- A major lease violation (even if it is the first violation) should be documented, in writing, with an Incident Report and a Lease Violation letter sent to the resident unless management will be seeking eviction. In some cases, the violation warrants immediate Termination of Lease and no Lease Violation should be sent. Examples include the use or distribution of drugs, physical violence, or criminal activity).

Lease Violation letters are sent to notify the resident of the violation and let the resident know that continued violations will result in Termination of Lease. The Lease Violation letter allows management to collect rent each month and still be able to utilize previous lease violations in court should Termination of Lease be necessary. When the decision is made to terminate the lease based on a violation, a Lease Violation letter is not sent – the Notice to Terminate the Lease replaces the Lease Violation letter.

It is a Manager's responsibility to terminate the lease when lease violations threaten the property or negatively impact the peaceful and quiet enjoyment of other residents and previous Lease Violation letters have not changed the behavior of the offending resident.

The most difficult decision is "when" the time has come to move from sending Lease Violation letters to actually terminating the lease. It is an easier decision when the lease violation is substantial, but less so if the violations are minor, but on-going. "When" Termination of Lease occurs depends upon the severity of the lease violation, how many repeated violations have occurred and whether sufficient documentation exists to win an eviction should it proceed to court.

When the Manager feels that sufficient documentation exists to pursue termination of lease, a copy of the lease and previous documentation of lease violations, as well as the current Incident Report, should be discussed with the Regional Supervisor and forwarded to ERES's eviction attorney for review. The attorney will prepare the Notice of Termination "for cause" and send to the Manager for service. The process for service is the same as the process for service related to non-payment of rent.

As soon as the management is aware of the lease violation (not the issuance of a Termination of Lease), management may not accept any portion of the resident paid rent if it wishes to seek eviction at that time. Accordingly, Managers may have to refuse rent pending a decision by Property Management and the eviction attorney as to whether there is sufficient information to proceed to eviction. Any check, money order to cashier's check received by the office after the violation occurs should be returned to the resident. The property may receive and accept the subsidy portion of the rent during legal proceedings.

Notice Period:

The Notice gives the resident a 10-day period during which the resident can contact the Management Office to discuss the Termination of Lease and determine whether any type of action on their part would be acceptable to management to discontinue the Termination of Lease action. It is during this period that the Manager has the opportunity to work with the resident toward becoming lease compliant.

In some cases, management may want to reach an agreement with the resident so that the resident can remain and the lease violation is addressed. An example:

Lease Violation - The resident has not been able to maintain his apartment in a “decent, safe and sanitary” manner and has refused to seek assistance from available community services.

Solution - If the resident agrees to utilize community services on a regular basis, the management would cease termination of lease. However, management would reserve the right to inspect the apartment and if the apartment returned to its previous condition, the Termination of Lease would be initiated again. If the resident tried to address the problem in the same manner, again, it would only be accepted through a court ordered action. This would enable management to re-instate the eviction if the resident ceased using the community service.

In other cases, the resident will not be able to provide sufficient proof that behavior will change and management decides to proceed with the Termination of Lease. The important aspect to remember, however, is that management cannot refuse to meet with the resident to discuss the violation during this notice period.

7.4 Fair Housing Discrimination Complaints

ERES strongly supports Fair Housing regulations and provides training to all staff related to Fair Housing. The expectation is that all employees understand the requirements and perform their jobs in a manner that is consistent with Fair Housing regulations.

The areas in which property sites are most vulnerable to Fair Housing complaints are in Admissions and not handling Requests for Reasonable Accommodations correctly.

Admission:

Each property has a Resident Selection Plan that has been approved by the owner and various regulatory agencies (depending upon funding). Site staff must be familiar with this document and implement admissions according to the plan. It is important that documentation be maintained on the Waiting List to ensure that the property can justify the order in which new residents have been selected. Skipping over applicants on the waiting list is not permitted unless the person refused the apartment, did not respond to the notifications or was rejected.

Applicant rejections should be made only based on approved criteria and should be sent, in writing, to the applicant using the form letter available in One Site. All applicants who are rejected must be permitted to request an appeal meeting with the Regional Supervisor.

Reasonable Accommodation:

A “reasonable accommodation” involves a change to policies, procedures or physical site that will enable a disabled person to utilize the property, its amenities and services to the same extent as other non-disabled residents are able to use these facilities.



EVERGREEN

Real Estate Services, L.L.C.

566 West Lake Street, Suite 400
Chicago, IL 60661-1414

www.evergreen-housing.com
Phone: 312-234-9400
Fax: 312-382-3220

MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl & Mary Mauney *Mary Mauney*

RE: **April Management Report/ March Financial Statements**

DATE: April 30, 2014

HUD REAC reviewed the database adjustment that was submitted for the Frank B. Peers February 12, 2014 inspection and awarded us three (3) additional points. The revised score was 91. Because the score is over 90, the property will not be subject to an inspection again for at least three years.

At Walnut Place, the permit was issued by the city for the fire panel installation work which was started on April 21st. Fox Valley is scheduled to begin equipment installation in the units on Thursday, May 1st with approximately five units being done each day. They will be starting at the elderly building then finishing at the townhouses. The project is scheduled to be completed by June 1st.

A settlement was reached with the Walnut Place family who had been given a lease termination notice. The offending household member was barred from the property.

There was a kitchen fire at Ravinia Housing on April 21st. A resident had leaned over the stove to reach for something in a cabinet above and turned the gas starter knob to the "ignite" position without realizing she had done so. She later opened the oven door and a small explosion occurred which filled the unit with thick black smoke. The resident was taken to the hospital for smoke inhalation and burns to her hands and appears to be all right. Actual damage was contained to the stove. A fire clean up service was brought in the following morning to clean up the residue which had spread to all rooms requiring them to clean walls, cabinets, ceiling, carpets, etc.

The Ravinia Housing REAC inspection was conducted on Thursday, April 24th. The results had not been received at the time of this memorandum.

Frank B. Peers

Occupancy: Unit 406 has been vacant since the end of February. We have interviewed and attempted to qualify several applicants during March and April with no success. We are showing the apartment to another household on April 28th and hope to move this applicant in during May.

Physical: Aside from routine work orders and pest control, now that the snow season has finally ended we have had some initial landscaping done. In addition, work was done to repair the west elevator during the month.

Social Programs: Regular social programming occurred during April including weekly bingo, card games, and distribution of food boxes by Catholic Social Services and the annual delivery of Passover packages. The monthly luncheon was held on April 23rd. We celebrated Annual Cheese Curl Day. In addition, we have introduced the option for anyone interested to take a walk on Tuesday and Thursday mornings as a group, weather permitting. The resident newsletter was distributed.

Financial: Net Operating Income (NOI) for March was negative to budget at (\$7,577). YTD NOI was negative to budget at (\$20,438). Weather related expenses (high snow removal costs and payment for the annual audit) were the reasons for the negative variance. Cash carryover decreased to \$11,864.88.

Income - Income was (\$1,144) negative to budget at the property. This was due to higher than budgeted vacancies.

Expenses – Expense line items that were significantly negative to budget include:

- Audit Expense (#6350) – Includes audit bill received.
- Bad Debt (#6370) Includes subsidy write off for one tenant who was in transition at end of 2013.
- Travel Expense and Reimbursement (#6431) – Includes last month expenses which were reclassified from tenant retention last month.
- Gas (#6452) - Cost considerably higher due to unseasonably cold weather.
- Carpentry Hardware (#6541-0010) – Includes cost of new kitchen door for unit.
- Snow Removal (#6548) Because of high snowfall, removal costs were much higher than budgeted.
- Decorating Cycle and Turnover (#6560) – Reflects cost to paint nine units
- Decorating Common Areas (#6564) - Includes cost to paint lobby
- Electrical Repairs (#6591)- Reflects cost to restore power on first floor hallway.

Walnut Place

Occupancy: Walnut had one unit that became vacant February 28th. It is ready for occupancy with a family scheduled to move in on May 1st.

Physical: Aside from routine work orders and pest control, now that the snow season has finally ended we have had some initial landscaping done. In addition, repairs were made to the main elevator.

Social Programs: Regular social programming occurred during April including weekly bingo, card games, and distribution of food boxes by Catholic Social Services and the annual delivery of Passover packages. The monthly luncheon was held on April 17th. We also celebrated Annual Cheese Curl Day.

Financial: Net Operating Income (NOI) for February was positive to budget at \$856. YTD NOI was negative to budget at (\$7,705). Cash carryover decreased to \$274.20.

Income - Income was negative to budget by (\$709) due to vacancy loss and laundry income not being received during the month.

Expenses – Expense line items that were significantly negative to budget include:

- Consulting Costs (#6380) Includes cost for external file audit.
- Gas (#6452) Costs are considerably higher due to unseasonably cold weather.

Ravinia Housing

Occupancy: We currently have two units vacant at Ravinia, 763 at Pleasant Avenue and 2745 at St. Johns Avenue.

The director of compliance met with a St. Johns' applicant who has appealed our rejection of the family application. She is scheduled to bring in documentation for us to consider that she believes supports her appeal during the week of April 28th. If the appeal is granted, we will meet our income targeting requirement and both vacant units will be rented in early May. In addition, we have a family who has passed the background check for the Pleasant apartment and we are awaiting the income and landlord verification paperwork to return.

Physical: Aside from routine maintenance and exterminating, Pre-REAC inspections and repairs were done throughout the month in anticipation of the April 24th inspection. Cement work was done to remove potential trip hazards at both properties. All fire extinguishers were inspected and tagged. We also had three special trash pickups at both Ravinia locations to assist residents with their spring cleaning.

Financial: Net Operating Income (NOI) for March was negative to budget by (\$6,163) YTD NOI was also negative to budget by (\$16,099). This was due specifically to vacancy loss and a few large expenses including the audit. Cash carryover decreased to \$386.83.

Income –Income is negative to budget at (\$1,439) due to the two vacant units.

Expenses - Expense line items that were significantly negative to budget include:

- Audit Expense (#6350) – Includes audit bill received
- Miscellaneous Administrative Expense (#6390-000) – Included issue of retroactive utility reimbursement checks for one of the zero income renters at the property.
- Miscellaneous Operating Expense (#6490) – Includes cost of final snow removal bills.

Accounts Receivable Up-Date

March 2014

Frank B. Peers

Tenant A/R decreased from \$1,694 at the end of February to \$1,262 at the end of March. \$434.00 was collected as required on current payment plans during the month. The breakdown is as follows:

Current	\$ 1,201
30 Days	\$ 54
60 Days	\$ 0
90+ Days	\$ 0
Prepaid	\$ (7)

Subsidy A/R increased from \$2,778 at the end of February to \$3,316 at the end of March. This increase reflects a resident who moved in to the property on January 31st whose subsidy will not be received until April.

Current	\$ 2,226
30 Days	\$ (1,090)
60 Days	\$ (64)
90+ Days	\$ 0
Prepaid	\$ (2,244)

Walnut Place

Tenant A/R decreased from \$17,204 at the end of February to \$17,059 at the end of March. \$145.00 was collected as required on current payment plans during the month. The breakdown is as follows:

Current	\$ 750
30 Days	\$ 759
60 Days	\$ 759
90+ Days	\$ 14,788
Prepaid	(\$ 3)

Subsidy A/R decreased from \$2,396 at the end of February to \$91 at the end March. This is due to some write off of an outstanding balance from the previous year. The breakdown is as follows:

Current	(\$ 2,212)
30 Days	\$ 0
60 Days	\$ 0
90+ Days	\$ 0
Prepaid	(\$ 2,303)

Ravinia Housing

Tenant A/R decreased from \$45,453 at the end of February to \$44,855 at the end of March. This included \$722.00 which was collected as required on current payment plans during the month. The breakdown is as follows:

Current	\$ 4,316
30 Days	\$ 2,794
60 Days	\$ 1,716
90+ Days	\$ 35,017
Prepaid	(\$ 1,012)

Subsidy A/R decreased from \$1,811 at the end of February to \$236 at the end of March. This was the result of one outstanding resident balance from over a year ago being written off. The breakdown is as follows:

Current	\$ 207
30 Days	\$ 0
60 Days	\$ 0
90+ Days	\$ 0
Prepaid	(\$ 29)

Frank B. Peers Capital Improvements Up-Date									
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacement Reserve Request Date
1 Kitchen Replacements			120,000	-					
2 Furniture				1,000					
3 Landscape				1,000					
4 Concrete Repairs				1,000					
5 Appliance Replacement				600					
6 A/C Replacements				1,200					
7 Carpet and Tile			30,000	6,500	2 carpets 2/2014		1,053		
8									
9									
Windows from Partnership Funds			650,000						
<u>Reserves 2013 Cash Flow</u>									
Reserves Starting January 2013	\$	162,322							
2013 Annual Deposit to Reserves	\$	22,368							
Expected Use of Reserves (\$\$) 2013	\$	(150,000)	Total	800,000	11,300		1,053	-	
IHDA Reserves									
Balance expected at the start of 2014	\$	34,690							

Ravinia Housing Capital Improvements Up-Date										
Task	Date for Work	\$ Use of R&R	\$ Use of Construction	\$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date
1 Cameras	Mar/May	\$ 102,760			Reserve approved install started St. John 2/3/2014					1/21/2014
2 Parking Lot Paving	August	\$ 18,000		\$ 3,000						
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
<u>Reserves Cash Flow</u>										
Reserves Starting January 1, 2013	\$ 568,012									
2013 Annual Deposit	\$ 16,176									
Use of Reserves in FY	\$ (120,760)	TOTAL	120,760	-	3,000		TOTAL	-	-	
Balance expected January 1, 2014	\$ 463,428									

Walnut Place Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Operating Spent	\$ Actual Reserves Spent	Replacment Reserve Request Date	
1 Carpet and Tile		periodic	18,000							
2 Replace Fire Panel		Win/Spr	42,000		Request made-Waiting city approval				Nov-13	
3										
4										
5										
6										
7										
8										
9										
10										
11										
<u>Reserves 2013 Cash Flow</u>										
Reserves Starting January 2013	\$ 185,471									
2013 Annual Escrow Deposit	\$ 18,000									
Expected Use of Reserves \$\$ in 2013	\$ (60,000)	Total	60,000	-			-	-		
Balance expected at start of 2014	\$ 143,471									

Highland Park Housing Commission									
Reserve Balances									
Date: 3/31/2014									
							Sunset		
Account Name		Frank B. Peers		Walnut Place		Ravinia Housing		Woods	TOTAL
Checking (Property)		11,865		274		269		39,297	
Security Deposit		23,748		20,538		7,287		10,523	
Replacement Reserve		168,073		191,069		519,416		0	
Residual Receipts		31,875		27,095		0		0	
Operating Reserve		0		0		16		9,134	
Association Money				104,611		81,858		(Construction Escrow)	128,807
Market Checking									
Association Small Business Checking		9,525						9,202	
Association Receivable/(Liability)								(258,832)	
1) Due from Hsg. Trst. Fd 277 GB		7,492		Total					
2) Due from Hsg. Trst Fd. Emerg.		689		A/R					
3) Due from Sunset Woods		258,832							
Association CDs		Maturity							
CD #1		7/7/2014		506,211					
CD #2		4/7/2014		506,755					
Association MaxSafe Money Market		1,113,788							
TOTAL		2,638,854		343,586		608,846		(61,869)	

Housing Trust Fund		
Fiscal Year 2014		
January 1 - December 31 - Unaudited	Unaudited	
	Through 03/31/2014	
Beginning Balance, Jan 1 (Unaudited)	\$841,059	
Revenue:		
Demolition Tax	20,001	
Demolition Permits	2,250	
Interest Revenue	11	
Contributions/Donations/Other	0	
Proceeds of Ceding Volume Cap	0	
	22,262	
Expenditures:		
Program Costs	(89,530)	
	(89,530)	
Ending Balance	\$773,791	
Pending Liabilities		
CPAH Scattered Site Program	(\$135,000)	
CPAH Walker Avenue 4 Unit Project	(\$450,000)	For 2015 funding
Employer Assisted Housing	(\$20,000)	
HPI CLT Operating Grant 2013	(\$85,000)	
Emergency Housing Assistance	(\$10,000)	
Housing Planner	(\$28,470)	
Total Pending Obligations	(\$728,470)	
Net Balance	\$45,321	
Prior Month Balance (02-28-14)	\$494,559	
Month to Month Change	(\$449,238)	

FRANK B PEERS

Balance Sheet

Month Ending 03/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	11,864.88
1130-0000 - Tenant/member accounts receivable	1,262.00
1131-0000 - Accounts receivable - subsidy	3,316.00
1240-0000 - Prepaid property and liability insurance	6,420.97
Total Current Assets	<u>23,163.85</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	952.74
1192-0000 - Tenant Sec Dep	23,747.99
1310-0000 - Real estate tax escrow	131,001.41
1311-0000 - Insurance escrow	26,633.64
1330-0000 - Debt Service Escrow	138,751.41
1630-0000 - Utility Deposit - Gas	3,686.00
1320 - Replacement Reserve	168,073.80
1340 - Residual Receipt	31,875.09
Total Other Assets	<u>524,722.08</u>

Fixed Assets

1420-0000 - Building	1,848,860.15
1420-0001 - Building Improvements	86,413.87
1430-0000 - Land Improvements	1,621,801.79
1450-0000 - Furniture for project/tenant use	530,976.45
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,326,042.74)
1498-0000 - Current F/A	3,227.00
Total Fixed Assets	<u>937,455.29</u>

Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(65,400.22)
Total Financing Costs	<u>126,998.63</u>

Partnership Assets

1701-0000 - Cash - Partnership	9,524.66
1702-0000 - Partnership MM	2,126,774.17
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,403,312.52</u>

Total Assets

4,015,652.37

FRANK B PEERS

Balance Sheet

Month Ending 03/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	6,547.46
2113-0000 - Flex Benefit Payable	9.24
2120-0000 - Accrued wages and p/r taxes payable	4,142.68
2150-0000 - Accrued property taxes	146,160.65
2180-0000 - Misc current liabilities	13,889.18
Total Current Liabilities	<u>170,749.21</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	25.00
2191-0000 - Security deposits-residential	16,348.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	7.00
2211-0000 - Prepaid HUD	3,113.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,722,022.89
Total Non-Current Liabilities	<u>4,032,410.89</u>

Owner's Equity

3100-0000 - Limited Partners Equity	2,403,264.86
3209-0000 - Prior Year Retained Earnings	(2,597,458.35)
3210-0000 - Retained earnings	4,835.17
Current YTD Earnings	1,850.59
Total Owner's Equity	<u>(187,507.73)</u>

Total Liability & Owner Equity

4,015,652.37

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	21,683.00	19,861.00	1,822.00	65,020.00	59,583.00	5,437.00	238,332.00
5121-0000 - Tenant assistant payments	64,668.00	66,490.00	(1,822.00)	194,033.00	199,470.00	(5,437.00)	797,880.00
5140-0000 - Commercial base rent	60.00	60.00	0.00	554.33	180.00	374.33	720.00
TOTAL RESIDENTIAL RENTAL INCOME	86,411.00	86,411.00	0.00	259,607.33	259,233.00	374.33	1,036,932.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(3,220.00)	(2,167.00)	(1,053.00)	(9,579.00)	(6,501.00)	(3,078.00)	(26,000.00)
5221-0000 - Non-Revenue Units	(1,287.00)	(1,287.00)	0.00	(3,860.00)	(3,861.00)	1.00	(15,444.00)
TOTAL VACANCIES & ADJUSTMENTS	(4,507.00)	(3,454.00)	(1,053.00)	(13,439.00)	(10,362.00)	(3,077.00)	(41,444.00)
OTHER INCOME							
5910-0000 - Laundry income	0.00	167.00	(167.00)	472.50	501.00	(28.50)	2,004.00
5922-0000 - Late fees	0.00	5.00	(5.00)	26.00	15.00	11.00	60.00
5990-0000 - Misc other income	81.00	0.00	81.00	81.00	0.00	81.00	0.00
5413-0000 - Interest income - escrow	1.19	1.00	0.19	1.19	3.00	(1.81)	12.00
TOTAL OTHER INCOME	82.19	173.00	(90.81)	580.69	519.00	61.69	2,076.00
GROSS OPERATING INCOME	81,986.19	83,130.00	(1,143.81)	246,749.02	249,390.00	(2,640.98)	997,564.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	25.00	25.00	0.00	75.00	75.00	300.00
6253-0000 - Credit Report Fees	14.00	28.00	14.00	38.38	84.00	45.62	336.00
TOTAL ADVERTISING & RENTING EXPENSE	14.00	53.00	39.00	38.38	159.00	120.62	636.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	198.86	300.00	101.14	596.60	900.00	303.40	3,600.00
6316-0000 - Office Equipment	480.07	200.00	(280.07)	1,039.93	600.00	(439.93)	2,400.00
6320-0000 - Management fee	4,089.85	4,444.00	354.15	13,281.21	13,332.00	50.79	53,328.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	0.00	300.00	300.00	1,200.00
6350-0000 - Audit Expense	5,500.00	2,300.00	(3,200.00)	5,500.00	4,600.00	(900.00)	13,800.00
6360-0000 - Telephone	706.48	708.00	1.52	1,563.39	2,124.00	560.61	8,496.00
6360-0001 - Answering Service/ Pagers	53.44	55.00	1.56	174.86	165.00	(9.86)	660.00
6365-0000 - Training & Education Expense	0.00	125.00	125.00	0.00	375.00	375.00	1,500.00
6370-0000 - Bad debts	1,210.00	416.00	(794.00)	1,510.00	1,248.00	(262.00)	4,992.00
6380-0000 - Consulting/study costs	900.00	950.00	50.00	6,039.44	2,850.00	(3,189.44)	7,000.00
6390-0000 - Misc administrative expenses	167.62	150.00	(17.62)	1,503.29	450.00	(1,053.29)	1,800.00
6390-0002 - Computer Supplies/Data Processing	170.18	150.00	(20.18)	510.54	450.00	(60.54)	1,800.00
6395-0000 - Tenant Retention	(147.78)	500.00	647.78	1,365.58	1,500.00	134.42	7,000.00
6431-0000 - Travel & Expense Reimbursement	576.12	235.00	(341.12)	740.15	705.00	(35.15)	2,820.00
6860-0000 - Security Deposit Interest	(0.61)	0.00	0.61	(1.76)	0.00	1.76	0.00
TOTAL ADMINISTRATIVE EXPENSE	13,904.23	10,633.00	(3,271.23)	33,823.23	29,599.00	(4,224.23)	110,396.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,899.76	6,071.00	1,171.24	15,181.33	18,059.00	2,877.67	78,770.00
6510-0000 - Janitor and cleaning payroll	1,152.44	1,154.00	1.56	3,405.10	3,432.00	26.90	14,972.00
6540-0000 - Repairs payroll	4,408.10	3,807.00	(601.10)	14,859.93	11,421.00	(3,438.93)	49,490.00
6900-0000 - Social Service Coordinator	1,153.50	712.00	(441.50)	3,486.54	1,242.00	(2,244.54)	2,412.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	1,761.28	1,850.00	88.72	5,762.04	6,114.00	351.96	14,338.00
6722-0000 - Workers compensation	316.93	316.00	(0.93)	950.79	948.00	(2.79)	3,792.00
6723-0000 - Employee health insurance	578.01	608.00	29.99	1,773.24	1,824.00	50.76	7,578.00
6724-0000 - Union Benefits	1,324.54	1,310.00	(14.54)	3,973.65	3,930.00	(43.65)	15,720.00
6726-0001 - Contingency	1,078.00	4,288.00	3,210.00	1,078.00	4,288.00	3,210.00	4,684.00
TOTAL PAYROLL & RELATED COSTS	16,672.56	20,116.00	3,443.44	50,470.62	51,258.00	787.38	191,756.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	(449.05)	300.00	749.05	226.17	900.00	673.83	3,600.00
6516-0000 - Bulbs & Tubes	0.00	100.00	100.00	0.00	300.00	300.00	1,200.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	105.00	115.00	10.00	210.00	345.00	135.00	1,380.00
6525-0000 - Rubbish removal	331.49	325.00	(6.49)	978.29	975.00	(3.29)	3,900.00
6490-0000 - Misc operating expenses	0.00	133.00	133.00	0.00	399.00	399.00	1,600.00
TOTAL OPERATING EXPENSES	(12.56)	973.00	985.56	1,414.46	3,419.00	2,004.54	13,680.00
UTILITIES							
6450-0000 - Electricity	1,537.21	1,666.00	128.79	4,877.62	4,998.00	120.38	20,000.00
6451-0000 - Water	544.97	700.00	155.03	4,173.54	2,100.00	(2,073.54)	8,400.00
6452-0000 - Gas	4,068.91	1,500.00	(2,568.91)	14,419.07	5,000.00	(9,419.07)	19,000.00
TOTAL UTILITIES	6,151.09	3,866.00	(2,285.09)	23,470.23	12,098.00	(11,372.23)	47,400.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	295.00	295.00	0.00	885.00	885.00	3,540.00
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	5,400.00
6541-0000 - Repair materials (general supplies)	24.50	300.00	275.50	209.77	900.00	690.23	3,600.00
6541-0001 - Appliance Parts	25.26	50.00	24.74	41.36	150.00	108.64	600.00
6541-0002 - Plumbing Supplies	354.25	100.00	(254.25)	374.72	300.00	(74.72)	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	218.67	300.00	81.33	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6541-0005 - Hand Tools	3.83	0.00	(3.83)	81.71	300.00	218.29	300.00
6541-0006 - Expendable Tools	0.00	0.00	0.00	8.60	400.00	391.40	400.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	200.00	200.00	200.00
6541-0010 - Carpentry/Hardware	394.17	60.00	(334.17)	1,151.01	180.00	(971.01)	720.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	290.00	290.00	1,572.33	870.00	(702.33)	3,480.00
6546-0000 - Heating/Cooling Contractor	0.00	215.00	215.00	1,290.33	645.00	(645.33)	2,580.00
6548-0000 - Snow removal	2,164.00	500.00	(1,664.00)	12,279.50	4,000.00	(8,279.50)	6,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	125.00	125.00	0.00	375.00	375.00	1,500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	3,500.00	1,000.00	(2,500.00)	3,500.00	3,000.00	(500.00)	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	770.00	225.00	(545.00)	770.00	675.00	(95.00)	2,700.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6582-0000 - Fire Protection	0.00	410.00	410.00	0.00	1,230.00	1,230.00	4,920.00
6582-0001 - Fire Safety Equipment	0.00	500.00	500.00	0.00	1,500.00	1,500.00	6,000.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6590-0000 - Miscellaneous Repair	0.00	125.00	125.00	481.00	375.00	(106.00)	1,500.00
6591-0000 - Electrical Repairs	1,513.90	310.00	(1,203.90)	1,513.90	930.00	(583.90)	3,720.00
6592-0000 - Boiler Repairs	0.00	500.00	500.00	0.00	1,500.00	1,500.00	6,000.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6594-0000 - Carpentry Repairs	0.00	120.00	120.00	2,196.50	360.00	(1,836.50)	1,440.00
6595-0000 - Plumbing Repairs	856.50	790.00	(66.50)	1,863.10	2,370.00	506.90	9,480.00
6596-0000 - Floor Repairs/Cleaning	85.00	150.00	65.00	935.00	450.00	(485.00)	1,800.00
6598-0000 - Roof Repairs	0.00	100.00	100.00	0.00	300.00	300.00	1,200.00
TOTAL MAINTENANCE EXPENSES	9,691.41	6,365.00	(3,326.41)	28,487.50	22,495.00	(5,992.50)	86,680.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	12,390.00	10,130.00	(2,260.00)	30,390.00	30,390.00	0.00	121,560.00
6720-0000 - Property and liability insurance	1,898.67	2,140.00	241.33	5,541.01	6,420.00	878.99	25,680.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	150.00
TOTAL TAXES AND INSURANCE	14,288.67	12,270.00	(2,018.67)	35,931.01	36,810.00	878.99	147,390.00
TOTAL OPERATING EXPENSES	60,709.40	54,276.00	(6,433.40)	173,635.43	155,838.00	(17,797.43)	597,938.00
NET OPERATING INCOME (LOSS)	21,276.79	28,854.00	(7,577.21)	73,113.59	93,552.00	(20,438.41)	399,626.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	19,549.06	19,603.00	53.94	58,807.78	58,959.00	151.22	232,840.00
7104-0000 - Replacement Reserve	1,916.99	1,864.00	(52.99)	5,750.97	5,592.00	(158.97)	22,368.00
7108-0000 - Mortgage Payable (long term)	10,938.48	10,885.00	(53.48)	32,654.84	32,494.00	(160.84)	132,902.00
TOTAL FINANCIAL EXPENSES	32,404.53	32,352.00	(52.53)	97,213.59	97,045.00	(168.59)	388,110.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(11,127.74)	(3,498.00)	(7,629.74)	(24,100.00)	(3,493.00)	(20,607.00)	11,516.00
NET INCOME (LOSS)	(11,127.74)	(3,498.00)	(7,629.74)	(24,100.00)	(3,493.00)	(20,607.00)	11,516.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	122.86	0.00	122.86	302.86	0.00	302.86	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	122.86	0.00	122.86	292.86	0.00	292.86	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(800,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	120,000.00
6991-0002 - Windows	0.00	0.00	0.00	0.00	0.00	0.00	650,000.00
6991-0004 - Furniture	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6991-0013 - Landscape	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6991-0016 - Concrete Repairs	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6993-0000 - Appliance Replacement	528.00	0.00	(528.00)	528.00	0.00	(528.00)	600.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
6994-0000 - Carpet & tile	1,646.00	650.00	(996.00)	2,699.00	1,950.00	(749.00)	36,500.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	2,174.00	650.00	(1,524.00)	3,227.00	2,950.00	(277.00)	11,300.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(13,178.88)	(4,148.00)	(9,030.88)	(27,034.14)	(6,443.00)	(20,591.14)	216.00

WALNUT PLACE

Balance Sheet

Month Ending 03/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	274.20
1130-0000 - Tenant/member accounts receivable	17,058.59
1131-0000 - Accounts receivable - subsidy	91.00
1240-0000 - Prepaid property and liability insurance	6,106.97
Total Current Assets	<u>24,430.76</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	1,163.99
1192-0000 - Tenant Sec Dep	20,538.08
1310-0000 - Real estate tax escrow	169,899.39
1311-0000 - Insurance escrow	28,404.87
1330-0000 - Debt Service Escrow	136,097.08
1320 - Replacement Reserve	191,069.24
1340 - Residual Receipt	27,094.79
Total Other Assets	<u>574,267.44</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	23,774.27
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	426,635.94
1497-0000 - Site improvements	4,550.00
4120-0000 - Accum depr - buildings	(3,504,334.74)
1498-0000 - Current F/A	1,097.00
Total Fixed Assets	<u>754,372.03</u>

Financing Costs

1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(51,667.51)
Total Financing Costs	<u>123,145.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,618.04
Total Partnership Assets	<u>104,618.04</u>

Total Assets

1,580,833.79

WALNUT PLACE

Balance Sheet

Month Ending 03/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	30,270.22
2113-0000 - Flex Benefit Payable	9.24
2120-0000 - Accrued wages and p/r taxes payable	4,142.68
2150-0000 - Accrued property taxes	170,400.13
2155-0000 - Accrued professional services	11,214.00
2180-0000 - Misc current liabilities	8,956.00
Total Current Liabilities	<u>224,992.27</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(102.00)
2191-0000 - Security deposits-residential	18,726.00
2191-0001 - Pet Deposit	1,475.00
2210-0000 - Prepaid Rent	3.00
2211-0000 - Prepaid HUD	2,303.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	228,117.00
2320-0000 - Mortgage Payable (long term)	1,737,448.06
Total Non-Current Liabilities	<u>4,533,970.06</u>

Owner's Equity

3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,362,358.17)
3210-0000 - Retained earnings	67,121.74
Current YTD Earnings	12,732.02
Total Owner's Equity	<u>(3,178,128.54)</u>

Total Liability & Owner Equity

1,580,833.79

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	20,065.00	19,360.00	705.00	58,215.00	58,080.00	135.00	232,320.00
5121-0000 - Tenant assistant payments	67,939.00	68,644.00	(705.00)	205,797.00	205,932.00	(135.00)	823,728.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	288.56	0.00	288.56	0.00
TOTAL RESIDENTIAL RENTAL INCOME	88,004.00	88,004.00	0.00	264,300.56	264,012.00	288.56	1,056,048.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,284.00)	(835.00)	(449.00)	(1,284.00)	(2,505.00)	1,221.00	(10,020.00)
5221-0000 - Non-Revenue Units	(1,284.00)	(1,284.00)	0.00	(3,852.00)	(3,852.00)	0.00	(15,408.00)
TOTAL VACANCIES & ADJUSTMENTS	(2,568.00)	(2,119.00)	(449.00)	(5,136.00)	(6,357.00)	1,221.00	(25,428.00)
OTHER INCOME							
5910-0000 - Laundry income	0.00	250.00	(250.00)	751.50	750.00	1.50	3,000.00
5922-0000 - Late fees	0.00	10.00	(10.00)	50.00	30.00	20.00	120.00
5413-0000 - Interest income - escrow	1.35	1.00	0.35	1.35	3.00	(1.65)	12.00
TOTAL OTHER INCOME	1.35	261.00	(259.65)	802.85	783.00	19.85	3,132.00
GROSS OPERATING INCOME	85,437.35	86,146.00	(708.65)	259,967.41	258,438.00	1,529.41	1,033,752.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	25.00	25.00	0.00	75.00	75.00	300.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	0.00	90.00	90.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	55.00	55.00	0.00	165.00	165.00	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	195.15	300.00	104.85	605.67	900.00	294.33	3,600.00
6316-0000 - Office Equipment	480.07	200.00	(280.07)	1,039.93	600.00	(439.93)	2,400.00
6320-0000 - Management fee	4,574.55	4,457.00	(117.55)	13,629.31	13,371.00	(258.31)	53,484.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	0.00	300.00	300.00	1,200.00
6350-0000 - Audit Expense	0.00	1,083.00	1,083.00	0.00	3,249.00	3,249.00	12,996.00
6360-0000 - Telephone	857.82	790.00	(67.82)	2,109.37	2,370.00	260.63	9,480.00
6360-0001 - Answering Service/ Pagers	53.44	55.00	1.56	174.85	165.00	(9.85)	660.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	330.00	330.00	1,320.00
6370-0000 - Bad debts	0.00	583.00	583.00	0.00	1,749.00	1,749.00	6,996.00
6380-0000 - Consulting/study costs	900.00	0.00	(900.00)	1,400.00	0.00	(1,400.00)	3,500.00
6385-0000 - Temporary Help	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6390-0000 - Misc administrative expenses	167.62	160.00	(7.62)	167.62	480.00	312.38	1,920.00
6390-0002 - Computer Supplies/Data Processing	170.18	163.00	(7.18)	510.54	489.00	(21.54)	1,956.00
6395-0000 - Tenant Retention	(168.77)	400.00	568.77	1,272.01	1,200.00	(72.01)	7,000.00
6431-0000 - Travel & Expense Reimbursement	576.12	190.00	(386.12)	740.15	570.00	(170.15)	2,280.00
6860-0000 - Security Deposit Interest	(0.51)	0.00	0.51	(1.55)	0.00	1.55	0.00
TOTAL ADMINISTRATIVE EXPENSE	7,805.67	8,641.00	835.33	21,647.90	25,923.00	4,275.10	109,392.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,899.76	6,136.00	1,236.24	15,181.33	18,124.00	2,942.67	79,486.00
6510-0000 - Janitor and cleaning payroll	1,152.44	1,154.00	1.56	3,405.10	3,462.00	56.90	15,002.00
6540-0000 - Repairs payroll	4,048.10	3,807.00	(241.10)	14,199.93	11,421.00	(2,778.93)	49,490.00
6900-0000 - Social Service Coordinator	1,153.50	666.00	(487.50)	3,486.54	1,206.00	(2,280.54)	2,472.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	1,602.51	1,761.00	158.49	5,603.27	6,031.00	427.73	14,372.00
6722-0000 - Workers compensation	316.88	317.00	0.12	950.64	951.00	0.36	3,804.00
6723-0000 - Employee health insurance	578.01	388.00	(190.01)	1,773.24	1,164.00	(609.24)	4,830.00
6724-0000 - Union Benefits	1,324.54	1,310.00	(14.54)	3,973.65	3,930.00	(43.65)	15,720.00
6726-0001 - Contingency	1,078.00	3,477.00	2,399.00	1,078.00	3,477.00	2,399.00	4,733.00
TOTAL PAYROLL & RELATED COSTS	16,153.74	19,016.00	2,862.26	49,651.70	49,766.00	114.30	189,909.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	259.12	325.00	65.88	906.26	975.00	68.74	3,900.00
6516-0000 - Bulbs & Tubes	0.00	80.00	80.00	0.00	240.00	240.00	960.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	90.00	150.00	60.00	180.00	450.00	270.00	1,800.00
6525-0000 - Rubbish removal	331.49	360.00	28.51	978.29	1,080.00	101.71	4,320.00
6490-0000 - Misc operating expenses	360.00	50.00	(310.00)	360.00	150.00	(210.00)	600.00
TOTAL OPERATING EXPENSES	1,040.61	965.00	(75.61)	2,424.55	3,395.00	970.45	13,580.00
UTILITIES							
6450-0000 - Electricity	987.36	1,200.00	212.64	1,984.33	3,600.00	1,615.67	14,400.00
6451-0000 - Water	1,009.21	650.00	(359.21)	2,233.14	1,950.00	(283.14)	7,800.00
6452-0000 - Gas	4,645.33	2,000.00	(2,645.33)	13,474.76	6,000.00	(7,474.76)	24,000.00
TOTAL UTILITIES	6,641.90	3,850.00	(2,791.90)	17,692.23	11,550.00	(6,142.23)	46,200.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	335.00	335.00	0.00	1,005.00	1,005.00	4,020.00
6537-0000 - Grounds Contractor (Landscape)	0.00	0.00	0.00	0.00	0.00	0.00	5,280.00
6541-0000 - Repair materials (general supplies)	44.65	100.00	55.35	(321.52)	300.00	621.52	1,200.00
6541-0001 - Appliance Parts	25.26	50.00	24.74	41.35	150.00	108.65	600.00
6541-0002 - Plumbing Supplies	354.24	200.00	(154.24)	413.65	600.00	186.35	2,400.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	164.24	300.00	135.76	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	85.00	85.00	126.08	255.00	128.92	1,020.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	77.88	150.00	72.12	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6541-0009 - Window Supplies	0.00	100.00	100.00	401.32	300.00	(101.32)	1,200.00
6541-0010 - Carpentry/Hardware	443.27	60.00	(383.27)	558.24	180.00	(378.24)	720.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	300.00	300.00	604.72	900.00	295.28	3,600.00
6546-0000 - Heating/Cooling Contractor	460.00	385.00	(75.00)	2,704.71	1,155.00	(1,549.71)	4,620.00
6548-0000 - Snow removal	895.00	2,000.00	1,105.00	18,334.00	6,000.00	(12,334.00)	8,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	0.00	300.00	300.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	280.00	660.00	380.00	280.00	1,980.00	1,700.00	7,920.00
6564-0000 - Decorating (Common Areas - by Contractor)	560.00	125.00	(435.00)	560.00	375.00	(185.00)	1,500.00
6564-0001 - Painting Supplies	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6582-0000 - Fire Protection	0.00	300.00	300.00	0.00	900.00	900.00	3,600.00
6582-0001 - Fire Safety Equipment	0.00	50.00	50.00	0.00	150.00	150.00	600.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6591-0000 - Electrical Repairs	0.00	300.00	300.00	1,897.91	900.00	(997.91)	3,600.00
6592-0000 - Boiler Repairs	818.79	400.00	(418.79)	3,016.73	1,200.00	(1,816.73)	4,800.00
6594-0000 - Carpentry Repairs	0.00	500.00	500.00	0.00	1,500.00	1,500.00	6,000.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6595-0000 - Plumbing Repairs	515.00	700.00	185.00	2,451.64	2,100.00	(351.64)	8,400.00
6596-0000 - Floor Repairs/Cleaning	0.00	100.00	100.00	175.00	300.00	125.00	1,200.00
6598-0000 - Roof Repairs	0.00	400.00	400.00	0.00	1,200.00	1,200.00	4,800.00
6599-0000 - Window repairs	0.00	100.00	100.00	159.00	300.00	141.00	1,200.00
TOTAL MAINTENANCE EXPENSES	<u>4,396.21</u>	<u>7,600.00</u>	<u>3,203.79</u>	<u>31,644.95</u>	<u>22,800.00</u>	<u>(8,844.95)</u>	<u>84,980.00</u>
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	13,900.00	11,300.00	(2,600.00)	33,900.00	33,900.00	0.00	135,600.00
6720-0000 - Property and liability insurance	2,035.67	2,140.00	104.33	6,107.01	6,420.00	312.99	25,680.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	150.00
TOTAL TAXES AND INSURANCE	<u>15,935.67</u>	<u>13,440.00</u>	<u>(2,495.67)</u>	<u>40,007.01</u>	<u>40,320.00</u>	<u>312.99</u>	<u>161,430.00</u>
TOTAL OPERATING EXPENSES	<u>51,973.80</u>	<u>53,567.00</u>	<u>1,593.20</u>	<u>163,068.34</u>	<u>153,919.00</u>	<u>(9,149.34)</u>	<u>606,151.00</u>
NET OPERATING INCOME (LOSS)	<u>33,463.55</u>	<u>32,579.00</u>	<u>884.55</u>	<u>96,899.07</u>	<u>104,519.00</u>	<u>(7,619.93)</u>	<u>427,601.00</u>
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	20,738.64	20,800.00	61.36	62,398.96	62,582.00	183.04	246,997.00
7104-0000 - Replacement Reserve	1,865.69	1,837.00	(28.69)	5,597.07	5,511.00	(86.07)	22,044.00
7108-0000 - Mortgage Payable (long term)	12,748.31	12,687.00	(61.31)	38,061.89	37,880.00	(181.89)	154,849.00
TOTAL FINANCIAL EXPENSES	<u>35,352.64</u>	<u>35,324.00</u>	<u>(28.64)</u>	<u>106,057.92</u>	<u>105,973.00</u>	<u>(84.92)</u>	<u>423,890.00</u>
NET OPER INC/(LOSS) BEFORE CAP. EXP.	<u>(1,889.09)</u>	<u>(2,745.00)</u>	<u>855.91</u>	<u>(9,158.85)</u>	<u>(1,454.00)</u>	<u>(7,704.85)</u>	<u>3,711.00</u>
NET INCOME (LOSS)	<u>(1,889.09)</u>	<u>(2,745.00)</u>	<u>855.91</u>	<u>(9,158.85)</u>	<u>(1,454.00)</u>	<u>(7,704.85)</u>	<u>3,711.00</u>
Partnership Income							
8005-0000 - Mortgagor Entity Income	7.11	0.00	7.11	21.96	0.00	21.96	0.00
Total Partnership Activity	<u>7.11</u>	<u>0.00</u>	<u>7.11</u>	<u>21.96</u>	<u>0.00</u>	<u>21.96</u>	<u>0.00</u>
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(18,000.00)
6993-0000 - Appliance Replacement	513.00	0.00	(513.00)	1,097.00	0.00	(1,097.00)	0.00
6994-0000 - Carpet & tile	0.00	1,000.00	1,000.00	0.00	3,000.00	3,000.00	21,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	<u>513.00</u>	<u>1,000.00</u>	<u>487.00</u>	<u>1,097.00</u>	<u>3,000.00</u>	<u>1,903.00</u>	<u>3,000.00</u>
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	<u>(2,394.98)</u>	<u>(3,745.00)</u>	<u>1,350.02</u>	<u>(10,233.89)</u>	<u>(4,454.00)</u>	<u>(5,779.89)</u>	<u>711.00</u>

RAVINIA HOUSING

Balance Sheet

Month Ending 03/31/14

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	386.63
1130-0000 - Tenant/member accounts receivable	44,855.00
1130-1000 - Allowance for Doubtful Accounts	(21,017.40)
1131-0000 - Accounts receivable - subsidy	236.00
1240-0000 - Prepaid property and liability insurance	3,853.03
1250-0000 - Prepaid Mortgage Insurance	(149.50)
Total Current Assets	<u>28,313.76</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	2,743.42
1192-0000 - Tenant Sec Dep	7,287.03
1310-0000 - Real estate tax escrow	26,121.35
1311-0000 - Insurance escrow	9,007.57
1312-0000 - Mortgage Insurance Escrow	1,979.39
1350-0000 - Construction Escrow	16.44
1320 - Replacement Reserve	519,416.14
Total Other Assets	<u>566,571.34</u>

Fixed Assets

1420-0000 - Building	1,074,166.20
1420-0001 - Building Improvements	59,174.00
1430-0000 - Land Improvements	311,214.84
1450-0000 - Furniture for project/tenant use	282,058.44
1497-0000 - Site improvements	193,982.00
4120-0000 - Accum depr - buildings	(1,234,285.70)
1498-0000 - Current F/A	46,980.00
Total Fixed Assets	<u>733,289.78</u>

Financing Costs

1900-0001 - Deferred Financing Costs	62,658.71
1999-0000 - Accum Amort - Bond Costs	(4,004.30)
Total Financing Costs	<u>58,654.41</u>

Partnership Assets

1701-0000 - Cash - Partnership	81,863.09
1702-1000 - Partnership F/A	62,063.00
1703-0000 - Partnership Receivable	3,650.00
Total Partnership Assets	<u>147,576.09</u>

Total Assets

1,534,405.38

RAVINIA HOUSING

Balance Sheet

Month Ending 03/31/14

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	24,191.99
2113-0000 - Flex Benefit Payable	2.52
2114-0000 - 401K Payable	24.00
2120-0000 - Accrued wages and p/r taxes payable	1,129.82
2130-0000 - Accrued interest - mortgage	1,508.07
2131-0001 - Accrued Interest - 2nd Note	38,904.49
2131-1000 - Accrued Interest - Notes Payable	7,784.00
2150-0000 - Accrued property taxes	57,349.12
2180-0000 - Misc current liabilities	756.32
Total Current Liabilities	<u>131,650.33</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	33.08
2191-0000 - Security deposits-residential	6,906.92
2210-0000 - Prepaid Rent	1,012.00
2211-0000 - Prepaid HUD	29.00
2310-1000 - Notes Payable - (Long Term)	62,062.71
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	402,153.23
Total Non-Current Liabilities	<u>1,185,593.22</u>

Owner's Equity

3100-0000 - Limited Partners Equity	81,874.21
3209-0000 - Prior Year Retained Earnings	223,323.61
3210-0000 - Retained earnings	(83,425.60)
Current YTD Earnings	(4,610.39)
Total Owner's Equity	<u>217,161.83</u>

Total Liability & Owner Equity

1,534,405.38

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	8,800.00	6,300.00	2,500.00	25,753.00	18,900.00	6,853.00	75,600.00
5121-0000 - Tenant assistant payments	13,435.00	15,674.00	(2,239.00)	40,691.00	47,022.00	(6,331.00)	188,088.00
TOTAL RESIDENTIAL RENTAL INCOME	22,235.00	21,974.00	261.00	66,444.00	65,922.00	522.00	263,688.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,899.00)	(1,200.00)	(1,699.00)	(8,496.00)	(3,600.00)	(4,896.00)	(3,600.00)
TOTAL VACANCIES & ADJUSTMENTS	(2,899.00)	(1,200.00)	(1,699.00)	(8,496.00)	(3,600.00)	(4,896.00)	(3,600.00)
OTHER INCOME							
5920-0000 - Nsf check fee	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5922-0000 - Late fees	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5413-0000 - Interest income - escrow	36.13	37.00	(0.87)	138.20	111.00	27.20	444.00
TOTAL OTHER INCOME	36.13	37.00	(0.87)	188.20	111.00	77.20	444.00
GROSS OPERATING INCOME	19,372.13	20,811.00	(1,438.87)	58,136.20	62,433.00	(4,296.80)	260,532.00
ADVERTISING & RENTING EXPENSE							
6250-0000 - Renting expenses	28.00	60.00	32.00	109.00	180.00	71.00	720.00
TOTAL ADVERTISING & RENTING EXPENSE	28.00	60.00	32.00	109.00	180.00	71.00	720.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	583.27	521.00	(62.27)	1,368.90	1,563.00	194.10	6,252.00
6320-0000 - Management fee	756.32	765.00	8.68	2,140.62	2,295.00	154.38	9,180.00
6340-0000 - Legal Expense - Project	0.00	170.00	170.00	0.00	510.00	510.00	2,040.00
6350-0000 - Audit Expense	3,900.00	0.00	(3,900.00)	3,900.00	0.00	(3,900.00)	10,000.00
6365-0000 - Training & Education Expense	0.00	30.00	30.00	0.00	90.00	90.00	360.00
6370-0000 - Bad debts	0.00	433.00	433.00	0.00	1,299.00	1,299.00	5,196.00
6390-0000 - Misc administrative expenses	1,909.19	180.00	(1,729.19)	2,142.90	540.00	(1,602.90)	2,160.00
6390-0002 - Computer Supplies/Data Processing	76.20	0.00	(76.20)	228.60	0.00	(228.60)	0.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	4.50	0.00	(4.50)	0.00
6860-0000 - Security Deposit Interest	(0.20)	0.00	0.20	(0.61)	0.00	0.61	0.00
TOTAL ADMINISTRATIVE EXPENSE	7,224.78	2,099.00	(5,125.78)	9,784.91	6,297.00	(3,487.91)	35,188.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,336.29	1,800.00	463.71	4,140.34	5,400.00	1,259.66	21,600.00
6510-0000 - Janitor and cleaning payroll	1,418.40	1,465.00	46.60	4,801.54	4,395.00	(406.54)	17,580.00
6900-0000 - Social Service Coordinator	314.57	0.00	(314.57)	950.83	0.00	(950.83)	0.00
6715-0000 - Payroll Taxes	437.05	330.00	(107.05)	1,528.07	990.00	(538.07)	3,960.00
6722-0000 - Workers compensation	87.77	88.00	0.23	263.31	264.00	0.69	1,056.00
6723-0000 - Employee health insurance	216.88	173.00	(43.88)	680.99	519.00	(161.99)	2,076.00
6724-0000 - Union Benefits	361.27	378.00	16.73	1,083.75	1,134.00	50.25	4,536.00
6726-0001 - Contingency	294.00	1,200.00	906.00	294.00	1,200.00	906.00	1,277.00
TOTAL PAYROLL & RELATED COSTS	4,466.23	5,434.00	967.77	13,742.83	13,902.00	159.17	52,085.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	(197.24)	220.00	417.24	(43.70)	660.00	703.70	2,640.00
6520-0000 - Miscellaneous Repair Contractors	2,681.61	2,400.00	(281.61)	23,082.39	7,200.00	(15,882.39)	28,800.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 03/31/14			Year To Date 03/31/14			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6525-0000 - Rubbish removal	474.39	500.00	25.61	1,416.54	1,500.00	83.46	6,000.00
6530-0000 - Security Contract	0.00	200.00	200.00	0.00	600.00	600.00	2,400.00
6490-0000 - Misc operating expenses	510.00	0.00	(510.00)	510.00	0.00	(510.00)	0.00
TOTAL OPERATING EXPENSES	3,468.76	3,320.00	(148.76)	24,965.23	9,960.00	(15,005.23)	39,840.00
UTILITIES							
6450-0000 - Electricity	277.57	250.00	(27.57)	817.53	750.00	(67.53)	3,000.00
6451-0000 - Water	11.18	100.00	88.82	128.88	300.00	171.12	1,200.00
6452-0000 - Gas	153.34	75.00	(78.34)	346.04	225.00	(121.04)	900.00
6453-0000 - Sewer	0.00	50.00	50.00	0.00	150.00	150.00	600.00
TOTAL UTILITIES	442.09	475.00	32.91	1,292.45	1,425.00	132.55	5,700.00
MAINTENANCE EXPENSES							
6548-0000 - Snow removal	0.00	0.00	0.00	(5,251.00)	0.00	5,251.00	0.00
TOTAL MAINTENANCE EXPENSES	0.00	0.00	0.00	(5,251.00)	0.00	5,251.00	0.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	4,253.00	3,732.00	(521.00)	11,253.00	11,253.00	0.00	44,841.00
6720-0000 - Property and liability insurance	962.33	1,001.00	38.67	2,886.99	3,964.00	1,077.01	12,973.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	50.00
TOTAL TAXES AND INSURANCE	5,215.33	4,733.00	(482.33)	14,139.99	15,217.00	1,077.01	57,864.00
TOTAL OPERATING EXPENSES	20,845.19	16,121.00	(4,724.19)	58,783.41	46,981.00	(11,802.41)	191,397.00
NET OPERATING INCOME (LOSS)	(1,473.06)	4,690.00	(6,163.06)	(647.21)	15,452.00	(16,099.21)	69,135.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	2,993.34	1,508.00	(1,485.34)	8,986.77	4,531.00	(4,455.77)	18,001.00
6850-0000 - Mortgage Service Fee	149.55	152.00	2.45	454.05	440.00	(14.05)	1,808.00
7104-0000 - Replacement Reserve	1,365.33	1,334.00	(31.33)	4,031.99	4,002.00	(29.99)	16,008.00
7108-0000 - Mortgage Payable (long term)	600.02	600.00	(0.02)	1,793.33	1,794.00	0.67	7,297.00
TOTAL FINANCIAL EXPENSES	5,108.24	3,594.00	(1,514.24)	15,266.14	10,767.00	(4,499.14)	43,114.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(6,581.30)	1,096.00	(7,677.30)	(15,913.35)	4,685.00	(20,598.35)	26,021.00
NET INCOME (LOSS)	(6,581.30)	1,096.00	(7,677.30)	(15,913.35)	4,685.00	(20,598.35)	26,021.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	5.56	0.00	5.56	17.18	0.00	17.18	0.00
Total Partnership Activity	5.56	0.00	5.56	17.18	0.00	17.18	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(51,380.00)	(60,000.00)	(8,620.00)	(80,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	46,980.00	60,000.00	13,020.00	80,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	0.00	0.00	(4,400.00)	0.00	4,400.00	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(6,575.74)	1,096.00	(7,671.74)	(11,496.17)	4,685.00	(16,181.17)	26,021.00

Sunset Woods Housing
Balance Sheet
March 31, 2014

ASSETS

Current Assets		
Assn FBHP Checking	\$	9,201.90
FBHP General Checking		39,296.82
FBHP Security Dep. Savings		10,523.02
Assn FBHP Savings		128,807.17
FBHP Savings		9,134.22
Financing Costs		8,135.00
Tax Reserve		8,232.50
Accounts Receivable		<u>(48.00)</u>
Total Current Assets		213,282.63
Property and Equipment		
Building		1,552,988.40
Building Unit 231		135,000.32
Building Unit 319		134,999.62
Appliances		474.17
Accum Dep Building		(397,956.00)
Accum Amort-Financing Fees		<u>(678.00)</u>
Total Property and Equipment		1,424,828.51
Other Assets		<u>0.00</u>
Total Other Assets		<u>0.00</u>
Total Assets		<u><u>\$ 1,638,111.14</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	258,832.40
Accrued RE Tax		12,784.40
Accrued RE Taxes Assn		6,434.84
Security Deposits		<u>9,585.00</u>
Total Current Liabilities		287,636.64
Long-Term Liabilities		
Notes Payable, Lake Co		72,231.18
Notes Payable, FHLB		428,087.90
Notes Payable, IHDA		<u>139,019.60</u>
Total Long-Term Liabilities		<u>639,338.68</u>
Total Liabilities		926,975.32
Capital		
Equity-Retained Earnings		699,984.76
Net Income		<u>11,151.06</u>
Total Capital		<u>711,135.82</u>
Total Liabilities & Capital		<u><u>\$ 1,638,111.14</u></u>

Sunset Woods Housing
Income Statement
Compared with Budget
For the Three Months Ending March 31, 2014

	Current Month Actual	Current Month Budget	Current Month	Year to Date Actual	Year to Date Budget	Year to Date
Revenues						
Rents	\$ 9,364.00	\$ 8,715.00	649.00	\$ 28,092.00	\$ 26,145.00	1,947.00
Interest Income Assn	46.55	0.00	46.55	133.99	0.00	133.99
Interest Income	5.66	0.00	5.66	17.15	0.00	17.15
Total Revenues	9,416.21	8,715.00	701.21	28,243.14	26,145.00	2,098.14
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,416.21	8,715.00	701.21	28,243.14	26,145.00	2,098.14
Expenses						
Office Supplies	12.00	8.00	4.00	23.50	24.00	(0.50)
Management Fee	581.75	567.00	14.75	1,862.18	1,701.00	161.18
Legal and Accounting Assn	0.00	0.00	0.00	300.00	0.00	300.00
Exterminating	0.00	0.00	0.00	85.00	0.00	85.00
Credit Ck Fees	0.00	4.00	(4.00)	0.00	12.00	(12.00)
Government Fees	0.00	96.00	(96.00)	0.00	286.00	(286.00)
Carpet Cleaning	0.00	84.00	(84.00)	0.00	251.00	(251.00)
Heating & Air	0.00	41.00	(41.00)	0.00	123.00	(123.00)
Electrical & Plumbing Maint	0.00	41.00	(41.00)	0.00	123.00	(123.00)
Painting & Decorating	0.00	84.00	(84.00)	0.00	251.00	(251.00)
Appliance Repairs	205.00	41.00	164.00	489.00	123.00	366.00
Supplies	12.92	42.00	(29.08)	48.02	126.00	(77.98)
Maintenance	125.00	42.00	83.00	345.00	126.00	219.00
Security	0.00	8.00	(8.00)	0.00	24.00	(24.00)
Condo Assessment Rental Units	2,496.06	3,166.00	(669.94)	7,488.18	9,498.00	(2,009.82)
Cable TV	540.00	583.00	(43.00)	1,620.00	1,749.00	(129.00)
Real Estate tax expense	0.00	1,166.00	(1,166.00)	0.00	3,500.00	(3,500.00)
Loan Interest	1,500.91	2,500.00	(999.09)	4,831.20	7,500.00	(2,668.80)
Bldg Insurance	0.00	217.00	(217.00)	0.00	651.00	(651.00)
Total Expenses	5,473.64	8,690.00	(3,216.36)	17,092.08	26,068.00	(8,975.92)
Net Income	\$ 3,942.57	\$ 25.00	\$ 3,917.57	\$ 11,151.06	\$ 77.00	\$ 11,074.06

Sunset Woods Housing
Account Register
For the Period From Mar 1, 2014 to Mar 31, 2014
1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			37,201.72
3/1/14	1569	Withdrawal	Sunset Woods Condominium Assoc		3,036.06	34,165.66
3/1/14	3/1/14	Deposit	Tenant	274.00		34,439.66
		Deposit	Tenant	241.00		34,680.66
		Deposit	Tenant	650.00		35,330.66
		Deposit	Tenant	585.00		35,915.66
		Deposit	Tenant	649.00		36,564.66
		Deposit	Tenant	534.00		37,098.66
		Deposit	Tenant	431.00		37,529.66
		Deposit	Tenant	247.00		37,776.66
		Deposit	Tenant	395.00		38,171.66
3/1/14	loan1403	Other	ihda/auto pymt		100.00	38,071.66
3/5/14	1570	Withdrawal	RC Paint & Home Improvements		125.00	37,946.66
3/5/14	3/7/14	Deposit	Tenant	423.00		38,369.66
		Deposit	Tenant	269.00		38,638.66
		Deposit	Tenant	835.00		39,473.66
		Deposit	Tenant	415.00		39,888.66
		Deposit	Tenant	390.00		40,278.66
		Deposit	Tenant	30.00		40,308.66
		Deposit	Tenant	329.00		40,637.66
		Deposit	Tenant	204.00		40,841.66
		Deposit	Tenant	795.00		41,636.66
		Deposit	Tenant	159.00		41,795.66
		Deposit	Tenant	269.00		42,064.66
		Deposit	Tenant	1,046.00		43,110.66
		Deposit	Tenant	854.00		43,964.66
3/13/14	1571	Withdrawal	U & E Service		205.00	43,759.66
3/13/14	1572	Withdrawal	ABT Appliance		474.17	43,285.49
3/13/14	1573	Withdrawal	Housing Opportunity Dev. Corp.		581.75	42,703.74
3/26/14	loan1403	Other	FBHP/auto pymt		3,382.00	39,321.74
3/28/14	1574	Withdrawal	Housing Opportunity Dev. Corp.		24.92	39,296.82
			Total	10,024.00	7,928.90	

Sunset Woods -March 31, 2014

Ending balance checking	\$	39,322
Ending balance operating reserve	\$	<u>9,134</u>
TOTAL	\$	48,456

SWA Rental
Balance Sheet
March 31, 2014

ASSETS

Current Assets		
FBHP Checking	\$	24,867.27
FBHP Security Dep Savings		2,223.47
A/R, Transfers		<u>20.00</u>
 Total Current Assets		 27,110.74
 Property and Equipment		 <u>0.00</u>
 Total Property and Equipment		 0.00
 Other Assets		 <u>0.00</u>
 Total Other Assets		 <u>0.00</u>
 Total Assets		 <u><u>\$ 27,110.74</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Security Deposits	\$	<u>2,123.00</u>
 Total Current Liabilities		 2,123.00
 Long-Term Liabilities		 <u>0.00</u>
 Total Long-Term Liabilities		 0.00
 Total Liabilities		 2,123.00
 Capital		
Equity-Retained Earnings		21,354.43
Net Income		<u>3,633.31</u>
 Total Capital		 <u>24,987.74</u>
 Total Liabilities & Capital		 <u><u>\$ 27,110.74</u></u>

SWA Rental
Income Statement
For the Three Months Ending March 31, 2014

	Current Month	Year to Date
Revenues		
Rents	\$ 2,123.00	\$ 6,369.00
Interest Income	0.28	0.82
	<hr/>	<hr/>
Total Revenues	2,123.28	6,369.82
	<hr/>	<hr/>
Cost of Sales		
	<hr/>	<hr/>
Total Cost of Sales	0.00	0.00
	<hr/>	<hr/>
Gross Profit	2,123.28	6,369.82
	<hr/>	<hr/>
Expenses		
Management Fee	137.99	413.97
Maintenance	225.00	225.00
Condo Asst Rental Units	609.18	1,827.54
Cable TV	90.00	270.00
	<hr/>	<hr/>
Total Expenses	1,062.17	2,736.51
	<hr/>	<hr/>
Net Income	\$ 1,061.11	\$ 3,633.31
	<hr/> <hr/>	<hr/> <hr/>

SWA Rental
Account Register
 For the Period From Mar 1, 2014 to Mar 31, 2014
 1103M14 - FBHP Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			23,806.44
3/1/14	1090	Withdrawal	Sunset Woods Condominium Assoc		699.18	23,107.26
3/5/14	3/7/14	Deposit	Tenant	1,090.00		24,197.26
		Deposit	Tenant	1,033.00		25,230.26
3/13/14	1091	Withdrawal	Housing Opportunity Developmen		137.99	25,092.27
3/26/14	1092	Withdrawal	RC Paint & Home Improvement		225.00	24,867.27
			Total	2,123.00	1,062.17	