

NOTICE

Application and Resident Selection Process

Below is an excerpt from the US. Department of Housing and Urban Development (HUD) approved Harmony Oaks Management Plan.

On April 4, 2016, the HUD Office of General Counsel published guidance as to the application of Fair Housing Act Standards to the Use of Criminal Records by Housing Providers in Real Estate Related Transaction.

Harmony Oaks is currently updating its Management Plan in light of this new guidance. Harmony Oaks is reevaluating the length of the exclusionary time periods it uses for applicants with criminal convictions to ensure that its policies are consistent with HUD's recommendations. While we update our Management Plan, all application reviews will take into consideration the recency, severity and nature of criminal conviction in question, distinguishing between criminal convictions with demonstrable risk to resident safety and/or property and criminal convictions that do not pose such a risk. All applicants will undergo an individualized assessment prior to any application denial and will have the opportunity to provide relevant mitigating information for consideration (facts or circumstances at time of conduct, evidence of good tenant history before or after conviction, age at time of conviction, evidence of rehab efforts, etc.). Our Management Plan may be further amended over time by current HUD guidelines

Harmony Oaks Management Plan

Excerpt

ARTICLE 5: APPLICATION PROCESS

5.1 Applications. Each applicant for admission to a dwelling unit in the Residential Community must submit to Manager a completed signed full application, including all accompanying consent forms for release of information pertinent to eligibility determination and to evaluation under screening criteria, on forms furnished by Manager. Applications will be accepted by the Manager at the Leasing Office of the Residential Community or at other sites maintained by the Owner and/or the Manager, with appropriate accommodations for people with mobility impairments and other disabilities. Adequate procedures will be developed to obtain, verify, and protect the confidentiality of information with respect to each applicant. Information relative to the acceptance or rejection of an applicant on eligibility or suitability grounds, or the grant or denial of any applicable preference, must be documented and placed in the applicant's file.

5.2 Income and Other Eligibility Qualifications. Applicants who apply for admission to a Public Housing Unit or an LIHTC Unit must meet the applicable eligibility tests

set forth herein before any further screening steps are taken regarding selection criteria. These requirements cannot be waived, nor are they subject to mitigating circumstances.

(a) An applicant for admission to a Public Housing Unit must meet all eligibility requirements for admission to public housing. At the date of this Plan, such requirements include the following.

The applicant must be a family as defined in the Act, and must be income-eligible. 24 CFR § 960.201(a) (1).

An income-eligible family is a family whose annual income does not exceed the applicable low-income family income limit for the family size in the New Orleans metropolitan area as published periodically by HUD.

No applicant family which is not in eligible status with respect to citizenship or non-citizen immigration status under Section 214 of the Housing and Community Development of 1980, as amended, and HUD's implementing regulations thereunder (currently appearing at 24 CFR Part 5, Subpart E), shall be eligible for admission to a Public Housing Unit. The Manager shall verify citizenship or eligible non-citizen status of each family seeking admission to a Public Housing Unit prior to admission or, if HANO has elected to defer verification of eligibility pursuant to Section 214(i)(2)(A) of the Housing and Community Development Act of 1980 and 24 CFR § 5.512(b), not later than the first annual income reexamination in accordance with procedures adopted by the HANO.

Annual income of an applicant for admission to a Public Housing Unit, and "adjusted income" of residents of Public Housing Units for purposes of calculation of tenant contribution to rent, will be calculated in accordance with HUD requirements in effect from time to time, currently set forth in 24 CFR 5, Subpart F, and Part 960, subpart C, including earned income exclusions from annual income pursuant to 24 CFR § 960.255 or additional permissive deductions for calculation of adjusted income adopted by the HANO from time to time pursuant to an established written policy, 24 CFR § 5.611(b).

(b) Applicants for admission to PHA/LIHTC Units or to Other LIHTC Units must meet the income limits of Section 42 of the Internal Revenue Code, as reflected in and determined in accordance with the Tax Credit Requirements. The Manager will seek third party verification in conformance with the Tax Credit Requirements.

(c) Applicants for admission to PHA/LIHTC Units or to Other LIHTC Units whose household, in its entirety, consists of all full-time students any of whom do not meet one of the exemptions listed below, or as amended by HR 322, dated July 30, 2008, or any subsequent law changes, will not be considered eligible for housing in such units. For purposes of Section 42 of the Internal Revenue Code, a full time student is one who attends an educational organization which normally maintains a regular facility and curriculum for a minimum of five months per calendar year. Individuals pursuing a full-time course of institutional on-farm training under the supervision of an accredited agency are also deemed to be full-time students. Exemptions:

- (i) Any one of the students actually filed a joint federal income tax return. A copy of the joint federal tax return should be included in the file;
 - (ii) The household consists of a single parent (with custody) and a school age child or children both of whom are not dependents on a third party;
 - (iii) The household receives assistance under Title IV of the Social Security Act; or
 - (iv) A member of the household is enrolled in and receives assistance under the Workforce Investment Act or similar governmental job training program.
- (d) Applicants for admission to the Public Housing Units shall not include any household member who:
- (i) has been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing; or
 - (ii) is subject to a lifetime registration requirement under a State sex offender registration program; or
 - (iii) has been evicted from federally assisted housing within the past three years for drug-related criminal activity, unless the evicted household member who engaged in drug-related criminal activity has successfully completed an approved supervised drug rehabilitation program.

5.3 Screening Criteria. All applicants for admission to any dwelling unit in the Residential Community must satisfy the screening criteria set forth below, after consideration (if necessary) of applicable mitigating circumstances, if any. All determinations of satisfaction by an applicant of the screening criteria set forth in subsection (a) below, or of the adequacy of mitigating circumstances, will be made by the Manager.

(a) Screening Criteria. The following screening criteria will be used only to judge an applicant's past practices relating to lease compliance and occupancy issues. Screening criteria will be publicized and made available to applicants upon request. An applicant shall not be rejected unless information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment, or that a substantial risk exists that the applicant will not fulfill its rent obligations timely. Relevant information respecting habits or practices to be considered in making such determinations are as follows:

(i) An applicant's past performance in meeting financial obligations, especially rent, will be considered in determining if there is a substantial risk that such applicant will not fulfill its rent obligations. Factors to be considered are as follows:

(A) Prior landlord, property owner, or mortgagee nonpayment or other rental lease violation;

(B) Material (exceeding \$250) reported delinquent consumer debt balances (excluding medical bills and student loans) within three months of date of application or written off within one year of date of application;

(C) A history or pattern of substantial past due consumer debts (excluding medical bills and student loans) within the last 18 months with balances older than six months; and

(D) In the case of an applicant for admission to an Other LIHTC Unit or Market Rate Unit, taking into account other financial obligations, the monthly income of the applicant must not be less than 2.5 times the monthly rent amount, supported by verifiable income that has been in place for ninety days and expected to continue over the subsequent twelve months.

(E) In the case of an applicant for admission to a Public Housing Unit, the One-Strike Policy (Exhibit B) will be used to judge each applicant.

(ii) Criminal record check, as allowable by law with respect to all applicants for occupancy in the Residential Community, showing no record of past criminal activity by a household member as follows:

(A) No record of conviction for manufacturing drugs;

(B) No record of conviction for distributing drugs;

(C) No record of conviction for drug possession within last seven years;

(D) No record of a conviction for a crime against a person within the last seven years;

(E) No record of a conviction for a crime against property, or for concealed weapons possession, within the last seven years; and

(F) No record of conviction for murder, attempted murder, rape or attempted rape.

For purposes of clauses (C), (D) and (E) above, the stated time periods shall exclude any period during which the subject applicant was incarcerated.

Before the Manager denies admission to the Residential Community on the basis of a criminal record, the Manager shall notify the head of household of the proposed denial and shall provide the subject of the record and the head of household with a copy of the record and an opportunity to contest the accuracy and relevance of the record. If a criminal record is obtained based on a "name hit" and the putative subject of the record denies that the record applies to him or her, the subject may be required to submit to fingerprinting to verify identify as a condition of further consideration of the household's application for admission.

(iii) No credible evidence that a household member is currently engaging in illegal use of a drug, or on the basis of which the Manager has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

(iv) No credible evidence on the basis of which the Manager has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises other residents.

(v) Declaration from head of household that no family member under 18 years of age has been convicted of a crime classifying him or her as an adult. If this declaration cannot be made as to any member, the declaration will provide consent to the release to the Manager of police information for the purpose of verifying whether any such conviction for that family member exists. If such a consent shall not be sufficient to obtain release of such information to the Manager, the parent or guardian of such member shall be required to obtain and submit such information to the Manager.

(vi) Satisfactory home visit to applicant's current home by representative of Manager. Home will be inspected, after notice of at least 48 hours, for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits. If the home visit is not possible because applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit.

(b) Mitigating Circumstances. In all instances where unfavorable information would cause an applicant family to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the applicant (by means of interview), landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

Consideration will be given to the time, nature, and extent of the applicant's conduct (including any reasonable explanation therefore) and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Mitigating factors to be considered include but are not limited to the following:

(i) Negative credit information can be mitigated through third party verification, including but not limited to a creditor, of each item that (i) there has been a payment plan and a three month timely payment history on such plan; or (ii) the applicant has disputed such debt and can provide verification of such dispute.

(ii) Record of unsuitable rental history or behavior can be mitigated if applicant can show evidence of rehabilitation or participation in rehabilitation.

(iii) Evidence of completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse.

ARTICLE 6: RESIDENT SELECTION PLAN

6.1 General. Occupancy and resident selection criteria are a critical component of this Plan. Successful economic integration will be attained through (i) the strict application of applicable eligibility requirements of the Public Housing Units and LIHTC Units, and (ii) the consistent and nondiscriminatory application of selection criteria set forth herein.

6.2 Non-Discrimination. Federal, State, and City of New Orleans fair housing laws cover equally all units in the Residential Community, whether Public Housing Units, LIHTC Units, or Market-Rate Units. All practices, in every aspect of the Plan and Manager's activities, must not subject any person to discrimination prohibited by these laws, which prohibit discrimination based on race, color, religion, sex, handicap, familial status, national origin, marital status, ancestry, gender identity, and sexual orientation.