

Preservation of Madison Park Village III Resident Disclosure, Policy Statement, and Agreement

The primary purpose of this document is to assure that every resident of Madison Park Village III (“MP3”) has sufficient information regarding the plans for the property in which they reside , as well as the ability to maintain the continued affordability of that property so that they might make an informed decision regarding his/her subsidy going forward.

This document also memorializes commitments of the Cambridge Housing Authority (CHA) and Madison Park III Associates, LP (“Owner”) the Owner. Please note that the subsidies, resident choices, and commitments outlined below are applicable only if the Owner, or its designee, is able to obtain Enhanced Vouchers (“EVs”) for the residents of MP3 from the U.S. Department of Housing and Community Development (“HUD”). As of the date of this Agreement, such EVs have been issued by HUD to CHA, but application of the EVs to the residents at MP3 is dependent on prepayment of the underlying 236 mortgage by Madison Park with the concurrence of the current lender MassHousing.

A. BACKGROUND

MP3 is a 120-unit apartment complex located in the Lower Roxbury section of the South End of Boston. All units are townhouses with private front and back yards. There are 90 two-, 24 three- and 6 four-bedroom units. Two three-bedroom are off-line due to foundation issues. At the time that the property was constructed, the owner utilized financing and rental subsidies that provided for affordable rents until 10/15/2015. All 120 apartments presently have a ‘Section 236’ mortgage interest subsidy which creates a 236 Basic (minimum) and 236 Market (maximum) rent for the apartments set by MassHousing. There is also a utility allowance for tenant-paid electricity, which affects the rent that residents pay. All of the apartments also have rental subsidies that make the rents affordable to persons with low incomes. Attachment A is a summary of the current affordable housing programs at MP3 and a brief description of how the tenant’s portion of the rent is calculated.

Currently, the rents for the property are as follows:

Size	236 Basic Rent per Month	236 Market Rent per Month	Utility Allowance
2	1,427	1,631	72

3	1,667	1,906	93
4	1,992	2,277 ¹	98

The MP3 property has further assistance from HUD, the Rental Assistance Payment (“RAP”) Contract, which further subsidizes the rent for all units so that residents generally pay thirty percent (30%) of their income for rent as long as the units are occupied by income-eligible households. However, the RAP contract between HUD and the Owner expires in October 2015.

These base rents are very affordable compared with market rents in the area, and the RAP program allows low income residents to remain regardless of their income.

A recent (February 2013) appraisal of the adjacent MP IV property reports the following market rents:

Size	Market Rent
2	2,385
3	2,505
4	3,425

Market rent levels at MP3 would be cost prohibitive for many current residents. With this in mind the Owner is seeking a way to preserve MP3 as affordable housing for the long-term. To do so, the Owner intends to prepay the mortgage to obtain EVs for all income-eligible households. With the consent of recipient households, the Owner intends to then convert the EVs to project-based rental assistance, also known as Project-Based Vouchers (“PBVs”). This strategy and its impact on you is more fully discussed below.

MassHousing holds the first priority mortgage that is scheduled to fully amortize (that is, be paid in full) on April 1, 2020. However, MassHousing has given its conditional consent for the Owner to prepay that mortgage early in order to facilitate the proposed strategy to preserve the property as affordable housing. The prepayment of the mortgage will terminate the Regulatory Agreement between the Owner and MassHousing that restricts rents at MP3. It will also end the Rental

¹ Inferred 236 Market Rent based on calculated operating costs with debt service at full interest rate.

Assistance Payment (“RAP”) Contract between the Owner and the U.S. Department of Housing and Urban Development (“HUD”).

Upon the prepayment of the MassHousing loan, **income-eligible residents in the property will be offered a special allocation of vouchers that are known as ‘Enhanced Vouchers’ or “EVs”** (also known as ‘Sticky Vouchers’ or ‘Preservation Vouchers’). It is worth noting that under current federal budgetary constraints, these vouchers may not be available to an owner who waits until the mortgage expires in 2020.

With the consent of recipient households, the Owner intends to convert the EVs to PBVs. This would take the place of the existing RAP contract allowing the Owner, or its designee, to obtain new financing to pay off the current mortgage and to undertake a repair and modernization program. The Owner’s intention is to refinance the property and commit to maintain permanent affordability of the units backed by PBVs. Along with this new financing, the Owner expects to spend approximately \$19 million to upgrade the property along with the commitment to permanently maintain the affordability of the units.

the Owner is seeking a binding commitment from almost every income-eligible resident that states he/she agrees to allow the CHA to tie this subsidy to his/her apartment as a PBV, instead of receiving a tenant-based enhanced voucher. While each current resident may be protected in the short term by the EVs, no one can guarantee that the property will remain affordable in the long run for current or future tenants. Converting the EVs to PBVs does provide a way to preserve the property for the long-term, but it can only be done with the consent of the resident. Furthermore, if the Owner can achieve this level of commitment from nearly all of the residents at MP3, then the Owner will be able to commit to refinance the property and undertake significant repairs and modernization to improve conditions for residents and ensure its long-term preservation.

The following sections are intended to ensure that you have the information necessary to make a fully informed decision about whether to provide your consent.

B. VOUCHERS

For residents, the two main differences between EVs and PBVs are:

1. The formula for determining the tenant’s portion of the rent; and
2. The ability to move with rental assistance. The CHA has agreed to make some exceptions for current and new MP3 residents. All of this is explained below:

1. ENHANCED VOUCHERS (EVs)

- a. Description

EVs are issued to the tenant for use in his/her current apartment. While similar to a regular Section 8 voucher, the value of the enhanced voucher is much higher. This is important because once the current financing is paid off at MP3, the owner can charge market rents. These new rents may exceed the limit for regular Section 8 vouchers; the EVs allows the resident to stay at MP3 by providing a larger subsidy to help pay the new higher rent.

b. Mobility

Residents with EVs may move with the vouchers at any time, after giving proper notice under their lease. When the resident moves from the property, the EV becomes a regular Section 8 Housing Choice Voucher that the resident may use wherever they choose.

c. Rent for Stayers

With respect to the resident's portion of the rent, a resident who receives an EV (and remains at MP3) will pay the rent share they currently pay or 30% of their adjusted household income for rent and utilities – whichever is greater. In general, the tenant must pay the same total dollar amount for the rent as the amount required on the date of the mortgage prepayment. This will generally be higher than the CHA's minimum rent for its other voucher programs and may exceed 30% of household income. Going forward, the tenant must pay the same percentage of income for rent regardless of any future change in income. This minimum rent formula is explained in more detail in Attachment B.

Although the EVs will be part of the Cambridge Housing Authority's Moving to Work (MTW) Program, the CHA will use the federal regulations for the tenant-based Section 8 Housing Choice Voucher program (currently found at 24 CFR 5.601 – 5.634) for rent-setting purposes (and the minimum rent provisions described in Attachment B). In addition, for mixed immigrant families, the CHA will use, as a total tenant payment, 30% of adjusted monthly income plus 10%. The CHA will use its own utility allowance schedule for tenant-paid utilities, rather than the MassHousing's schedule that was previously used.

d. Rent for Movers

When a tenant (with an EV) moves from MP3, their voucher becomes a 'regular' Section 8 Housing Choice Voucher subject to the CHA's MTW and Rent Simplification rules. In most cases, the maximum value of a regular voucher will be less than the value of the EV when used at MP3. A summary of the Rent Simplification rules can be found in Attachment C.

2. PROJECT-BASED VOUCHERS (PBVs)

a. Description

These are Section 8 vouchers that are assigned to specific apartments, rather than to specific families. In order to attach these vouchers to the property, the owner and the CHA must enter into a contract of at least fifteen years. During this time, the property is guaranteed to remain affordable. As long as a resident remains in that apartment, he/she will receive the benefits of the voucher.

b. Mobility

The resident living in an apartment with a PBV does not have the ability to move immediately with the benefit of rental assistance. Since the voucher is attached to the apartment and not to the family, any request by the family to move with rental assistance means that the CHA must issue a new voucher to the family while also maintaining the PBV for the next household that will occupy the unit being vacated. Because there is limited supply of vouchers, the CHA must wait for a voucher to become available before it can issue a tenant-based voucher to the family.

To improve the mobility features of project-based vouchers at MP3, the CHA has agreed to two provisions to help residents who agree to convert to PBV. They are:

First, the CHA will allow MP3 residents to move, after one year, with a tenant-based voucher if one is available. If none are available, the resident will get priority listing for the next available tenant-based voucher. The resident's name will be placed on the CHA's wait list (chronological by date of request) and a tenant-based voucher will be issued when one becomes available (and before any such vouchers are offered to applicants on the CHA's other waiting lists).

In addition, in accordance with its usual PBV policies, the CHA will allow residents of MP3 to place their names on the CHA's PBV transfer list and, when apartments elsewhere in other project based properties become vacant, the CHA will forward all names on the waiting list to that owner for screening and selection.

c. Rent for Stayers

Those residents staying at MP3 with a PBV will pay 30% of adjusted income for rent and utilities. If the family experiences a change of income, they may report it and their portion of the rent is adjusted up or down but continues to be based on 30% of their income (minus the CHA utility allowance for tenant paid utilities).

Although these PBVs will be part of the Cambridge Housing Authority's Moving to Work (MTW) program, the CHA will use the federal regulations for the PBV program (currently found at 24 CFR 5.601 – 5.634) and \$50 as the 'minimum rent' required (for rent plus utility allowance).

In addition, for mixed immigrant families, the CHA will use, as a total tenant payment, 30% of adjusted monthly income plus 10%. The CHA will use its own utility allowance schedule for tenant paid utilities, rather than the MassHousing schedule previously in use.

d. Rent for Movers

When a resident in a PBV apartment requests and obtains a Tenant-Based Voucher (which may involve a wait, as described above), the Tenant-Based Voucher is subject to the CHA's MTW and Rent Simplification rules. A summary of the Rent Simplification rules can be found in Attachment C.

3. Tenants who are Over-Income for Enhanced Vouchers and PBV

For all current MP3 residents who are not income- or otherwise eligible for either an EV or a PBV, rents will eventually be converted to the Section 8 contract rent for the unit, which is approximately the market rent for the unit, subject to the limitations on rent increases and the phase-in conditions described below. The contract rent is expected to be at the levels listed below:

Size	Contract Market Rent	Utility Allowance	Gross Rent
2	1,882	60	1,942
3	2,345	74	2,419
4	2,539	91	2,630

4. Rent Increases and Phase-in

Some tenants, who qualify for EVs or PBVs, as well as others who do not because they are over-income, may experience a rent increase under the new program. In most cases, these tenants have been paying less than 30% of income for rent plus utilities in the past. In accordance with federal law, no rent increases will be implemented for at least 60 days following the mortgage prepayment and tenants will receive proper notice of any increase.

The Owner is committed to limit rent increases for households that fully cooperate with rent certification process in three ways:

- (1) Tenants' increased rents plus utility allowance will not exceed 30% of adjusted income (or gross income for tenants not eligible for subsidy). This is standard for most federal programs.
- (2) Rents will be capped further at the market rent for the unit (or the contract rent for PBVs, if the tenant opts for this program).
- (3) For households that do not qualify for the project-based and/or the enhanced voucher programs, a base rent will be established based on the rent amount during the time of the property conversion. The base rent for non-qualifying households will increase by 3% each year of tenancy after the property conversion date, not to exceed more than 130% of FMR.

5. Over-Housing

- a. For all tenants, the determination of whether a household is over-housed (living in an apartment which has more bedrooms than are needed for the number of people living in the household) will be based on CHA standards. The current standards can be found in Attachment F. The rules for when an over-housed tenant is required to transfer and what rent and utility allowance the CHA will use vary by program as described more specifically below.

Over-housed tenants *with enhanced vouchers* may be required to move to a smaller, more appropriately-sized unit at MP3, if and when such an apartment becomes available. If the household refuses to move to a smaller apartment that is offered to them, the amount of rental subsidy they receive (if any) may be reduced and they will generally be required to pay the difference between the rent in their current apartment and the rent in the smaller unit they were offered. Over-housed tenants with EVs may remain in the current units without paying additional rent (with the Owner receiving the subsidy and tenant receiving the utility allowance for the unit size occupied) until a smaller unit at the property becomes available for them. Existing residents who are over-housed at the time of mortgage prepayment, and for whom no appropriately-sized unit exists at MP3, shall be exempt from this policy and may stay in place without paying additional rent. This exemption applies only to residents occupying the unit at the initial issuance of EVs and will not apply to residents who subsequently join the household. Subsequent occupants will be subject to the standard policy.

Over-housed tenants *who qualify for and receive PBV assistance* may be asked, but are not required to move to a smaller, more appropriately-sized unit if and when such an apartment becomes available at MP3. If the family has not relocated to an appropriately

sized unit by their next recertification, they will be assessed an 'under-use' fee in addition to their rent. The fee will be equal to 20% of their total monthly rent. The Owner will receive the subsidy, and tenant will receive the utility allowance, for the unit size occupied. Existing residents who were over-housed at the time of mortgage prepayment, and for whom no appropriately-sized unit exists at MP3, shall be exempt and may stay in place without paying additional rent. This exemption applies only to residents occupying the unit at the initial issuance of PBVs and will not apply to residents who subsequently join the household. Subsequent occupants will be subject to the standard policy.

Over-housed tenants *without any subsidy* will be required to pay the lower of: the maximum (market) rent for the unit size they occupy, or 30% of adjusted income minus the CHA utility allowance. They may be offered a smaller unit if one is available. If they decline to move to that unit, the family will be charged the maximum (market) rent for the unit size they occupy, regardless of income

- b. Tenants Households. For all tenants, the determination of who the members of the tenant household are will be based on CHA standards. A copy of CHA's current definition of "household" is attached as Attachment G. For tenants currently residing at MP3, all unit occupants who are co-signors on the latest lease, or listed as authorized residents on the lease, or who show proof of non-transient residency in the units for a period of at least 2 years, will be considered to be members of the tenant household, regardless of familial relationship, if:
 - i. They intend to continue residing in the unit and provide documentation needed to include them in the calculation of the total household income; and
 - ii. For adults with countable income, their income was included in any income certification or recertification completed since that person joined the household, or they submitted a "no income" statement for that certification.

6. Miscellaneous Provisions

The Owner will not displace any current resident of MP3 except for good cause related to tenant fault.

For current residents of MP3 who elect either an enhanced voucher or a PBV, the CHA will screen (and may deny) said residents only for income eligibility, immigration eligibility, student status, and the federally mandated reasons found at 24 CFR 982. 552(b) and 982.55.3

7. Vacant Units. As it is understood that the Owner may wish to hold and use some vacant units for construction and renovation purposes, CHA will make back-up vouchers available

for units which are vacant at the time of the execution of the HAP Contract. As noted below, these back-up vouchers may be utilized at any point during the initial term of the 15 year HAP Contract.

C. REHABILITATION

1. Repairs

The Owner, or its designee, intends to invest approximately \$19 million to do capital repairs and modernization at the property subsequent to prepayment and refinancing. The eventual scope of work is dependent on a funding availability and contractor pricing and is anticipated to include some or all the following:

- New exterior siding and insulation, windows and roofing
- New or repaired exterior stairways
- Improvements to walkways, landscaping and drainage
- Replace selected floors, kitchen cabinets, and appliances
- Install, where needed, new bathroom vanity & counter, fixtures and flooring
- Foundation repairs, as needed

This renovation work will commence shortly after the Owner, or its designee, refinances the property. The work is expected to occur over about an eighteen month period. The Owner and its property manager will be responsible for coordination of construction around current occupants, including appropriate notice, security, and temporary relocation of residents where necessary to perform more extensive work.

If there are units at MP3 which require temporary relocation due to extensive renovations, while such units are vacant and under renovation, the CHA shall continue to pay subsidy for these units and residents will continue to pay their share of rent. The Owner will cover the rent for the temporary apartment and all relocation expenses for moves from and back to MP3.

2. Handicapped Accessibility

The Owner plans may include converting one apartment into a handicapped-accessible unit. If there is a household at MP3 in need of a unit with the accessibility features, that household will have the option to transfer to the new accessible apartment. All affected residents will be notified and given a relocation agreement which comports with applicable federal relocation laws and this Agreement

D. FUTURE TENANT SELECTION

1. The Owner will continue to maintain a waiting list for MP3 based on date of application, preferences, and emergency criteria. When a vacancy is anticipated in a PBV unit at MP3, the owner or manager will notify the CHA's Leased Housing Department and The Owner or its manager will screen such applicants in accordance with its Tenant Selection Plan, as approved by the CHA.

Whenever required, applicants will go to the CHA offices to be income-certified.

E. PROCESS AND RESPONSIBILITIES

If the Owner or its assignee refinances MP3, then the Owner, any assignee, and the CHA agree to comply with provisions stated above. If at least 80% of the residents of MP3 agree to the conversion from EV to PBV, on the provisions specified above, then:

1. The Owner will move forward with its plans to refinance the property, likely in 2015;
2. The Owner will pay off the current financing, which in turn will trigger HUD to set aside funding for the issuance of Enhanced Vouchers for all households.
3. A representative from the CHA will come to the property to meet with each family and determine income eligibility for receipt of an enhanced voucher and if the family has opted to convert, for participation in the PBV program.
4. To be eligible for an enhanced voucher, annual family income must be at or below 95% of AMI. (See Attachment D).
5. To be eligible to participate in the PBV program, annual family income must be at or below 80% of AMI (See Attachment D).
6. Any family that has opted to participate in the PBV program but is subsequently determined to be over-income for a PBV will be reviewed for receipt of an Enhanced Voucher which has higher income thresholds.
7. Once each family has been income certified, the CHA will apply to HUD for sufficient funding to provide voucher funding on behalf of each income eligible.
8. The Owner and the CHA will enter into a minimum fifteen-year Housing Assistance Payments (HAP) Contract for a specified number of apartments in the property. While The Owner needs the number of units to be as close to 120 as possible, there are several factors that will effect the final number achieved. They include:

- i. Number of current residents who are not income-eligible for either the enhanced voucher or the PBV.
- ii. Number of current residents that are only income-eligible for participation in the enhanced voucher program and do not qualify for PBVs.
- iii. Number of current residents that elect to keep the enhanced voucher and not participate in the PBV program.
- iv. To offset this risk, CHA has pledged back-up vouchers to offset any shortfall from the above in an amount sufficient to ensure that no fewer than 90% (108) units will have PBVs or available back-up vouchers, and if possible to cover all 120 units. The specific number of back-up vouchers needed will be established at execution of the HAP contract and will be set to ensure that the sum of PBV and back-up vouchers is no less than 108.

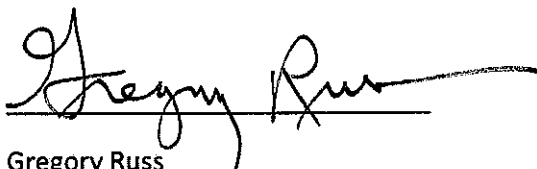
(a) The back-up vouchers will be used to cover the shortfall as a pledge over the life of the initial 15 year contract.

(b) See Attachment E for an example of how this works.

- 9. The Owner, as a condition of the HAP contract, will keep the property affordable for the duration of the contract, with a commitment to renew on comparable terms if such a HAP contract is offered, with the goal of keeping the property affordable in perpetuity. The CHA will offer to renew the HAP contract on comparable terms provided that the Owner is in compliance with the contract, subject to continuation of its Moving to Work authority (or alternative authority), and availability of funding from HUD.

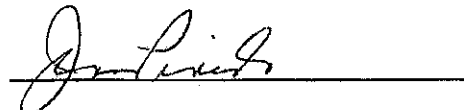
SO AGREED:

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Attachment A
[Not Applicable to MP3]

Attachment B

MINIMUM RENT

FOR THOSE WHO STAY AT MP3 APARTMENTS WITH ENHANCED VOUCHERS

Enhanced voucher minimum rent would be the greater of the percentage of income the tenant paid toward rent at the time of conversion, or 30% of their adjusted monthly income.

FOR THOSE WHO STAY AT MP3 APARTMENTS WHO ELECT PROJECT BASED ASSISTANCE

Residents who choose to stay with project-based assistance will pay 30% of their adjusted income for rent but not less than a \$50 a month minimum rent.

Attachment C

RENT SIMPLIFICATION POLICY OVERVIEW Moving to Work ("MTW") Housing Choice Vouchers ("HCV")

Determining Income:

Assets: CHA excludes income from assets worth less than \$50,000.

Income: Prospective and past income can be used to calculate income for the purpose of rent determination.

Determining rent:

Annual Income: means all amounts, monetary or not, which go to, or on behalf of the head of household or spouse (even if temporarily absent) or to any other household member; or are anticipated to be received from a source outside the household during the 24-month period following admission.

Adjusted Income: the income upon which income-based rent is based, means Annual Income less the allowable childcare or medical deductions.

Rent is calculated at 30% of your adjusted income.

Minimum Rent: The minimum rent any household can pay before adjustment for utilities is \$50.00 month. Households paying minimum rent are referred to social service providers for benefit counseling.

Zero Income Households:

Households claiming zero income pay zero rent for 90 days. Households claiming zero income after 90 days are required to provide a certification of zero income and a family budget form. After 90 days household will pay a minimum rent of \$50. Utility Assistance Payments (UAPs) are not paid to families claiming zero income.

Recertification:

- Annual / Biennial Recertification's: Household incomes and rents are recertified annually. Elderly and or disabled household are recertified biennially.

- **Interim Recertifications:** Households who experience significant drops in income or increased eligible childcare and/or medical expenses can have an interim recertification to temporarily reduce their rent. Households paying interim rents must report any change in the circumstances that required the rent decrease within 30 days and have their rent readjusted.
- **Number of Interims Allowed:** Family households are limited to 1 interim rent adjustment between regularly scheduled annual recertifications.
- There is no limit on the number of times an elderly or disabled household can request an interim Recertification between regularly scheduled annual recertifications.

Hardship Waivers:

Eligibility: Households experiencing significant, unexpected, long-term (expected to last more than 30 days) drops in income or increases in eligible expenses may apply for and receive a Hardship Waiver.

Criteria: Household paying more than 50% of adjusted income towards rent and utilities.

Hardship Applications are reviewed by CHA's Hardship Committee. If a Hardship waiver is granted, it counts as an interim recertification.

Family households can apply for Hardship waivers even if they've used the interim permitted between annual recertifications.

Attachment D

HUD Income Limits for City of Boston

Household Size	80% Area Median Income (AMI)	95% AMI
	Project-Based Vouchers (5/1/15)	Enhanced Vouchers (9/26/14)
1 person	\$48,800	\$62,600
2 persons	\$55,800	\$71,500
3 persons	\$62,750	\$80,450
4 persons	\$69,700	\$89,400
5 persons	\$75,300	\$96,550
6 persons	\$80,900	\$103,700
7 persons	\$86,450	\$110,850
8 persons	\$92,050	\$118,000

Attachment E
BACK-UP VOUCHERS

To illustrate how the pool of back-up voucher is intended to work, let's assume that of the 120 households living at MP3, 2 are determined to be over-income for enhanced vouchers and 4 are determined to be over-income for PBVs. That leaves 114 households that are eligible for PBVs, as follows:

Total households	120
Not eligible for EV	-2
Not eligible for PBV	-4
Total units eligible for project-basing	114

Of the remaining 114, let us assume that 98 have signed binding commitments to participate in the PBV program, while 16 have declined to convert to PBV.

Eligible families	114
Families opting for EV/declining PBV	-16
Families opting to convert to PBV	98

In this example, the Owner can obtain only 98 PBVs and is 22 (2+4+16) vouchers short of its goal of project-basing all 120 units. CHA has established a pool of back-up PBVs that would permit the Owner to obtain PBVs for these units as they turn over and are occupied by new eligible households. Under these circumstances, the HAP contract for MP3 would be for 98 units with an agreement for an additional 22 vouchers to be added over the life of the contract.

Attachment F

OCCUPANCY STANDARDS

Bed Rooms	Minimum Persons Per Unit	Maximum Persons Per Unit
2	2 persons	4 persons
3	3 persons	6 persons
4	4 persons	8 persons

The following principles govern the size of the subsidy for which an applicant will qualify:

- a. Generally, two people are expected to share a bedroom.
- b. Two children will be required to share a bedroom except as follows: (i) children of the same sex, seventeen years of age and below, whose birth dates are more than ten years apart, will not be required to share a bedroom; (ii) children of different sexes will share a bedroom, with the oldest permissible age for sharing set at seven years of age.
- c. Adults (eighteen and over) who are spouses or in an equivalent relationship are required to share a bedroom.
- d. Adults (eighteen and over) who are co-heads are not required to share a bedroom although they may do so at their request.
- e. Adults (eighteen and over) who are neither spouses nor co-heads are not required to share a bedroom although they may do so at their request;
- f. A single head of household parent will not be required to share a bedroom with his/her child, although they may do so at their request.
- g. An unborn child will not be counted as a person in determining subsidy size.
- h. Subsidy size will be determined by the household members present (including custody arrangements) at the time of screening with exception made for household members temporarily away for school or military service or children in temporary custody of an agency,

provided that there is expected reunification within the ensuing twelve-month period.

- i. In cases of joint legal or physical custody, the household will be awarded a bedroom only if it can be shown that, over the past twelve months, the child has spent more than 50% of their time living with the household. This is defined as 182.5 days of the year, which do not need to run consecutively. In no event can a child receive federal subsidy concurrently at more than one unit.
- j. While a live-in aide may be assigned a bedroom and added to the lease as a permitted occupant, the aide has no survivorship rights to the subsidy. Single elderly or disabled households with live-in aides will be assigned a two-bedroom subsidy.
- k. CHA does not permit a live-in aide's family members to reside in the subsidized apartment.
- l. Foster children or foster adults who are listed on the application or lease will be housed in accordance with the guidelines above.
- m. Living rooms may be used as a bedroom at a household's discretion, subject to the State Sanitary Code.

Attachment G

DEFINITION OF A HOUSEHOLD

For purposes of determining subsidy

Head of Household

The adult member of the household who is the head of the household for purposes of determining income eligibility and rent and has legal responsibility for lease compliance.

Household

A household can be any of the following:

1. Two or more persons residing in the same dwelling as their primary residence:
 - a. All of whose income and resources are available to meet the households needs; and
 - b. Who are related by blood, marriage, or operation of law; or
 - c. Who have otherwise evidenced a stable inter-dependent relationship.
3. One Person.
4. Disabled Household. A household whose head, spouse and/or sole member is an elderly person. The term "elderly household" includes an elderly person, two or more elderly persons living together, and one or more persons who are determined to be essential to the care or well-being of the elderly person or persons. An elderly household may include elderly persons with disabilities and other household members who are not elderly.
5. Elderly Household. An individual who is at least sixty (60) years of age.

The following instances **do not** meet the definition of a household:

1. Boarders, lodgers or transient paying guests;
2. Unrelated adults who have not lived as household members on a regular basis.