

# **TENANT SELECTION PLAN**

## **Lathrop Homes - Phase IA Chicago, Illinois**

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## I. INTRODUCTION

This Tenant Selection Plan (the "Plan") outlines the procedures that Related Management Company, L.P. ("Management") will follow in selecting residents for Lathrop Homes - Phase IA (the "Development"). The policies outlined in this Plan will remain in effect for Phase IA ("Phase IA"). The specific unit mixes and income restrictions listed in this Plan relate specifically to Phase IA.

Management is responsible for implementing the procedures outlined in this Plan.[Lathrop Homes IA, LP, an Illinois limited partnership] is the owner ("Owner") of Phase IA.

## II. PHASE IA UNIT MIX & INCOME RESTRICTIONS

The Development consists of 413 apartment units and is a mixed income development offering rental housing across a broad range of programmatic and income eligibility. The program and income eligibility will be maintained as follows:

- A. **LIHTC Units** – At least 242 units shall be subject to the provisions of the Federal Low Income Housing Tax Credit program ("LIHTC Requirements"). Households that meet the LIHTC Requirements must have incomes at or below 60% of Area Median Income ("LIHTC Units").<sup>1</sup>
- **Rental Assistance Demonstration ("RAD") Units** - Of the 242 LIHTC Units, 151 units shall be designated as RAD Units ("RAD Units") and subject to the Chicago Housing Authority ("CHA") Leaseholder Housing Choice and Relocation Rights Contract (hereinafter "RRC"). The RAD Units shall meet the following additional income restrictions:
    1. 69 RAD Units shall consist of households that have incomes at or below 60% of Area Median Income.
    2. 82 RAD Units shall consist of households that have incomes at or

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<sup>1</sup> Notwithstanding any provisions of this Plan to the contrary, in the event of any conflict between the Plan and the LIHTC Requirements, the LIHTC Requirements shall govern. If an existing household occupying a tax credit unit experiences a change in income so as to no longer be considered income eligible for that unit, the household may remain in the rental unit. In such an event, Management will make every effort to maintain the minimum number of units rented to income eligible households as required under the tax credit program.

below 30% of Area Median Income.

Notwithstanding the foregoing, an applicant who is an existing resident of Lathrop Homes on the date of its conversion to the RAD program (an “Existing Lathrop Applicant”) shall not be subject to the foregoing income restrictions during the term of his or her RAD Unit lease, if and as renewed. However, when the Existing Lathrop Applicant ceases to lease the RAD Unit, the next applicant must satisfy the foregoing income restrictions in order to be eligible for the RAD Unit.

- B. **80% Units** – At least 10 units shall be made up of households with incomes at or below 80% of Area Median Income (“80% Units”).
- C. **Market Rate Units** – Up to 161 units shall be considered unrestricted with no income restrictions (“Market Rate Units”).

### III. SPECIAL OCCUPANCY CATEGORIES & PREFERENCES

Applicants with preferences are selected from the Development Waiting List and receive an opportunity for an available unit earlier than those who do not have a preference. Preferences affect only the order of applicants on the Development Waiting List, and do not guaranty admission. They do not make anyone eligible who was not otherwise eligible, and they do not change the Owner’s right to adopt and enforce tenant screening criteria. If an applicant demonstrates that he or she qualifies for a preference, the applicant with the preference will be evaluated under the Owner’s tenant screening criteria before an applicant who does not qualify for a preference.

#### A. Priority for Applicants for RAD Units

Applicants for a RAD Unit may include (a) an Existing Lathrop Resident who is not subject to the RRC, (b) an Existing Lathrop Resident who is subject to the RRC, (c) an applicant who is subject to the RRC but is not an Existing Lathrop Resident (any applicant who is subject to the RRC is hereafter an “RRC Applicant”), and (d) other public housing applicants from a CHA waiting list (a “CHA Waiting List Applicant”). The tenant screening criteria used at initial occupancy of a RAD Unit and the priority in which an applicant is considered by the Owner may depend upon which of the foregoing categories applies to the applicant.

With respect to each RRC Applicant, his or her preference priority will be determined in accordance with the level of priority established by the RRC.

The CHA will provide Management with a list (or access to a database) of all families subject to the RRC that have elected the Development as their permanent housing choice and that are Authority-Lease compliant (the "RRC List"). The RRC List will also reflect an order of priority for admission consideration established by the CHA, in compliance with the Housing Offer Process ("HOP"). These preferences shall remain in effect until all applicants on the RRC List have been exhausted.

Screening criteria described elsewhere shall apply to the consideration of admission of all Development applicants, including RRC Applicants and CHA Waiting List Applicants. Pursuant to RAD conversion regulations and related written guidance, Existing Lathrop Applicants will not be screened at initial occupancy. Notwithstanding the foregoing, each Existing Lathrop Applicant household will be subject to re-examination for on-going tenant eligibility criteria as identified in both Section VI of this Tenant Section Plan and the resident's RAD Unit lease (collectively, the "Re-Examination Criteria") at the household's first re-examination on the anniversary of its lease; provided, however, that Management and Owner shall not consider as part of the re-examination any tenant eligibility criteria that occurred prior to the effective date of the household's RAD Unit lease. Management and Owner may consider tenant eligibility criteria that occurred after the effective date of the household's RAD Unit Lease (e.g., Management and Owner shall not consider criminal activity committed by an Existing Lathrop Applicant prior to the effective date of his or her RAD Unit lease, but may consider an Existing Lathrop Applicant's criminal activity occurring after the effective date of the RAD Unit lease).

In the event that an Existing Lathrop Applicant fails to satisfy the Re-Examination Criteria upon re-examination, Management shall notify the resident and CHA, and the CHA shall promptly transfer the resident to a unit outside the Development in accordance with the RRC. Management maintains the right to terminate the lease of any resident who (i) does not accept an offer of transfer in accordance with the RRC, and/or (ii) does not otherwise satisfy the Re-Examination Criteria.

Except as recognized in Section II-A with respect to Existing Lathrop Applicants, the order of admission to the RAD Units shall at all times be governed by the requirement that all RAD Units shall be occupied by residents in accordance with the income requirements set forth in Article I hereof. In addition, preferences for and admission to the RAD Units shall be governed by any applicable "Gautreaux Orders" entered pursuant to the U.S. District Court for Northern Illinois in *Gautreaux vs. CHA et al.*, Nos. 66 C 1459 and 66C

1460.<sup>2</sup>

B. Priority for Applicants for Accessible Units

Management will give priority for accessible units to applicants with disabilities who require the accessible features of the unit over applicants without disabilities who do not require such accessibility features. Unless an applicant requests priority placement in an accessible unit, Management will not inquire whether an applicant for a dwelling, a person intending to reside in that dwelling unit after it is rented and made available, or any persons associated with that person, has a disability or inquire as to the nature or severity of the disability of such person.

C. Priority for Existing Residents who Require A Unit Transfer

Preference will be given to a household already in occupancy that requires a transfer as a reasonable accommodation for a disability, or because of a change in household size or composition that results in the unit being over occupied or under occupied based on the occupancy standards set forth in this Plan. If applicable, an existing household that requires a different unit size or type will have a priority over other households on the Development Waiting List for the unit that has become vacant, and will be provided an opportunity to transfer to the vacant unit in the following order of preference:

1. A household requiring a unit transfer as a reasonable accommodation for a disability;
2. A household requiring a unit transfer because of a change in household size or composition that results in the unit being over occupied or under occupied based on the occupancy standards set forth in this Plan.

**IV. WAITING LIST PROCEDURES**

A. Distribution of Preliminary Application Forms

For any Development unit size or type that maintains a Waiting List, Management will provide a Preliminary Application (Exhibit \_\_) to all persons

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<sup>2</sup> Gautreaux v. CHA et al., No 66 C 1460 and the consent decree thereunder was terminated in 1997.

making inquiries about residing in the Development. The Preliminary Application will collect limited information from the applicant to determine whether they meet threshold eligibility requirements and may be placed on the applicable Development Waiting List(s), including but not limited to such things as household income, household size, and need for an accessible unit.

For all other persons making inquiries about residing in the Development, a full application will be provided (Exhibit \_\_\_ ) and the procedures set forth in Section V below will be followed.

**B. Processing Preliminary Applications**

1. Management will file and log in order of receipt all returned Preliminary Applications, indicating the time and date received.
2. Management will maintain all Preliminary Applications on-site for a period of three years, and will update information as necessary.

**C. Placement on the Development Waiting Lists**

For each applicable program (LIHTC Unit, 80% Unit, and Market Unit) a Development Waiting List for each applicable unit size and type will be maintained as necessary. Persons who submit a Preliminary Application will be placed on each Development Waiting List for which they are eligible as of the date and time their Preliminary Application was received by Management; provided, however, that priority will be given to those who qualify for any preference as described in this Plan.

Those applicants determined to be ineligible based on the information provided in the Preliminary Application will receive a rejection letter (Exhibit \_\_\_ ) specifying the reason for ineligibility and informing the applicant that they can meet with Management to discuss the reason for ineligibility.

The Development Waiting List for RAD Units shall be initially derived from the RRC List developed by the CHA. Upon exhaustion of, or in concurrence with the RRC List, the Development Waiting List for RAD Units will be derived from the CHA general public housing Waiting List.

**D. Contacting Persons on the Development Waiting List**



1. RAD Units. When Management anticipates a RAD Unit becoming available or when a RAD Unit actually becomes available, Management will contact and notify the CHA to process applicants from the CHA Waiting List. CHA will provide Management with the names and contact information of up to fifty (50) applicants at a time to interview from the CHA's Waiting List. Management will schedule and complete an interview with all applicants referred by the CHA and have each applicant complete an application for the available RAD Unit size and type. CHA will permit Management to pre-qualify applicants as described above from the CHA Waiting List pending a unit vacancy. Approved applicants can remain in such a pre-qualified status for up to ninety (90) days before CHA will return their names to the CHA general public housing Waiting List.
2. Non RAD Units. For non-RAD Units for which a Development Waiting List is maintained, if Management anticipates a unit becoming available and chooses to pre-qualify applicants, or when a unit actually becomes available, the first 5 people on the Development Waiting List for that unit size and type will be contacted by telephone as well as first class mail to schedule an interview. Management will complete the initial telephone calls and mailings to these individuals on the same day.
3. Pre-qualifying Applicants when a Vacancy is Anticipated. If Management anticipates a unit becoming available and is pre-qualifying applicants in advance, the household that is highest on the Development Waiting List and completes the interview, has all third party verifications returned, otherwise has the application file completed at the time the unit becomes available, and meets all tenant selection criteria will be offered the unit. Those persons who respond as required and are not offered the unit, but still appear qualified at that time, will be notified that the unit has been rented and that he/she will retain his/her position on the Development Waiting List.
4. Qualifying Applicants when a Vacancy Exists. If a unit is available and Management has not pre-qualified any applicants, the household that is highest on the Development Waiting List and is first to complete the interview, have all third party verifications returned, otherwise have the application file completed, and meets all tenant selection criteria will be offered the unit. Those persons who respond as required and are not offered the unit, but still appear qualified at that time, will be notified that the unit has been rented and that he/she will retain his/her position on the Development Waiting List.

Those applicants who were not offered the unit but were eligible to remain on the Development Waiting List will be considered pre-approved if they have otherwise completed the entire application process and met all tenant selection criteria. When another unit of the same size and type is expected to become available or actually becomes available, the pre-approved applicant who is highest on the Development Waiting List will be offered the unit. If more than 120 days have passed since the date Management received the pre-approved applicant's verifications, Management will re-verify the necessary information. If the applicant is no longer qualified for the unit, Management will inform the applicant of this fact. Management will then contact and process the next highest, pre-approved applicant on the Development Waiting List. If there are no more pre-approved applicants on the Development Waiting List, Management will contact persons on the Development Waiting List as set forth in paragraph D3 or D4 of this Section.

If an applicant is offered and refuses a unit for any reason other than one that is medically related, his/her name will be removed from the applicable Development Waiting List and no further effort will be made to contact that individual.

When an interview is scheduled but the applicant fails to attend and makes no attempt to inform the office or reschedule within 1 business day of the appointment, the applicant's name will be removed from the Development Waiting List. If the applicant contacts or attempts to contact the management office within 1 business day of the appointment and demonstrates that he or she had good cause for missing the first appointment, such as a serious illness or accident, another appointment will be scheduled. If the applicant again fails to attend the interview, the applicant's name will be removed from the Development Waiting List.

If an applicant's name is on more than one Development Waiting List maintained by Management, the removal of the applicant's name from one list for refusing a unit or failing to attend an interview will not affect his or her status on any other Development Waiting List. However, if an applicant's name is on more than one Development Waiting List and the applicant is (a) rejected for failure to meet any of the eligibility or selection criteria under this Plan other than household size (i.e., not income qualified, poor credit history, criminal record, negative landlord reference, etc.) or (b) approved and accepts a unit, the applicant's name shall be removed from all other Development Waiting Lists.

E. Updating the Development Waiting List

The Development Waiting Lists will be updated at least once every twelve (12) months in the following manner: Management will send a letter to each applicant on the Development Waiting List. The letter will inform the applicant to return the included Reply Card if the applicant still wants to live at the Development. The applicant will have thirty (30) calendar days from the date Management sent its letter to respond. If Management receives no response, Management will remove the applicant's name from the Development Waiting List and send a letter informing the applicant of this action. The foregoing process shall not apply to the RRC and CHA Wait Lists.

F. Removal from Development Waiting List

Management will remove names of applicants from the Development Waiting List for the following reasons:

1. Applicants whose correspondence from Management the U.S. Postal Service marked as "Undeliverable."
2. Applicants who indicate that they are no longer interested in remaining on the Development Waiting List.
3. If the Development Waiting List is open, applicants whose names have been removed from the Development Waiting List for the above reasons or pursuant to paragraph E. above, may re-apply to have their names placed back on the Development Waiting List as of the date and time they re-submit their application.

G. Closing the Development Waiting List

Once the number of Applications for a unit size equals three times the total number of units for that size inside the Development or if the Development has attained ninety-five percent (95%) occupancy, then Management does not have to accept any additional Applications.

H. Reopening the Development Waiting List

If, based on the maximum number of Applications, it is anticipated that all persons who have submitted Applications for a specific unit size will be housed within the next twelve (12) months, the Development Waiting Lists for that unit size only will be reopened and Applications will again be accepted. Management will present the notice of the reopening of the Development Waiting Lists to prospective residents. For the RAD Units, prospective public housing residents will be notified in accordance with utilizing the RRC, and the general CHA public housing Waiting List.

All notifications of the opening of the waiting list will be completed through advertising and outreach efforts in compliance with applicable fair housing marketing requirement and the HUD approved Affirmative Fair Housing Marketing Plan for the Development. Notices will also issued so as to comply with HUD's limited English proficiency requirements.

## **V. APPLICATION PROCESS**

### **A. Applicants with Disabilities and Reasonable Accommodations**

Management will make reasonable accommodations in policies or reasonable modification of common or unit premises for all applicants with disabilities (as defined in applicable federal, state or local law) who require such changes to have equal access to any aspect of the application process (e.g. providing alternative methods of application in-take such as accepting mailed or online applications) or to the development and its programs and services. The Agent will, for example, arrange for sign language interpreters or other communications aides for interviews during the application process.

### **B. Application Requirements**

The following shall be application requirements for all Development Units, except where otherwise noted.

1. A written application will be taken for all units.
2. A credit and criminal background report will be ordered for all household members 18 years of age and older, including a check of all state sex offender registration programs that provide such information. If the applicant meets the credit and criminal background standards for the Development, a verification of household income and assets will be obtained for all unit types.

3. The following actions will also be taken with regard to applicants for LIHTC and RAD Units:
  - a. Verification of Social Security Card information for all household members.
  - b. Copies of birth certificates for all household members will be obtained.
  - c. For LIHTC Units, Student Eligibility under the LIHTC program will be verified: If all household members are identified in the application are students, each adult applicant member's student status must be verified. In order for a household in which all members are full-time students to be eligible at least one of the following exceptions must also be verified:
    - (i) The full-time students are married and file a joint income tax return. A copy of each student's most recent income tax return must be provided.
    - (ii) The full-time students are single parent(s) and their children are not dependents of another individual. A copy of each student's most recent income tax return must be provided.
    - (iii) Verification must be obtained showing that at least one full-time student household member is currently enrolled in a job-training program under the Job Training Partnership Act or other similar Federal, State or Local program.
    - (iv) Verification must be obtained showing that at least one full-time student household member is currently receiving assistance under Title IV of the Social Security Act.

If none of the above exceptions applies and all members of the household are full-time students, the household is not eligible for housing. Full-time students include individuals who are or will be attending grades K-12 or a college, university, or institute of higher learning for 5 or more consecutive months in the next 12-month period and whose student status is defined as "full-time" by the applicable educational institution.

- d. For any LIHTC Unit and RAD Unit for which a resident receives a

project-based voucher, all household members must also meet the student eligibility requirements of the Section 8 project-based voucher program in order to be eligible for housing.

- e. Previous and current landlords (for at least 5 years of housing) will be verified and documented for each applicant. This includes housing for applicants who were previously homeowners or lived with parents/guardians.
  - f. Household composition will be verified or certified as necessary.
4. Each application must include documentation demonstrating that each applicant is Working, as that term is defined below, or exempt from the Working requirement. An applicant is considered to be Working if he or she provides documentation clearly demonstrating that the applicant's household meets the following criteria:
- a. any one or more adult household members (ages 18 and older, or between the ages of 17 and 18, if the household member has dropped out of school) are:
    - (i) employed;
    - (ii) enrolled and consistently attending a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes;
    - (iii) engaged in a verified job search and/or regularly attending employment counseling;
    - (iv) participating in basic employment skills training; and/or
    - (v) engaged in verified volunteer community service opportunities with a bona fide non-profit charitable organization registered with the State of Illinois; *and*
  - b. the cumulative average number of hours engaged in work or in qualifying work-related activities described above in subsections 4(a)(ii) through (v), inclusive, by such adult household member(s) is, on a weekly basis, not less than thirty (30);<sup>3</sup> (provided, however, that a household may not claim more than fifteen (15) volunteer community

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<sup>3</sup> For example, if the Head of Household works 20 hours a week on average, and a second adult household member works 15 hours a week on average, this would meet the minimum 30 hour work week requirement.

service hours towards the thirty (30) hour cumulative weekly requirements).

An applicant household is considered exempt from the Working requirement if all adult members of the household meet one or more of the following exemption criteria:

- a. are at least 62 years of age or older;
- b. are persons with a disability with verification that the disability precludes working;
- c. are primary caregivers of a disabled individual(s) with verification of disability and status of the caregiver; or
- d. receive a pension or otherwise have sufficient assets to meet all rent obligations for the term of the lease.

Owner and Management shall monitor and, where appropriate from time-to-time, secure third-party verifications of each resident household's efforts and activities to comply with the Working requirement, including any claimed exemption from the Working requirement. Any applicant who fails to satisfy the Working requirement (or fails to have a documented exemption to the Working requirement, as applicable) shall be ineligible for occupancy of any Development unit.

#### C. Completion of the Application Process

Management will process all applications within thirty (30) calendar days after the date of the applicant's initial interview or within ten (10) calendar days of receipt of all required documentation, whichever is later.

## VI. ELIGIBILITY AND SCREENING REQUIREMENTS

Meeting the eligibility requirements under this Section VI does not automatically qualify an applicant for residency. Management will also consider the ability of the applicant to fulfill the obligations of tenancy, including but not limited to paying rent and other charges, caring for and avoiding damage to a unit and common areas, and refraining from engaging in activities that would threaten the health, safety or right of peaceful

enjoyment of the premises by others. For the purpose of the RRC, except where subject to the CHA Grievance Procedure, the criteria under this Section VI shall be deemed property specific requirements ("Screening Criteria") and are as follows:

A. Income

1. Income eligibility is set forth in Section II above. If an applicant's income exceeds the income requirement of any restricted unit, Management may refer the applicant to another housing opportunity. Annual income recertifications will be required for restricted units.
2. Applicants, with the exception of applicants for RAD Units, must have income sufficient to pay the rent plus utilities.

B. Sole Residence

For each RAD Unit or LIHTC Unit, the unit applied for must be the applicant's sole residence in order for the applicant to be eligible for the housing. This shall be a continuing tenancy eligibility criteria for RAD Units and LIHTC Units.

C. Occupancy

The following standards will determine the number of bedrooms required to accommodate a family of a given size, except that such standards may be waived when a vacancy problem exists and it is necessary to achieve or maintain full occupancy. In addition, the minimum occupancy standards shall not apply to the Market Rate Units, except to the extent required by law. In selecting a unit size for the applicant, Management's occupancy standards, and any waivers thereof, must comply with Federal, State, and local fair housing and civil rights laws, landlord-tenant laws, zoning laws and applicable HUD Occupancy guidelines from time to time in effect.

Number of Bedrooms	Minimum No. of Persons	Maximum No. of Persons
1	1	2
2	2	4
3	3	6
4	4	8

Notwithstanding anything to the contrary, if during the term of any lease, a



child is born or adopted by the resident, and as a result of such birth or adoption, the occupancy standard established above shall be violated, the resident shall not be required by Management to move or transfer to a larger unit in order to comply with the occupancy standard until the conclusion of the term of the then-existing lease; provided that the resident shall at all times satisfy all other obligations under the lease, and the rules and regulations applicable to the leased unit.

Except for Existing Lathrop Applicants, a household's compliance with the unit's applicable occupancy requirement shall be a continuing tenancy eligibility criteria for any Development unit.

D. Age

Applicants must be at least 18 years old to be eligible for housing at the Development.

E. Insufficient/Inaccurate Information on Application or Re-Examination

Refusing to cooperate with Management during the application or re-examination process (as applicable), refusing to provide information required by Management, or supplying false information will be grounds for rejection (if the household is applying for occupancy) or termination of tenancy (if the household is a current resident seeking to demonstrate its continuing compliance with on-going tenant eligibility criteria).

F. Credit, Financial Standing & Employment History

1. Management will assess the applicant's financial ability to pay rent. Management will consider income ratios in the context of the applicant's credit, employment history, and potential for increases in income. The foregoing provisions of this Section VI shall not apply to applicants for RAD Units, who, if accepted for occupancy, will pay rent in accordance with applicable federal regulations.
2. Any unsatisfactory history of meeting financial obligations, including but not limited to the payment of rent and outstanding judgments or a history of late payment of bills as outlined below may be grounds for rejection.

All applicants (head of household and co-heads of household) will be subjected to review and will be expected to meet, at a minimum, the following standards:

- a. Delinquencies (exclusive of medical bills or student loans) may not exceed \$3,000, including but not limited to matters that have been referred for collection and civil judgments within the past seven years; provided that delinquency in excess of \$3,000 will be considered in light of any mitigating circumstances that can be documented by the applicant, such as loss of a job, illness or medical problems.
- b. No landlord judgments and no lease violations within the last seven years.
- c. Any bankruptcy must be at least three years old, with no new negative credit history; provided, however, that an individual whose bankruptcy discharge date is within the last three years will receive further consideration by Management in the case of mitigating circumstances such as excessive medical bills, loss of employment for an extended period, or divorce.
- d. Applicants for RAD Units who are not subject to the Relocation Rights Contract (RRC) may not have debt due to any public housing authority.
- e. Any outstanding delinquencies owed to utility providers in which applicant must place service in their name to reside at the Development must be paid prior to approval.

If Management rejects a rental application because of poor credit or financial standing, Management will provide the applicant with the reason for rejection and give the name and contact information of the credit bureau that provided the credit report. An applicant may appeal a rejection pursuant to Section VIII of this Plan.

3. The inability to verify credit references may result in rejection of an application. Management will consider special circumstances in which the applicant has not established a credit history, such as income, age, or marital status. In such circumstances, Management may require that a person with a history of creditworthiness guarantee the lease, if such guarantee is permissible.
4. The inability to verify income may result in the rejection of the application. Management will accept all legal forms of verifiable income. In the case of child support, the applicant must validate the child support payments by court documentation or a minimum of six consecutive months of cancelled

checks, money order receipts, or cashiers' check receipts.

The Re-Examination Criteria does not include the foregoing Credit, Financial Standing & Employment History criteria.

G. Criminal Activity

1. In accordance with HUD's PIH Notice 2015-9 issued November 2, 2015, an applicant's eligibility for housing shall not be determined solely based upon whether the applicant has an arrest record. However, Owner and Management may evaluate an applicant's arrest record to determine if, based on other available documentation regarding the circumstances of the arrest (e.g., witness statements, police reports and other relevant documentation) the person engaged in disqualifying criminal activity.
2. A household in which there is verifiable information that a member is currently engaged in the illegal use of drugs, and whose 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 will be denied admission. Verifiable information may include, for example, reliable testimony of witnesses, conviction records or self-admission.
3. A household in which a member has engaged in criminal activity or has been convicted of criminal activity that will adversely affect the reputation of the development or the health, safety or welfare of other residents within the Development as specifically described below, will be denied admission.<sup>4</sup>
  - a. An applicant or household member has ever been convicted of arson or child molestation.
  - b. In accordance with Federal law, any household containing a member who is subject to a lifetime registration requirement under a state sex offender program or an applicant or household member has ever been convicted of a crime that requires them to be registered under a state sex offender registration program including the ten-year Illinois State Sex Offender Registration Act.

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<sup>4</sup> Specific criminal activities and conviction records that will result in a denial of an application will be determined and applied pursuant to a third party criminal screening report model which will be reviewed and evaluated by Management.

- c. An applicant or household member has within the past seven years been convicted of the manufacture or production of methamphetamine.
- d. An applicant or household member has been convicted in the past seven years of a “Crime of Violence to Persons or Property.” Crimes of Violence to Persons or Property include, but are not be limited to, any degree of homicide or murder; destruction of property or vandalism; burglary; armed robbery; theft; trafficking, manufacture, use, or possession of an illegal drug or controlled substance; threats or harassment; assault with a deadly weapon; domestic violence; sexual violence, dating violence, or stalking; weapons offenses; criminal sexual assault; home invasion; kidnapping; terrorism; and manufacture, possession, transporting or receiving explosives.
- e. An applicant or household member has been evicted from any housing for criminal activity, including drug related criminal activity, within the past seven (7) years.
- f. Any applicant or household member has been paroled or released from a criminal detention facility within the last three years based on a conviction for crimes of violence to persons or property as described above.
- g. In accordance with the provisions of paragraph G.2 above, any applicant or household member has a Pattern of Criminal History that involves crimes of violence to person or property or drug-related criminal activity as documented by written police arrest or conviction documentation. A “Pattern of Criminal History” is defined to include three or more separate verified police arrests charging the applicant or household member with a crime of violence to person or property (as defined in paragraph G.3.d. above) within the last seven years (subject to Section G.1 above).
- h. Any applicant who is convicted of criminal activity involving the display, control, possession, or use of a firearm in a manner prohibited by law, within the last seven years.
- i. If an applicant has a pending criminal matter, and the applicant’s name is on a Development Waiting List, the applicant’s name will remain on the Development Waiting List until documentation is presented showing the outcome of the case.

- j. Applicants will not be rejected because of the condition of alcoholism or alcohol abuse. However, applicants will be denied admission if there is reasonable cause to believe that a household member's behavior, resulting from alcohol abuse or a pattern of alcohol abuse, may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents.

Subject to the limitations identified in Section III-A, the Re-Examination Criteria includes the foregoing Criminal Activity criteria.

#### H. Violence Against Women Act (VAWA) Policy

The Violence Against Women Act of 1994 as amended from time to time ("VAWA") provides protections to families applying for or receiving rental assistance payments under the Project-Based Section 8 program and housing under the LIHTC program. The law protects victims of domestic violence, dating violence, stalking, and sexual assault as well as an affiliated individual of such victim generally, from being denied housing assistance or being evicted as a result of an incident of, or because of criminal activity directly relating to, domestic violence, dating violence, stalking, or sexual assault that is reported and confirmed. Under the law, the following protections apply to applicants of Project-Based Section 8 and LIHTC housing.

1. Management shall not deny an application for admission or rental assistance on the basis of applicant's status as a victim of domestic violence, dating violence, stalking, or sexual assault if the applicant otherwise qualifies for admission or assistance.
2. Management shall not deny a prospective resident's application for admission or rental assistance on the basis of criminal activity directly related to domestic violence, dating violence, stalking, or sexual assault engaged in by a member of a prospective resident's household or any guest or other person where the prospective resident is the victim of such criminal activity. However, notwithstanding the protections under VAWA, if the claimed victim of such domestic violence, dating violence or stalking poses "an actual and imminent threat to other residents or those employed at or providing service to the property," his or her application for housing may still be rejected. Of paramount consideration within VAWA is that Management will not hold the claimed victim to a more demanding standard than other applicants or residents.

3. Management may request in writing that the victim, or a household member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within fourteen (14) business days, or an agreed upon extension date, to receive protection under VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in a decision to reject the application.
4. Alternatively or in addition to submitting HUD-91066, Management may accept the following as verification from the claimed victim:
  - A federal, state, tribal, territorial, or local police record or court record or
  - 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 in addressing domestic violence, dating violence or stalking or the effects of the abuse. The signatory must attest under penalty of perjury (28 U.S.C. §1746) as to his or her belief that the incident in question represents bona fide abuse, and the victim of domestic violence, dating violence or stalking has signed or attested to the documentation.
5. Management will make reasonable attempts to work with the claimed victim to mitigate the risk of disclosing information to a request for protection under VAWA to the alleged abuser, including making acceptable delivery arrangements, such as inviting the claimed victim into the management office to pick up the certification form or making other discreet arrangements.

The identity of the victim and all information provided to owner/agent relating to the incident(s) of abuse covered under the VAWA will be retained in confidence. The HUD Form 91066 provides notice to the applicant of the confidentiality of the form and the limits thereof. Management will retain all documentation relating to an individual's domestic violence, dating violence or stalking in a separate file that is kept in a separate secure location from other applicant and resident files.

I. Pets

See Lease Agreement, Attachment No.5, Pet Policy. Pets will be permitted, in accordance with the limitations and requirements set forth in Management's Pet Policy.

J. Child Care

Children living in the Development must be adequately supervised. Applicants with children under thirteen (13) years of age must provide written verification to Management that adequate day care or supervision will be provided at all times and written verification of school or job training enrollment for children older than six (6) years of age and younger than eighteen (18) years of age, or until graduation from high school.

K. Compliance with the Working Requirement.

Each resident must satisfy the Working requirement set forth in Section V.B hereto in order to be eligible for on-going occupancy of a Development unit.

L. Other Basis for Rejection of Application

Other basis for rejection of an application may include, without limitation, the following:

1. At time of application, applicant submitted funds that were not honored by the financial institution from which they were drawn. Management will consider any mitigating circumstances that can be documented by the applicant, such as loss of a job, illness or medical problems.
2. During interactions with Management, applicant behaves in an uncooperative manner, or is abusive as evidenced by objectionable conduct such as physical violence, threats, or profanity. Management shall maintain written documentation of such conduct and Management shall provide applicants, if requested, and CHA with copies of such written documentation.
3. A unit of appropriate size is not available, as determined by the Occupancy Standards in Section VI of this Plan. (This provision however shall not apply to CHA residents currently living on the Development site at the time of RAD conversion.)
4. Applicant has attempted to bribe a member of staff in order to obtain an apartment.
5. Any household member has been evicted from a Federally-assisted site for drug-related criminal activity or violent criminal activity for three (3) years from the date of eviction. However, Owner may admit the

household if (i) the evicted household member has been rehabilitated and such rehabilitation is verified; (ii) circumstances no longer exist that resulted in the eviction; (iii) the evicted household member has died or is imprisoned, or (iv) other mitigating circumstances exist relating to the nature and severity of the criminal activity that resulted in the prior eviction, and any verified facts and circumstances thereto, allows the Owner or Agent to reasonably conclude, on a case by case basis, that the household does not pose a danger to the health, safety or right to peaceful enjoyment of the premises by other residents.

6. Any household member is currently engaging in illegal drug use. Illegal drug use includes the use of any controlled substance under the Controlled Substances Act, 21 U.S.C. Section 801 et. seq. Under federal law, marijuana, including so-called “medical marijuana,” is a controlled substance under the Controlled Substances Act. As such, the Owner is required to deny admission to any household with a member who, at the time of application, is illegally using a controlled substance under federal law, as set forth in HUD’s December 29, 2014, memorandum entitled “Use of Marijuana in Multifamily Assisted Properties.”

M. Fair Housing and Civil Rights Acts

The policies under this Tenant Selection Plan have been established to minimize subjective factors in deciding whom we will select for residency. Our general approach will be to accept those applicants who meet the selection criteria as set forth in this Plan. Selection of residents will be made on an equal opportunity basis in compliance with all federal, state, and local fair housing and civil rights laws and without discrimination as to race, color, sex, religion, national origin, handicap or disability, familial status, age, ancestry, marital status, parental status, sexual orientation, gender identity, order of protection status, lawful source of income, military status or military discharge status.

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. Persons with questions or information concerning Section 504 compliance at the Development should contact the Section 504 Coordinator listed below:

Section 504 Coordinator: Kathy Maggio

Telephone Number: (312) 726-5600



TDD Number:<sup>5</sup>

7-1-1

**N. Consideration of Mitigating Circumstances:**

1. If Management receives negative screening information on an applicant, applicant may contact Management and set up a second meeting to determine whether mitigating circumstances exist that make it possible to approve the application.
2. If an applicant fails to satisfy the Screening Criteria and there is no evidence of mitigating circumstances satisfactory to Management, Management will reject the application.
3. Owner and Agent shall evaluate and re-evaluate from time to time this Tenant Selection Plan's eligibility and screening criteria, especially relating to criminal history and criminal activity and the documented mitigating circumstances that may be considered relating thereto, in order to avoid tenancy selection policies and housing practices that while facially neutral may have an unjustified discriminatory effect on applicants or residents because of race, national origin or other protected characteristics. In connection therewith, Owner and Agent have received copies of and are familiar with HUD's April 4, 2016 Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions.

**VII. APPLICATION ACCEPTANCE AND MOVE-IN PROCEDURE**

- A. Management will notify applicants upon successful completion of the application process at which time arrangements will be made, including a specific time schedule, for lease signing, payment of security deposit and first month's rent, and attendance at a new resident orientation.
- B. Residents of RAD Units will pay a security deposit in accordance with CHA's security deposit requirements, which currently requires payment of a deposit that shall be no more than one month's rent. All other applicants must pay the

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<sup>5</sup>7-1-1 is a national service number that connects the caller to a State designated TDD relay service provider that will act as a relay between a hearing impaired applicant caller and the Development. Calls made to 7-1-1 and the relay service provided are free of charge unless the caller's location in relation to the Development would make the relay a long distance call. Long distance charges, if applicable, are billed to the caller through the caller's existing long distance provider. For more information on about this services and how it works, go to [www.illinoisrelay711.com](http://www.illinoisrelay711.com).

first month's rent and security deposit at the time the lease is signed in the form of a money order or cashier's check. The security deposit is equal to one month's rent.

- C. An applicant who Management has approved for an apartment must sign the lease, pay the rent and the security deposit, and take possession of the apartment on the scheduled move-in date. Management will telephone an applicant to inform him or her that the rental application has been approved. In addition, Management will mail a "Welcome Letter" to the applicant that will include the next steps the applicant must take. An applicant who does not proceed with the move-in schedule outlined in the Welcome Letter may forfeit the designated apartment. If an applicant wishes to move in at a later date, but within a thirty (30) day period of the date that the rental application was approved, Management may offer an alternate apartment and move-in date based on availability. The above move-in procedure, to the extent inconsistent with the RRC, will not apply to current CHA leaseholders who have been accepted for occupancy of a RAD Unit.
- D. Before move-in, all family members must complete a pre-occupancy new resident orientation.
- E. All applicants accepted for occupancy shall execute the lease agreement and all applicable lease addenda and riders.

## **VIII. REJECTION PROCEDURES & APPEAL PROCESS**

### **A. Written Notification**

Management will promptly notify applicants in writing whose rental application has been rejected and will include the reason(s) for the rejection (Exhibit \_\_\_\_). The notice will advise the applicant that he or she may within fourteen (14) calendar days of the receipt of the notice respond in writing or request to meet with Management to discuss the notice. The notice shall also inform the applicant that responding to Management's notice does not prevent the applicant from exercising any legal rights. In the case of applicants for RAD Units, Management shall provide a copy of such notice to CHA.

### **B. Review of Rejected Applicants**

The applicant will have fourteen (14) calendar days after receipt of notice of rejection to respond in writing or request a meeting with Management to appeal the rejection, "Appeal Request". An applicant appealing a rejection on the basis

of poor credit or financial standing will be given twenty (20) days from Management's receipt of an Appeal Request to dispute any information on the credit report. If twenty (20) days lapse without the applicant disputing the information on the credit report, and the applicant has not pursued an appeal on other grounds pursuant to this Section VIII, Management shall deem the application rejected and the applicant shall be required to re-apply for a unit in the Development. A member of the Management's staff who did not participate in the decision to reject the applicant will conduct any meeting with the applicant or review of the applicant's written response.

If the applicant appeals the rejection, the applicant will be given a final written decision from Management within ten (10) calendar days of Management's meeting with the applicant or Management's receipt of the applicant's written response. If Management reverses the rejection, the applicant will be offered a suitable vacant unit. If no such unit is available, the applicant will be offered the next appropriate unit. While an applicant's appeal is pending, no unit will be reserved for the applicant. An applicant whose appeal Management denies will not be offered a unit.

Current CHA Leaseholders whose application to reside in a RAD Unit is rejected because of a failure to satisfy Management's Screening Criteria or a failure to engage in activities to meet the Screening Criteria may, pursuant to the RRC and the CHA Grievance Procedure, request an informal hearing with Management and, if applicable, a formal hearing before an independent hearing officer, as specified in the RRC. Management will provide CHA with copies of correspondence with the applicant in connection with the filing of a grievance by a rejected applicant, and with a Notice for Formal Grievance, attached to and made part of the Procedures.

## **IX. SMOKE FREE DEVELOPMENT**

- Due to increased risk of fire and the known negative health effects of secondhand smoke, smoking is prohibited in any area of the Development, both private and common, indoors, and outdoors, within 25 feet of the building(s) including entryways, balconies, patios, playground areas and near any exterior window or door.
- This policy applies to all residents, guests, vendors, staff, and service persons.

- Residents are responsible for ensuring that all household members and guests comply with this rule.
- The term “smoking” is defined as inhaling, exhaling, burning or carrying any lighted cigarette, cigar, pipe, or other product in any manner or any form, including but not limited to marijuana (whether determined to be medically prescribed or not), e-cigarettes, vaporizers, and hookahs.

**X. AMENDING THE TENANT SELECTION PLAN**

Management may amend this Tenant Selection Plan only with prior written approval of the CHA, which approval shall not be unreasonably withheld or delayed.

**XI. CERTIFICATION**

By signing this Tenant Selection Plan, Management certifies that the contents of this Plan will be followed as written in all material respects 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 CHA.

Submitted:

Owner:

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Property Manager:

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EXHIBITS TO  
TENANT SELECTION PLAN