

DRAFT

TENANT SELECTION PLAN

Pershing Courts
38 S. State Street, Chicago, Illinois

I. INTRODUCTION

This **Tenant Selection Plan**, (“the Plan”) outlines the procedures that **Stateway Associates LLC**, (“Management”) will follow in selecting tenants for **Pershing Courts**, (the “Development”). Management is responsible for implementing the procedures outlined in this Plan. **Stateway Associates LLC** is the “Owner.”

All units will be subject to the provisions of the Federal Low Income Housing Tax Credit program (“LIHTC Requirements”); 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. The Development will offer 80 rental units reserved for low and very low-income households as follows:

# of Units	Resident
24	Chicago Housing Authority households with incomes no more than 50% of current area median income
3	Chicago Housing Authority households with incomes no more than 60% of current area median income.
8	Households with incomes no more than 50% of current area median income
45	Households with incomes no more than 60% of current area median income

The 27 units for Chicago Housing Authority (CHA) households are the “ACC-Assisted Units,” and the additional 53 income restricted units are “Affordable Housing Units.” The following policies and procedures will apply to all applicants, whether for ACC-Assisted Units or Affordable Housing Units, unless otherwise noted. Management recognizes that there are additional rights and responsibilities for ACC-Assisted Unit applicants under the Relocation Rights Contract (“RRC”) (Exhibit A) and Chicago Housing Authority Admissions and Occupancy Policy (Exhibit B).

II. MARKETING PROCEDURES

A. Affirmative Marketing Requirements

Management will initiate affirmative marketing efforts ninety (90) days before any other marketing efforts. Management will send a letter to the groups listed on the outreach section of the Development's Affirmative Fair Housing Marketing Plan stating that the marketing of the Development is commencing. This letter will also contain descriptive information about the Development and solicit tenant referrals (Exhibit C), and will be published in English and Spanish.

In addition to the outreach activities stated above, Management will publish a General Notification. General Notification is the placement of suitable advertisements in newspapers identified in the Development's Final Marketing Plan and Affirmative Fair Housing Marketing Plan. Management will publish the General Notification no later than ninety (90) days after completion of all affirmative marketing efforts. The General Notification will include the following items: name, address, telephone and TDD number of the rental office, the approximate date units will be available, and the size of the units available. In addition, all printed advertisements will include the Fair Housing logo. The General Notification will also request that persons interested in living in the Development should contact Management within fifteen (15) days of the date of publication of the General Notification.

Applicants for the ACC-Assisted Units that are subject to the RRC are referred to herein as the "RRC Applicants". The marketing of ACC-Assisted Units will begin by notifying the prospective residents included in the CHA Relocation Management Tracking System ("RMTS") database of the upcoming availability of units. If such notification does not yield a sufficient number of responses from CHA residents, Management will consider more extensive outreach measures. CHA will maintain the RMTS database and will be the primary source of prospective public housing residents. The CHA will provide Management with sufficient training and instruction materials such that Management can utilize the RMTS database in accordance with the terms of this Plan.

B. Additional Marketing

If marketing efforts detailed above do not generate a sufficient number of persons interested in the Development, then Management will undertake additional marketing efforts as outlined in the Final Marketing and Affirmative Fair Housing Marketing Plans.

III. PRIORITY OF APPLICANTS

A. Priority of Applicants for ACC-Assisted Units

Preference for the admission the ACC-Assisted Units will be given to eligible RRC Applicants in accordance with the levels of preference established by the RRC, subparagraph (4)(d). The CHA will provide Management with a list (or access to a database) of all families subject to the RRC that have elected Stateway Gardens (“Stateway”) 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 the list has been exhausted. Screening criteria described elsewhere shall apply to the consideration of admission of all Stateway applicants, including RRC Applicants. At all times, the order of admission to the ACC-Assisted Units shall be governed by the requirement that all of the ACC-Assisted Units shall be occupied by residents in accordance with the income requirements set forth in Article I hereof.

B. Priority of Applicants for Accessible Units

Management will give priority for accessible units to applicants with disabilities. 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.

IV. PRE-APPLICATION CARD PROCESSING

A. Distribution of Pre-Application Cards

Management will provide a Pre-Application Card (Exhibit D) to all persons making inquiries about residing in the Development.

B. Processing Pre-Application Cards

1. Management will file and log in order of receipt all returned Pre-Application Cards, indicating the time and date received. The Pre-Application Card log (Exhibit D) will indicate whether the applicant has any priority or requested an accessible unit.
2. Management does not have to accept Pre-Application Cards after the date on which the Development reached ninety-five percent (95%) occupancy and the applicable Waiting List, as herein described, has been closed.

3. Management will maintain all Pre-Application Cards on-site for a period of three years, and will update information as necessary.

V. WAITING LIST PROCEDURES

A. Definition of Waiting Lists

Management will maintain a Waiting List for Affordable Housing Units. Applicants who submitted Pre-Application Cards, but who Management did not contact for an interview or reject will receive a letter stating they are on a Waiting List and their position on the applicable Waiting List. An applicant's position on the Waiting List will be based on the chronological order in which an applicant's Pre-Application Card is received; provided, however, that priority will be given to those who qualify for any priority or Special Occupancy Category described in Section (XIII). Those applicants Management deems ineligible based on the information provided in the Pre-Application Card will receive a rejection letter (Exhibit F) specifying the reason for ineligibility and informing the applicant that they can meet with Management to discuss the reason for ineligibility.

The waiting list for ACC-Assisted Units shall be initially derived from the RRC list developed by the CHA to be made available to and managed by Management. Upon exhaustion of this list, the waiting list for ACC-Assisted Units will be derived by Management from the CHA general public housing waiting list or a site-based waiting list, as applicable.

The CHA will provide Management with training and instruction materials such that Management can utilize the RMTS database in accordance with the terms of this Plan. Subsequent priorities in admission to occupancy will be consistent with the Gautreaux Orders. Gautreaux Orders are all applicable orders of the United States District Court for Northern Illinois in Gautreaux vs. CHA et al., Nos. 66 C 1459.

B. Contacting Persons on the Waiting List

1. Management will contact applicants through the following process to schedule an interview: When a unit becomes available, Management will then telephone the selected applicant at least three (3) times within a forty-eight (48) hour period. If the applicant cannot be reached, a letter shall be sent by pre-paid First Class mail to the applicant requesting a date and time for an interview. If the applicant does not respond within ten (10) business days from the date Management sent its letter, then the applicant forfeits the opportunity to apply for the available unit, but will remain at the top of the applicable Waiting List. When a second unit

becomes available, Management will send another letter to the applicant. If the applicant does not respond to the second letter, Management will deem the applicant inactive and remove the applicant from the Waiting List.

2. If an applicant refuses a unit, the applicant remains at the top of the applicable Waiting List. Management will send a letter to the applicant stating that after a second refusal of an available unit Management will remove the applicant from the applicable Waiting List and place the applicant in the inactive file.
3. When an interview is scheduled, but the applicant fails to attend, Management will attempt to contact the applicant by telephone. Management will telephone the selected applicant three (3) times within a forty-eight (48) hour period. If there is no contact made with the selected applicant, Management will place the applicant's Pre-Application Card in the inactive file. However, if Management does contact the applicant and the applicant had good cause, as determined in Management's sole discretion, to miss the interview, such as illness or accident, then Management will schedule another appointment. If the applicant again fails to attend the interview, Management will place the applicant's Pre-Application Card in the inactive file.
4. Management will document all of its attempts at contacting the applicant in its Tenant Tracking Log (Exhibit G).

C. Updating the Waiting List

1. Following the completion of initial interviews, the Waiting List will be updated at least once every twelve (12) months in the following manner: Management will send a letter to each applicant on the Waiting List (Exhibit H). The letter will inform the applicant to return the included Reply Card (Exhibit I) if the applicant still wants to live at the Development. The applicant will have fifteen (15) business days from the date Management sent its letter to respond. If Management receives no response, Management will place the applicant's Pre-Application Card in the inactive file and send a letter informing the applicant of this action (Exhibit J).

D. Removal from Waiting List

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

1. Applicants who do not respond to Management's request to attend meetings or provide and/or update information. When an interview is scheduled, but the applicant fails to attend, Management will telephone the selected applicant three (3) times within a forty-eight (48) hour period. If there is no response from the applicant after three (3) attempts within forty-eight (48) hours, the applicant's name will be determined inactive and removed from the Waiting List.
2. Applicants whose correspondence from Management the U.S. Postal Service marked as "Undeliverable."
3. Applicants who have not returned a completed application within ten (10) business days from the date Management provided an application. Applicants with unusual circumstances may request, in writing, an extension of time, which Management can grant at its discretion.
4. Applicants who Management determines are former tenants that owe money to the Development. Management will place these applicants on the Waiting List only after the applicant has paid the debt.

E. Closing the Waiting List

Once the number of Pre-Application Cards 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 Pre-Application Cards.

<u>Unit Size</u>	<u>Maximum Pre-Application Cards per unit size</u>
1 Bedroom	150
2 Bedrooms	90

F. Reopening the Waiting List

If, based on the maximum number of Pre-Application Cards, it is anticipated that all persons who have submitted Pre-Application Cards for a specific unit size and income tier will be housed within the next twelve (12) months, the Waiting List for that unit size and income tier only will be reopened and Pre-Application Cards will again be accepted. Management will present the notice of the reopening of the Waiting List to the public through marketing efforts outlined in the Affirmative Fair Housing Marketing Plan.

VI. APPLICATION PROCESS

A. Application Requirements

1. Before completing a rental application, the applicant must complete a Pre-Application Card. The Pre-Application Card requests general information including name, address, household size, income, job status, full-time student status, and preferred unit size. Applicants for ACC-Assisted Units will not have to complete a Pre-Application Card.
2. Management will schedule interviews with applicants in accordance with the procedure outlined in Section (V)(B). If Management determines based on the information provided in the Pre-Application Card that a prospective applicant may be eligible and a unit is available, Management will have the prospective applicant complete a rental application at the Management office. Management will use a temporary location until the Management office is available. Management will require all members of the applicant household aged 18 years and older to sign the rental application and release forms authorizing Management or a third party under contract with Management to determine if the applicant satisfies the Owner's Screening Criteria. Applicants (other than applicants for ACC-Assisted Units) will pay a non-refundable credit/background check fee of thirty-five (\$35) dollars.

Management will schedule interviews for applicants for ACC-Assisted units in accordance with the procedure outlined in Section (V)(B). Applicants for ACC-Assisted units will complete a rental application at the Management office. All members of the applicant household aged 18 years and older must attend the interview. Management will use a temporary location until the Management office is available. Management will require all members of the applicant household aged 18 and older to sign the rental application and release forms authorizing Management or a third party under contract with Management to determine if the applicant satisfies the Owner's Screening Criteria. CHA ensures that applicants for the ACC-Assisted units from the RMTS database will have already gone through a credit and background check that covers the past three (3) years. Management will pay any additional costs for any credit or background checks on Applicants for the ACC-Assisted units beyond three (3) years, and such checks shall be limited to a period of five (5) years as described in Article IX hereof.

3. The applicant must, as determined by Management, meet the Owner's Screening Criteria, established in accordance with Fair Housing requirements and set forth in Section IX of this Tenant Selection Plan.
4. Management or a third party under contract with Management, with respect to all applications for all household members aged 18 years and older, will take the following actions:
 - a. Obtain a completed and signed rental application.
 - b. Obtain a credit and criminal background report.
 - c. Verify Social Security Card information for all household members age six (6) and older or certify that household member has not been assigned a Social Security number.
 - d. Verify documentation for household members who are non-citizens.
 - e. Obtain copies of birth certificates for all household members.
 - f. Determine anticipated total annual income from all sources received by the household, including all net income derived from Net Family Assets, other than earned income of household members younger than 18 years old, in accordance with the requirements of Section 42 of the Internal Revenue Code, as amended (the "Code"). Management will consider only the income the household anticipates obtaining in the twelve months proceeding the date of the rental application. If it is not feasible to anticipate a level of income over a 12-month period, Management will annualize the income anticipated for a shorter period. In the event anticipated income is zero, Management will require a notarized statement signed by all household members age 18 years or older demonstrating that no income is coming into the household. Subject to the requirements of Section 42 of the Code, income includes, but is not limited to, the following:
 - Full amount of wages and salaries, overtime pay, commission fees, tips and bonuses, and other compensation for personal services
 - Net income from operation of a business or profession
 - Interest, dividends, and other net income of any kind from real or personal property, such as but not limited to Net Family Assets as described below
 - Full amount of periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts including a lump sum benefit for the

delayed start of a periodic payment, excluding lump sum payments of Social Security benefits

- Unemployment, disability compensation, worker's compensation, and severance pay
- Assistance from the Department of Human Services (DHS), such as Temporary Aid to Needy Families (If overpayment or reduction of a grant from DHS is established, the gross amount of the grant will be used for the calculation)
- Alimony, child support payments, and regular contributions or gifts received from persons not residing with the household
- All regular pay, special pay, and allowances of a member of the Armed Forces

Income does not include:

- Income that is temporary or not of a reoccurring nature
- Sporadic gifts
- Reimbursements of medical expenses for any family member
- Lump sum assets, such as inheritances, insurance payments, worker compensation settlements, capital gains, and any settlements for personal or property losses
- Hazardous duty pay for a household member in the Armed Forces
- Earned income from employed, dependent children, including foster children younger than 18 years old
- Payment received for care of foster children or foster adults
- Payment or allowances from the Energy Assistance Program
- Amounts received from programs funded in whole or in part under the Job Training Partnership Act or Family Support Act
- Full amount of student financial assistance paid directly to the student or to the educational institution
- Amounts received from training programs funded by Department of Housing and Urban Development
- Amounts received by a disabled persons that are disregarded in determining Supplemental Social Security Income eligibility
- Amounts received to cover out-of pocket expense necessary to participate in a publicly assisted program

"Net Family Assets" include:

- Cash
- Stocks
- Bonds
- Savings
- Value of equity in real property and other forms of capital investments excluding the cost that would be incurred in disposing of the assets
- In the case of disposition as part of a separation or divorce settlement, the disposition will not be considered for less than Fair Market Value if it is received and is not measurable in dollar terms.

“Net Family Assets” does not include:

- Personal property

B. Completion of the Application Process

Management will process all applications within thirty (30) business days after the date of the applicant's initial interview or within five (5) business days of receipt of all required documentation, whichever is later.

C. Social Services Screening

Applicants for ACC-Assisted Units and Affordable Housing Units who satisfy the Owner's Screening Criteria may be required to undergo a social service screening. Case managers from the Stateway Community/Supportive Services program will perform the social service screen. The social service screen includes an interview with applicant and family members to assess housing readiness and willingness to engage in a case management plan (Exhibit K). The social service screen will identify barriers to the household's ability to comply with the lease and with established rules and regulations within the Development. Community/Supportive Services staff may conduct a home visit designed to confirm that all applicants demonstrate the ability to live in compliance with a rental agreement and to maintain satisfactory housekeeping standards. Home visits may also be used to confirm consistency with the application, such as the same number of household members as indicated on the application. Community/Supportive Services staff will then provide Management with a written recommendation for housing based upon the social service screen.

VII. ELIGIBILITY REQUIREMENTS

A. Income

1. If an applicant's income exceeds the income requirement of any restricted unit, Management may refer the applicant to another housing opportunity.

24 ACC-Assisted Units are set aside for Chicago Housing Authority households with incomes no more than fifty percent (50%) of Area Median Income and 3 ACC-Assisted Units are set aside for Chicago Housing Authority households with incomes no more than sixty percent (60%) of Area Median Income, as established by the Low Income Housing Tax Credit Program rules and regulations for the appropriate household size.

8 Affordable Housing Units are set aside for households with incomes no more than fifty percent (50%) of Area Median Income, as established by the Low-Income Housing Tax Credit Program rules and regulations for the appropriate household size.

An additional 45 Affordable Housing Units are set aside for households with incomes no more than sixty percent (60%) of Area Median Income, as established by the Low Income Housing Tax Credit Program rules and regulations for the appropriate household size.

2. Applicants, with the exception of applicants for ACC-Assisted Units, must have income sufficient to pay the rent plus utilities and must satisfy the one-year length of employment requirement.
3. Applicants will be required to pay a minimum monthly rent of fifty dollars (\$50).

B. Sole Residence

For each Public Housing Unit and Affordable Housing Unit applicant, the unit in the Development must be the applicant's sole residence in order for the applicant to be eligible for housing.

VIII. OCCUPANCY STANDARDS

- A. 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 exist and it is necessary to achieve or maintain full occupancy. 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, and zoning laws.

<u>Number of Bedrooms</u>	<u>Number of Persons</u>	
	<u>Minimum</u>	<u>Maximum</u>
1	1	2
2	2	4

- B. Notwithstanding anything to the contrary, if during the term of any lease, a child under the age of one is born or adopted by the tenant, and as a result of such birth or adoption, the occupancy standard established above shall be violated, the tenant 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 tenant shall at all times satisfy all other obligations under the lease, rules, and regulations applicable to the leased unit.

IX. SELECTION AND REJECTION CRITERIA

Meeting the eligibility requirements under Section (VII) does not mean that an applicant will be a suitable tenant. 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 CHA Leaseholder Housing Choice and Relocation Rights Contract (RRC), the criteria under this Section (IX) (compliance with which, where not otherwise indicated, shall be determined in Management's sole discretion) shall be deemed property specific requirements ("Screening Criteria"), as follows:

A. Age

Applicants must be at least 18 years old, provided that applicants who are less than 21 years old must provide a guarantor acceptable to Management who will guaranty the applicant's payment and performance under the lease.

B. Insufficient/Inaccurate Information on Application

Refusing to cooperate with Management during the application process, refusing to provide information required by Management, or supplying false information will be grounds for rejection.

C. Credit, Financial Standing, Employment and Self-Sufficiency

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 duration of prior employment history should be a minimum of one year. The foregoing provisions of this Section (IX) shall not apply to applicant's for ACC-Assisted 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, will be reviewed carefully and may, in Management's discretion, be grounds for rejection:

All household members 18 years of age or older will be subjected to review and will be expected to meet, at a minimum, the following standards:

- a. No delinquency in excess of \$1,000, including but not limited to matters that have been referred for collection and civil judgments, within the past two years; provided that a delinquency in excess of \$1,000 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. In addition, where an otherwise eligible applicant has, in Management's sole discretion, a good history of rent and utility payment but also a delinquency as described above, the applicant will be conditionally accepted and permitted to occupy a rental unit (provided all other requirements for occupancy are met) subject to the requirement that such tenant demonstrate prompt rental and utility payment acceptable to Management, in its sole discretion, in the first year of occupancy.
- b. No landlord judgments and no new negative landlord history within the last two years.
- c. Any bankruptcy must be at least four years old, with no new negative credit history; provided, however, that an individual whose bankruptcy discharge date is within the last four 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. Management will give less negative weight to those bankruptcies that occurred earlier in the four-year period. Management will also give less negative weight to bankruptcies where bankruptcy debts did not include rental and

utility payments. The decision to continue processing the rental application in light of such mitigating circumstances relevant to a bankruptcy will be made on a case-by-case basis in Management's discretion.

- d. No debt due to any public housing authority.
- e. Any outstanding delinquencies owed to utility providers must be paid prior to approval. An allowance may be made for a payment plan with a utility that is in good standing for six months and that utility's willingness to re-establish an account with the applicant. Management will require proof of such a plan.

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 of the credit bureau that provided the credit report. An applicant may appeal a rejection pursuant to Section (XI)(B).

- 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.
- 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.
- 5. An applicant may be rejected if the applicant does not provide evidence, acceptable to Management in Management's discretion, that the applicant and all other members of applicant's household are spending an average of thirty (30) hours a week in employment. A household can be considered engaged in activities to meet the working requirement by engaging in one or a combination of the following activities for 30 hours each week: (1) employment; (2) enrollment in and regular attendance in an economic self-sufficiency program, which shall include a program designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, workfare, financial or household

management, or an apprenticeship; and (3) enrollment in and regular attendance in a regular program of education including GED classes, secondary or post-secondary education, or English proficiency or literacy classes. Evidence of satisfaction of this requirement may include among other things, written verification of employment from an employer, a pay stub indicating hours worked, or written verification of enrollment in a program identified above by an administrator or instructor of such program. Notwithstanding the foregoing, a member of a household shall not be required to comply with the requirements of this paragraph when such member of the household is (a) aged 62 years or older, (b) a blind or disabled individual as defined under 42 U.S.C. 416(i)(1) or 42 U.S.C. 1382c and provides third party verification that he or she is unable to comply with the requirements of this paragraph because of his or her blindness or disability, or (c) the primary caretaker of such a blind or disabled individual and provides third party verification that he or she is unable to comply with the requirements of this section because of his or her role as such a caretaker.

6. Applicants will be required to document that all household members 18 years of age and under are actively attending school or an alternate educational program; in cases where a youth has been expelled from school, the applicant is required to demonstrate that all remedies have been exhausted to get the student readmitted to another school or enrolled in an alternate educational program.

D. History of Residency

Prior evictions and/or outstanding landlord and/or housing judgments within the past two years will be grounds for rejection of an application.

The previous three (3) years of housing and/or the past two landlords will be verified and documented for each applicant. This includes housing for applicants who were previously homeowners or lived with parents or guardians. Management will consider the following circumstances with respect to the applicant or any other person who will be living in the unit, and may be grounds for rejection of an application:

1. Any history of physical violence to persons or property.
2. Any behavior at prior residence that could adversely affect the health, safety, and quiet enjoyment of other tenants.

3. Any criminal activity by a guest or visitor of the applicant that threatened the health, safety or peaceful enjoyment of other residents.
4. A record of consistent failure to timely pay rent.
5. Applicant is in violation of applicant's current lease.
6. Any activity that involved causing a fire on or near residential premises, either intentionally, or through gross negligence or careless disregard.

E. Criminal Activity/Drug-Related Activity

1. Management will not admit an applicant if a background check reveals any of the following circumstances with regard to an applicant or member of an applicant's household:
 - a. Any applicant or member of applicant's household is subject to a lifetime registration requirement or a 10 year registration requirement under the Illinois Sex Offender Statute or any other state sex offender registration program;
 - b. Any applicant or member of applicant's household was convicted of manufacturing methamphetamine in subsidized housing;
 - c. Any criminal activity during the period subject to review under Section 5(a)(2) of the current form of the CHA Residential Lease Agreement, currently the past three years, or any successor provision thereto, the "Review Period," that involved physical violence to another person or property, assault, aggravated assault, or which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other Residents, Management or its employees;
 - d. Any drug-related criminal activity during the Review Period, including but not limited to the illegal manufacture, sale, distribution, use, possession, storage, service, delivery, or cultivation of a controlled substance;
 - e. Any criminal activity involving a weapon, as defined under the Illinois Criminal Code, during the Review Period, including but not limited to displaying a weapon with a verbal or non-verbal threat to shoot, fire, explode, throw, or otherwise discharge a weapon to inflict injury on another person or to damage any property through

the intentional, reckless, careless, or negligent use of such weapon;
or

f. Any criminal activity during the Review Period that involved arson.

2. The following circumstances will be grounds for rejection of an application or any member of an applicant's household, provided that such circumstances, including the period during which criminal activity occurred, will be considered on a case by case basis in light of mitigating circumstances by Management in its discretion, as specified in Section (IX)(E)(3) below:

a. In the past five years any member of the applicant's household engaged in any criminal activity which would constitute a felony under applicable law;

b. Any criminal activity from the period further in the past than the Review Period but no more than five years prior to screening, including:

(i) Physical violence to another person or property, assault, aggravated assault, or activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other Residents, Management, or its employees;

(ii) Any drug –related criminal activity, including but not limited to the illegal manufacture, sale, distribution, storage, service, delivery, or cultivation of a controlled substance;

(iii) Any criminal activity involving a weapon, as defined under the Illinois Criminal Code, including but not limited to displaying a weapon with a verbal or non-verbal threat to shoot, fire, explode, throw, or otherwise discharge a weapon to inflict injury on another person or to damage any property through the intentional, reckless, careless, or negligent use of such weapon; or

(iv) Any criminal activity that involved arson.

c. Management determines that an applicant's, or member of applicant's household's, use, pattern of illegal use, or pattern of possession of a controlled substance or such person's use or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents,

Management, or its employees. For the purpose of this plan, pattern shall mean more than one incident.

3. Mitigating circumstances are facts relating to the applicant's record of unsuitable behavior which, when verified, would indicate that the reason for the unsuitable behavior is no longer in effect or is under control and the applicant's prospect for lease compliance is an acceptable one. Consideration of verifiable mitigating circumstances does not guarantee that an applicant will be admitted. Management, in its discretion, will consider the seriousness of the offense, whether or not the applicant was convicted of the offense, the circumstances surrounding the offense, and whether the offense occurred only once or was repeated. In addition, Management, in its sole discretion, will consider the following mitigating circumstances as support for an applicant's assertion that the applicant is no longer involved in criminal activity and that his or her prospect for lease compliance is acceptable:
 - a. The applicant has no subsequent criminal history;
 - b. Verification from a probation or parole officer that the applicant has satisfied the terms of his or her probation or parole, if applicable;
 - c. Verification of the applicant's participation in services or counseling services, if applicable;
 - d. Verification that the applicant has made restitution for his or her criminal activity, if applicable;
 - e. In connection with evidence of previous or current illegal drug use, applicant provides:
 - (i) Verification from a reliable certified drug treatment counselor or program administrator indicating that the applicant has been in treatment, that there is a reasonable probability that the applicant will be successful in refraining from using illegal drugs and that the applicant is complying with the program requirements and is not currently using a controlled substance. A reliable counselor or program administrator is someone who has not demonstrated a pattern of providing inaccurate or unreliable information. Management shall be the final judge of what constitutes adequate and credible verification.
 - (ii) Verification from a self-help program, such as Narcotics Anonymous, indicating that the applicant has been

- participating in their program, that there is a reasonable probability that the applicant will be successful in refraining from use of illegal drugs and is not currently using a controlled substance;
- (iii) Verification from a probation or parole officer that an applicant has met or is meeting the terms of probation or parole with respect to refraining from the illegal use of a controlled substance; or
 - (iv) Negative results of an additional voluntary drug test, conducted at facilities that use the National Institute of Drug Abuse Guidelines and which screens for illegal drugs only, not properly prescribed prescription drugs containing controlled substances.
- f. In connection with applicants who are currently enrolled in a substance abuse treatment program, but who have a history of substance abuse treatment followed by recidivism, Management will require that the applicant provide evidence of circumstances described in Section (VIII)(E)(3)(e) above and demonstrate why his or her current situation is more likely than in the past to lead to successful abstention from illegal use of controlled substances.

F. Home Visits/Unsanitary or Hazardous Housekeeping

1. Management may conduct a home visit as a final step in the application process as mentioned in Section (VI)(C). Management will notify applicants at least two day before the scheduled visit and will conduct a maximum of two home visits for an application. The purpose of the home visit is to determine whether the applicant and all potential occupants are capable of caring for a unit in a way that creates a healthy and safe living environment.
2. If the unit inspected as part of the home visit shows health or safety hazards caused by the applicant or other potential occupants, housekeeping that contributes to infestation, or damage to the unit caused by the applicant or other potential occupants, the application may be rejected. Management may take photographs to document the applicant's housekeeping. Housekeeping criteria are not intended to exclude households whose housekeeping is only superficially disorderly if such conditions do not appear to affect the health, safety, or welfare of other residents.

3. If the home visit reveals that the applicant is currently permitting unauthorized occupants to reside in the unit, that the applicant or other potential occupants are engaged in criminal activity, or some other circumstances which are consistent with the information presented in the applicant's application, the applicant may be rejected. Management will document any cases where a home visit results in a rejection.
4. An applicant's behavior toward Management staff conducting a home visit or performing other tasks under these procedures will be considered in assessing an applicant's possible behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward Management staff will be noted in the application file and included in the screening evaluation.
5. Applicants who are not at home when a home visit is scheduled will be given an opportunity to schedule a second home visit; provided, Management shall not be obligated to schedule more than two home visits. Applicants who fail a home visit may be rejected for tenancy. Management shall notify the CHA of any rejections resulting from home visits for applicants of ACC-Assisted Units and RRC Applicants.

G. Pets

No pets (other than pets owned solely to provide aid to disabled residents, for which verification shall be provided to Management) shall be allowed in the Development.

H. Child Care

Children living in the Development must be adequately supervised. Applicants with children under ten (10) 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 enrollment for children older than six (6) years of age and younger than eighteen (18) years of age, or until graduation from high school.

I. Other Basis for Rejection of Application

Other bases 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 appears intoxicated or under the influence of drugs, 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 the CHA with copies of such written documentation.
3. Applicant has applied for a unit that is inadequate in size relative to the number of persons who will reside there as determined in Section (VIII).
4. Applicant has attempted to bribe a member of staff in order to obtain an apartment.

J. Factors Management Will Not Consider Concerning an Application

- Race
- Familial Status
- Disability
- Ancestry
- National Origin
- Color
- Religion
- Age, as defined by Chicago Fair Housing Regulations
- Sex

K. During the screening process, Management staff performing the review will consider the following before rejection of any application:

1. If Management receives negative screening information on an applicant, Management will contact the applicant 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, Management will reject the application. If an applicant is eligible and passes the Screening Criteria, Management will accept the applicant subject to the availability of units.

3. If rejected, an applicant may request an informal meeting with Management to determine whether the rejection was in compliance with the aforesaid procedures.
4. Current CHA Leaseholders whose application to reside in a Public Housing 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. Management will provide CHA with copies of correspondence with the applicant in connection with the filing of a grievance by a rejected applicant.

L. Opportunity to Comply with Screening Criteria for ACC-Assisted Units

An applicant for a Public Housing Unit who (1) is entitled to the rights afforded by the RRC and (2) does not satisfy the Screening Criteria in this Section (IX), but (3) is otherwise Lease Compliant pursuant to the RRC, will be conditionally accepted for occupancy of a Public Housing Unit in the Development, but only if the applicant provides evidence sufficient, in Management's discretion, to show that the applicant is engaged in activities designed to help the applicant meet the Screening Criteria within one year of occupancy, as required by this Section (IX). By way of example only, the following could be submitted by an applicant to show participation in activities to meet Screening Criteria.

- In the case of an applicant whose screening reveals unpaid utility bills or excessive delinquent debts, such applicant could submit written third party verification that the applicant is participating in and fulfilling the terms of a payment plan designed to eliminate such bills or delinquent debt.
- In the case of an applicant who does not meet the thirty (30) hour requirement of Section (IX)(C)(5), such applicant could submit third party verification of participation in a combination of the activities described in Section (IX)(C)(5) and a reasonable plan for increasing such participation to meet the requirement.
- In the case of an applicant, or any member of an applicant's household, whose screening reveals evidence of recent illegal drug use, such as applicant could submit evidence as described in Section (IX)(E)(3)(e).

In the event that the applicant fails to satisfy the Screening Criteria within one year of occupancy, Management shall notify the applicant and CHA, and the CHA promptly shall transfer the applicant to a unit outside the Development in accordance with the RRC.

X. 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 tenant orientation.
- B. The applicant must pay the 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. Residents of ACC-Assisted Units will pay a security deposit in accordance with CHA's security deposit requirements, which currently require payment of a deposit equal to the greater of \$50 or one month's rent, but in no event in excess of \$150.
- 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. As a courtesy, 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" (Exhibit K) 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 an ACC-Assisted Unit.
- D. Before move-in, all family members must complete a pre-occupancy tenant orientation at the location designated by Management.
- E. All applicants accepted for occupancy shall concurrently with lease execution, execute all applicable addenda and riders to the lease.

XI. REJECTION PROCEDURES

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 E). The notice will advise the applicant that he or she may within fourteen (14) business 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 ACC-Assisted Units, Management shall provide a copy of such notice to CHA.

B. Review of Rejected Applicants

The applicant will have fourteen (14) business 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, 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 five (5) business 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 Public Housing 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. 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.

XII. SPECIAL OCCUPANCY CATEGORIES

All applicants given preference within a Special Occupancy Category must meet the eligibility and selection criteria outlined in Sections (VII) through (IX) of this

plan. Applicants will be interviewed and processed as authorized in Sections (V) through (X), with exceptions as follows:

A. Persons with Disabilities

An applicant with disabilities will be given priority for accessible units if an accessible unit is requested and documentation of need is received. Unless an applicant requests placement in an accessible unit, Management will not inquire whether an applicant or a member of an applicant's household has a disability or inquire as to the nature or severity of the disability of such persons. If the applicant deems that the accessible unit is not appropriate for the household's needs, the applicant's name will return to its place on the Interested Person's List or Waiting List, as applicable.

XIII. 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.

XIV. 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 for the Development at this time, or subject to Section XX, will be executed in the future without written approval from the CHA.

Submitted:

Management:

By: _____

Name: _____

Its: _____

Date: _____

Approved: _____
Illinois Housing Development Authority

Chicago Housing Authority

City of Chicago

Owner:

By: _____

Name: _____

Its: _____

Date: _____

Date: _____

Date: _____

Date: _____

DRAFT

**EXHIBITS TO
TENANT SELECTION PLAN**

- Exhibit A: Relocation Rights Contract
- Exhibit B: Chicago Housing Authority Admissions and Occupancy Policy
- Exhibit C: Pre-Marketing Letter
- Exhibit D: Pre-Application Card
- Exhibit E: Pre-Application Log
- Exhibit F: Rejection Letter
- Exhibit G: Tenant Tracking Log
- Exhibit H: Update Waiting List Letter
- Exhibit I: Reply Card
- Exhibit J: Inactive Letter
- Exhibit K: Social Service Screening Tool
- Exhibit L: Welcome Letter