

**DRAFT TENANT SELECTION PLAN  
SHOPS AND LOFTS AT 47 – PHASE I  
SCREENING AND SELECTION POLICY  
THE COMMUNITY BUILDERS, INC.**

**I. Introduction**

This Tenant Selection Plan addresses screening and selection criteria for the rental units in the mixed income community known as Shops and Lofts at 47 Phase I. Shops and Lofts at 47 Phase I consists of approximately 72 rental housing units located at the southwest corner of East 47<sup>th</sup> Street and South Cottage Grove Avenue in Chicago, Illinois. During a compliance period of fifteen years, approximately 54 of the 72 units must be leased as low-income rental units within the meaning of the Low-Income Housing Tax Credit (“LIHTC”) program administered by the Illinois Housing Development Authority (“IHDA”) and the City of Chicago Department of Housing (“DOH”) pursuant to 26 U.S.C. §42 (“Section 42”). Of these 54 LIHTC units, approximately 24 are also public housing units. These 24 public housing units are considered replacement housing units for the redevelopment of the former Washington Park Homes public housing site. The remaining 18 apartments at Shops and Lofts at 47 Phase I are unrestricted market units. Shops and Lofts at 47 Phase I is owned by Lofts 47 Phase I Limited Partnership. The Community Builders, Inc. (“TCB”) is the Owner’s management agent.

Shops and Lofts at 47 Phase I is part of the Chicago Housing Authority’s Plan for Transformation, through its Housing for Chicagoans Everywhere program of delivering public housing replacement units on sites throughout Chicago that were not formerly public housing sites. The public housing units developed at Shops and Lofts at 47 Phase I are considered replacement units for the Washington Park Homes public housing development. Current and former residents of the Washington Park Homes development and certain other leaseholders of the Chicago Housing Authority (“CHA”) have certain rights to return to the revitalized development under the CHA Leaseholder Housing Choice and Relocation Rights Contract, October 1, 1999 and the companion CHA Leaseholder Housing Choice and Relocation Rights Contract for Families with Initial Occupancy After October 1, 1999 (collectively, the “Relocation Rights Contracts”) and any subsequent amendments, attached as Exhibit A. In this Tenant Selection Plan, the terms “CHA applicant” and “CHA leaseholder” refer to these applicants.

The Relocation Rights Contracts recognize that the Owner may adopt property specific requirements governing eligibility for admission to and continued occupancy in Shops and Lofts at 47 Phase I. In addition, the CHA adopted a Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (the “MTSP”) establishing minimum standards for owner adopted property specific criteria. The Tenant Selection Plan includes property specific eligibility, admission and occupancy criteria that are consistent with the Relocation Rights Contracts and the MTSP.

All applicants for Shops and Lofts at 47 Phase I are expected to meet the property specific requirements regardless of whether they are applying for public housing, other assisted housing, or market-rate rental units in the new community. However, CHA applicants who do not meet the selection criteria may be admitted if TCB determines that the applicant is engaged

in activities by which the household will meet the property specific requirements within one year of admission. The property specific requirements are summarized in the chart attached to the Tenant Selection Plan as Exhibit B, and are described in greater detail throughout the Tenant Selection Plan. The CHA will notify CHA applicants of the property specific requirements at least one year before the first public housing units are leased at Shops and Lofts at 47 Phase I.

**II. UNIT SIZE DISTRIBUTION**

The following is the distribution of units in the Shops and Lofts at 47 Phase I project:

	1BR	2BR	3BR	Total
Public Housing / LIHTC units	9	15		24
LIHTC units	11	16	3	30
Market-rate units	7	8	3	18
Total	27	39	6	72

**III. Equal Opportunity Policy**

**A. Non-Discrimination**

It is the policy of the Owner and TCB to comply fully with all federal, state and local non-discrimination laws, including Title VI of the Civil Rights Act of 1964 and the implementing regulations at 24 CFR Part 1; Section 3 of the Housing and Community Development Act of 1968, as amended; Executive Order 11063 on Equal Opportunity in Housing and the implementing regulations at 24 CFR Part 107; Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8; the Age Discrimination Act of 1975 and the implementing regulations at 24 CFR Part 146; the Fair Housing Act as amended and the implementing regulations at 24 CFR Parts 100, *et seq*; the Americans with Disabilities Act; the Illinois Human Rights Act, 775 ILCS, Article 3; Violence Against Women Reauthorization Act (“VAWA”) of 2005, signed into law January 5, 2006, as amended and applicable; and the Chicago Fair Housing Regulations, Chapter 5-8 of the Chicago Municipal Code.

**B. Reasonable Accommodation**

To assure compliance with the Fair Housing Act, Section 504 of the Rehabilitation Act (“Section 504”) and the applicable provisions of the Americans with Disabilities Act (the “ADA”), TCB maintains a Reasonable Accommodation Policy. The Reasonable Accommodation Policy provides for reasonable modifications in rules, policies, practices and services when necessary to afford a qualified individual applicant or resident with disabilities an equal opportunity to use and enjoy a dwelling and participate in the housing, programs and services available at Shops and Lofts at 47 Phase I. The Reasonable Accommodation Policy includes the following elements:

1. Reasonable accommodations will be made at the request of applicants and residents with disabilities to ensure the opportunity for equal access to housing, benefits and services.

2. At the time of initial application and at any recertification, a notice will be provided to each applicant or resident that describes Section 504 requirements, including the right to request a reasonable accommodation.

3. Intake, screening, recertification and other meetings will be conducted at accessible locations.

4. Forms and other documents to be completed by applicants will be available in accessible formats. Sign language interpreters and other auxiliary aides will be provided if requested by the individual with disabilities.

5. Any applicant or resident, whether or not a person with disabilities, may be assisted by a family member, friend or advocate in interviews and meetings with the Management Agent, and in the completion of written forms. Upon request, TCB will help an individual complete written forms.

6. When necessary to establish that an individual qualifies for an accommodation, documentation will be requested to verify the existence of a disability, as defined by Section 504 and the ADA, and to document the reasons that an accommodation is necessary.

### **C. People with Limited English Proficiency.**

The Owner and TCB will take reasonable steps to ensure meaningful access to the housing and services available at Shops and Lofts at 47 Phase I by people of limited English-speaking proficiency, in compliance with Title VI of the 1964 Civil Rights Act. In designing and implementing these steps, the Owner will take into account the following factors:

1. The number of people with limited English-speaking proficiency who are likely to come into contact with the housing and services at Shops and Lofts at 47 Phase I.

2. The frequency with which such people will come into contact with the Management Agent and service providers at Shops and Lofts at 47 Phase I.

3. The importance of the particular activity, service or interaction with an applicant or resident.

4. The resources available and the costs of taking the steps.

### **III. General Principles of Screening**

The standards outlined in this policy are based on the expectations of occupancy at Shops and Lofts at 47 Phase I. The property specific admissions criteria for the public housing units at Shops and Lofts at 47 Phase I, described in Exhibit B, will comply with the Relocation Rights Contracts and any subsequent amendments. The requirements of the policy will be incorporated into a lease agreement which shall be executed between the Owner, TCB, and each resident. In assessing an applicant's ability to meet these criteria, TCB will consider the following:

#### **A. Eligibility and Suitability as a Tenant**

1. General. Each applicant is expected to abide by the obligations of the tenancy summarized as follows:

- (i) To pay rent and other charges under the lease in the manner set forth by the lease;
- (ii) To care for and avoid damaging the unit and common areas, to use facilities and equipment in a reasonable way, and to maintain their unit at reasonable standards of care and cleanliness.
- (iii) To respect the right to quiet enjoyment of others.
- (iv) To refrain from any and all illegal activity, including the illegal use of drugs, and to require all household occupants, guests, and individuals under the tenant's control to refrain from any and all illegal activity.
- (v) To comply with the necessary and reasonable rules of the property.

In accordance with VAWA, TCB shall not deny admission to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence or stalking, if the applicant otherwise qualifies for assistance or admission, and nothing in this section shall be construed to supercede any provisions of Federal, state or local law that provide greater protection for victims of domestic violence, dating violence or stalking.

2. Eligibility for Public Housing. For admission in a public housing unit, an applicant must:

- (i) During the LIHTC compliance period, meet the income eligibility requirements for admission to the LIHTC units as described in Section I(A)(3).
- (ii) Qualify for admission as citizens or eligible immigrants under the rules of the U.S. Department of Housing and Urban Development ("HUD").
- (iii) Provide a Social Security Number ("SSN") for each household member over the age of six, or, for any household member without a SSN, certify that no SSN is assigned.

Admission will also be based on the selection priorities in Section IV(A). A public housing family must continue to meet public housing eligibility and LIHTC criteria during occupancy. If household income exceeds 140% of 60% of area median income ("AMI"), the family must choose to (a) become a market rate resident of the development by assuming the responsibility to pay the associated market rate rent for its unit (or transfer to another market rate unit of appropriate size if one is available); (b) request a transfer to a public housing unit in another CHA property in accordance with the procedures of the CHA, if a unit is available; or (c) vacate the unit.

3. Eligibility for Occupancy in LIHTC Units. During the LIHTC compliance period, for admission to the LIHTC units, including all public housing units, an applicant household must:

- (i) Meet the income standards required by Chicago DCD under which (a) at least 40% of the total 72 units including market-rate units (29 total) must be rented to families whose incomes are equal to or less than 60% of AMI at initial occupancy; and (b) all of the 54 LIHTC units, including the public housing units, must be rented to families whose incomes are equal to or less than 60% of AMI at initial occupancy. No other income restrictions will apply to this property.

(ii) Not consist entirely of full-time students, unless (a) a member of the household receives assistance under a federal state or local job training program; (b) a member of the household receives Transitional Assistance to Needy Families; (c) the household consists of a single parent and his or her children, and the parent and children are not tax dependents of another person; or (d) the household consists solely of a married couple that files a joint tax return.

(iii) Use the unit only as a private dwelling for the household, and not for business or other purposes; except that, with the prior permission of the Owner, a family may use the unit for incidental purposes related to his or her trade or business, as long as the incidental use complies with local zoning laws, building codes, applicable health and safety laws, and applicable laws for the regulation of business.

A family residing in a LIHTC unit that is not a public housing unit must continue to meet LIHTC eligibility criteria during occupancy. If household income exceeds 140% of 60% of AMI, the family may remain in the unit provided that all other occupancy criteria are met.

4. Employment and Self-Sufficiency Requirements for LIHTC and Market Applicants. Applicants for market units and LIHTC units that are not public housing units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section III(A)(4).

(i) The head of household and co-head of household will meet the property specific employment requirements if the household documents submitted at the time of admission show that the head or co-head of household is employed at least 30 hours per week and has at minimum a two year history of verifiable continuous employment, or has graduated within the previous two years from a post-secondary educational program and is currently employed at least 30 hours per week.

(ii) All household members age 18 or over and any household member between the ages of 17 and 18 that drops out of school must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self-sufficiency program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

(iii) All household members age 6 to 17 must regularly attend school.

(iv) The following family members are exempt from the employment and self-sufficiency requirements applicable to applicants for market units and LIHTC units that are not public housing units:

- (a) Individuals age 62 or older;

- (b) People with disabilities who are unable to work because of the disability;
- (c) The primary caretaker of a person with disabilities;
- (d) No more than one adult household member who elects to stay home to care for young children, provided that there are at least two adults in the household, and at least one of the adults is working at least 30 hours each week;
- (e) An individual who is retired and is receiving a pension.

5. Employment and Self-Sufficiency Requirements for Public Housing Applicants.

Applicants for public housing units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section III(A)(5).

(i) Public housing applicants will have first priority for occupancy of the public housing units if the household documents submitted at the time of admission show that the head or co-head of household is employed at least 30 hours per week and has at minimum a two year history of verifiable continuous employment. Public housing applicant households in which the head or co-head of household is exempt from the employment and self-sufficiency requirements for the reasons described in Section III(A)(5)(vii) also qualify for first priority for occupancy of the public housing units.

(ii) Public housing applicants will have second priority for occupancy if the household documents submitted at the time of admission show that the head or co-head of household is engaged in activities that will lead to no less than 30 hours per week of employment within one year of admission. To meet this requirement, the head or co-head of household must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self-sufficiency program, including a HOPE VI Community and Supportive Services program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

Additionally, to qualify for occupancy under this second priority for occupancy, the head or co-head of household must demonstrate either of the following: (1) a minimum of two years of continuous, verifiable employment of at least 30 hours per week within the last five years of the date of application, or (2) documentation of the nature, objectives and outcomes of the economic self-sufficiency program, employment counseling, employment skills training, or educational program described in items (b) through (e) above that is satisfactory in the sole discretion of the Property Manager. Documentation under item (2) will be reviewed for indications of the applicant's attendance in the program, measures of success provided under the program and the applicant's commitment to that success, and affirmative steps taken by the applicant as a result of the program to achieve employment that satisfies the minimum 30 hours per week requirement.

Applications that cannot provide documentation of either (1) or (2) satisfactory in the sole discretion of the Property Manager will be rejected, and an explanation of why the application was rejected will be provided to the Applicant and to the CHA.

(iii) Public housing applicants that are admitted because the head or co-head of household is engaged in activities that will lead to no less than 30 hours per week of employment must achieve at least 30 hours per week of employment within 12 months of admission. Leases for households that fail to achieve 30 hours per week of employment by the end of the twelfth month of occupancy will not be renewed, as permitted by the Relocation Rights Contracts. Households in such a situation will be required to undergo an interim re-examination with the property manager every 90 calendar days from the date of admission. Such households and families will be referred to a CHA FamilyWorks provider, if not already otherwise referred or assigned, to create an Action Plan that facilitates compliance. The obligation of the Property Manager shall be limited to obtaining from the head or co-head of household an update of affirmative steps taken by the household to achieve at least 30 hours per week of employment. It shall not be the obligation of the Property Manager to provide Case Management or other referral services, nor shall it be the obligation of the Property Manager to create the Action Plan for any household.

(iv) Public housing applicants enrolled in and actively participating in a full time, multi-year degree or vocational certification program at the time of admission will be considered to be actively engaged in activities leading to working family status. Public housing applicants who remain enrolled in and participating in such programs on a full time basis will be required to achieve working family status within ninety days of the date the enrollee completes the program, by the anticipated date of program completion, based on regular, full time attendance, or when the applicant is terminated from or withdraws from the program, whichever comes first. Public housing applicants will be required to verify participation in the educational or vocational program.

(v) All household members age 18 or over and any household member between the ages of 17 and 18 who drops out of school must be engaged in one or in a combination of the following activities at least 30 hours each week:

- (a) Employment;
- (b) Enrollment and regular attendance in an economic self-sufficiency program;
- (c) Verified job search and/or regular attendance at employment counseling;
- (d) Basic employment skills training;
- (e) Enrollment and consistent attendance in a regular program of education, including general equivalency diploma classes, secondary or post-secondary education, or English proficiency or literacy classes.

(vi) All household members age 6 to 17 must regularly attend school.

(vii) The following family members are exempt from the employment and self-sufficiency requirements applicable to CHA applicants:

- (a) Individuals age 62 or older;
- (b) People with disabilities who are unable to work because of the disability;

- (c) The primary caretaker of a person with disabilities;
- (d) No more than one adult household member who elects to stay home to care for young children, provided that there are at least two adults in the household, and at least one of the adults is working at least 30 hours each week;
- (e) An individual who is retired and is receiving a pension.

6. Ability to meet financial obligations. TCB will review the applicant household's past credit history, current income and expected expenses in order to determine the applicant's ability to meet the financial obligations of a tenant, especially timely payment of rent, utilities, and other fair charges required by the Shops and Lofts at 47 Phase I lease. In order to demonstrate the ability to meet financial obligations imposed by the lease, the applicant must provide evidence of a source of funds to cover expenses. No co-signers will be accepted. However, there can be more than one head of household or leaseholder for a unit. All tenants will be responsible for paying the unit's gas and electricity. In addition:

(i) For non-CHA applicants, gross monthly household income must be at least 2.5 times the monthly rent for a unit. For example, a household must have income of at least \$1,000 to qualify for a unit with rent of \$400.

(ii) For public housing applicants, the household may elect to pay an income based rent or a flat rent, as described in Section V. However, a public housing applicant must demonstrate the ability to pay the utilities for the unit, plus a minimum rent of \$75 or such higher amount which may be established by the Authority, per month. Payment of minimum rent is subject to the hardship exemptions also described in Section V.

7. Age. In order to enter into a lease, the head of household of all applicant families must be age 18 or older.

8. Supervision of Children. All applicant households must document that children under the age of 13 are adequately supervised by a responsible household member, or participate in day care, an after school program or are otherwise adequately supervised.

## **B. Documentation of Income**

1. General: The applicant shall demonstrate the ability to pay rent. For applicants to the public housing and LIHTC units, household income may not exceed the limits described in Section III(A) at initial occupancy. No co-signers will be accepted. However, there can be more than one head of household or leaseholder for a unit. All applicant households must submit documentation regarding the income and assets of all household members. The documents include but are not limited to the following: pay stubs, bank statements, SSI award letters, third party verification, and court-ordered child support agreements. All income must be documented with information that is less than 90 days old. Applicants claiming only cash income will not be approved without providing tax returns or pay stubs. All applicants must complete consent forms to allow TCB to obtain third party verification of income.

2. Verification of Employment: Two years of verifiable work history is required for those applicants whose primary source of income is employment. The work history does not have to be with the same employer. In addition, the average income derived from employment must meet or exceed the applicable minimum income requirements at the time of application. These



requirements do not apply to the head or co-head of household with social security or disability income, applicants with other forms of verifiable non-employment income, or CHA applicants who are not working, but are admitted because they are engaged in activities that will lead to achievement of working family status. See Section III (A) above for working family requirements and for minimum income standards.

### **C. Landlord verification**

All applicant households will be required to submit five years of landlord verification by an authorized management representative, documenting residency, rent payment, and compliance with all lease obligations and site and building rules. If an applicant has just come from college, a verifiable dormitory history will be considered. In cases where an applicant household can provide proof of residency for the required five-year period, but landlord verification of rent payment and lease compliance cannot be obtained for the entire five-year period, TCB shall have the sole discretion to make an exception to the landlord verification requirement, if the applicant household can provide landlord verifications for some period of time and the applicant household meets all other requirements of this Tenant Selection Plan.

### **D. Credit History**

Applicants must show a history of performance in meeting financial obligations. If the applicant owes outstanding rent to the CHA or to a utility company, the applicant must pay the outstanding charges before occupancy, or must be current on a payment plan. Additional screening and verification standards regarding credit history are described in Section II(C).

### **E. Home Visit**

Applicants may be subject to a home visit as part of the screening process, based on the procedures outlined in Section IV(F) of this policy.

### **F. Misrepresentation**

An applicant's intentional misrepresentation of any information related to eligibility, housing history, income, employment, background checks, or rent will be grounds for rejection. Misrepresentation during the intake and screening will be considered as evidence that the applicant cannot meet the requirement and will result in rejection, or termination of the lease.

### **G. Pre-Occupancy Orientation**

All adult household members must attend a pre-occupancy orientation designed by the Owner, the Management Agent, or a third party.

### **H. Standards for Verification**

1. Third party written documentation will be required to verify information in each of the categories listed above or elsewhere in this policy.
2. If staff has any doubts about the truthfulness or reliability of information received, they may request alternative methods of verification from the applicant or third parties.
3. TCB will not make an offer of housing to an applicant who cannot document the ability to comply with the essential obligations of the lease. If information indicates discrepancies or doubts about the accuracy or reliability of verification, the applicant may be

required to supply alternative or additional documentation of eligibility. A determination of “insufficient or inadequate” documentation means a referral to CHA. CHA must be notified by TCB as to what the applicant needs to do in order to provide proper documentation.

#### **IV. Application and Screening Procedures**

##### **A. Waiting List and Referral Procedures**

1. CHA Applicants. Current and former Washington Park Homes residents with a right of return will receive priority for public housing in the revitalized development. Residents with a right of return will be referred to TCB through the CHA Housing Offer Process (HOP). The HOP system will contain the names of eligible, lease-compliant CHA applicants, listed in an order that reflects the priorities under the Relocation Rights Contracts and the housing choices identified by the CHA leaseholders.

2. Other Applicants. TCB will establish a site-based waiting list for non-public housing LIHTC applicants and applicants for market units. In the event that no referrals are available from the HOP system, the site-based waiting list will also include applicants for the public housing units at Shops and Lofts at 47 Phase I. Prospective applicants will also be identified through marketing efforts conducted by TCB according to an affirmative fair housing marketing plan.

##### **B. Pre-Application Procedures**

1. For initial lease up, TCB will contact applicants approximately 90 days prior to unit availability to schedule attendance at a mandatory pre-application orientation. This pre-application orientation will be conducted by TCB staff in order to obtain initial information and authorization for information verification, and to complete the pre-application card.

2. Upon unit turnover, the pre-application orientation will be scheduled approximately 30 days prior to unit availability.

3. When completing the pre-application card, applicants must provide SSN for all family members or, for any household member without a SSN, certify that no SSN is assigned. Applicants must also submit proof of citizenship or eligible immigrant status, and the name, address, and telephone numbers of current and former landlords. Failure to provide this information will result in delay of application processing and possible rejection of the application.

##### **C. Verification and File Maintenance Standards in Connection with Applications**

1. General Verification Standards. Verification by third parties must be in writing. After TCB completes the screening and the applicant signs a Tenant Release and Consent form, leasing staff will send a first mailing to the third party verification sources identified by the applicant. After 15 calendar days, if no response has been received to the first mailing, staff will contact the third party by phone, fax or a second mailing.

2. School Verification. School enrollment and attendance records will be verified for household members under the age of 18, unless evidence is provided as to attainment of high school graduation or G.E.D. This information will be used to develop the Service Plan for Self-Sufficiency described in Section V(A).

3. Applicant Files. Each applicant folder will include a File Completion Checklist, which records all applicant information and verifications that are needed. The file completion checklist will also include a recommendation for rejection or acceptance of the applicant, and the signature of the staff person responsible for this decision. Each applicant folder will be treated as confidential information and will be kept in a secure filing system.

#### **D. Application and Screening Procedures for Security, Safety and Criminal History**

##### **1. Screening Procedures Applicable to All Applicants**

(i) All applicant households will be subject to a criminal background check from third party sources including but not limited to criminal record systems and background check services, and landlord references. This verification shall be used to assess the applicants' and families' past criminal behavior, especially commission of violent crimes, drug related criminal activity of any kind, disturbance of neighbors, or destruction of property. A criminal history and verification report will be obtained for all adult household members (age 18 years or older) who intend to reside at Shops and Lofts at 47 Phase I. The head of household will be required to certify that all household members under the age of 18 have not engaged in conduct that would result in rejection because of security, safety and criminal history screening criteria of this tenant selection plan.

(ii) Verifiable information obtained about the involvement of any household member (including minors) in criminal behavior, or behavior that may adversely affect the health, safety, or welfare of other residents, the owner or manager's employees, or immediate community may also be taken into consideration when making admissions decisions.

##### **2. Drug Tests**

(i) All members of all applicant households age 18 or older will be subject to mandatory drug testing to determine whether any individual member of the family is engaged in current use of illegal drugs. Admission will be rejected if the applicant refuses to take the test. Mandatory drug testing on at least an annual basis will be required as a condition of continued occupancy.

(ii) If the results of any drug test indicate that the individual is currently using illegal drugs, and the applicant is unwilling or unable to enter a substance abuse treatment program, the applicant will be rejected. If an applicant fails the test, but (a) enrolls in a substance abuse treatment program, and upon completion, (b) provides verification from a reliable certified drug treatment counselor or program satisfactory to TCB indicating that the applicant has successfully completed a substance abuse treatment program and that the applicant and the counselor have developed a follow-up plan for the applicant; (c) provides TCB with a written copy of the written follow-up plan, (d) TCB verifies that the tenant is fulfilling the requirements of the follow-up plan, and (e) the applicant passes a subsequent drug test, then the applicant will be considered for occupancy under the screening criteria outlined in this tenant selection plan.

(iii) Complete and signed consent forms conforming to HUD requirements must be submitted for each household member age eighteen or over permitting TCB to obtain information about the results of drug tests from the drug testing and substance abuse treatment facilities. All information obtained from drug testing and substance abuse treatment facilities is confidential. If an applicant household is admitted to occupancy for the reasons described in

subparagraph (ii) above, the information will be destroyed within 5 business days of the date of admission. If the applicant household is denied occupancy, the information will be destroyed after the date on which the statute of limitation expires for the commencement of any civil litigation based on the denial of the application, or until the end of any litigation in connection with the denial, whichever is later.

3. Denial of Occupancy. Applicant households will be denied occupancy in the following circumstances:

- (i) The household includes a member who has been evicted from federally-assisted housing by reason of drug-related criminal activity within the past five years;
- (ii) The household includes a member who is currently engaged in the illegal use of drugs;
- (iii) The household includes a member who illegally uses or shows a pattern of illegal use of a drug that may threaten the health, safety, or right to peaceful enjoyment of other residents;
- (iv) The household includes a member who abuses or shows a pattern of abuse of alcohol that may threaten the health, safety, or right to peaceful enjoyment of other residents;
- (v) The household includes a member who is subject to the 10 year registration requirements under the Illinois Sex Offender Statute, or includes a member who is subject to a lifetime registration requirement under any other State sex offender registration program.
- (vi) The household includes a member who, within five years of the final screening for admission, engaged in any violent criminal activity, drug-related criminal activity, or any other criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of Shops and Lofts at 47 Phase I by other residents, the Owner's employees, TCB's employees, or persons residing in the immediate vicinity of the Shops and Lofts at 47 Phase I. Examples of criminal offenses that will be considered include, but are not limited to: commission of any felony offense, disturbing the peace, drunk and disorderly conduct, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property, vandalism, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage to property, arson, home invasion, and all other activities that may adversely affect the health, safety or welfare of other tenants.
- (vii) The household includes a member who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing.

4. Consideration of Mitigating Circumstances. In the event an applicant is rejected for admission because of security or safety concerns, or because of criminal history, TCB may consider admitting the applicant based on mitigating factors which indicate a reasonable probability of future favorable conduct, compliance with the obligations of tenancy, the likely impact on Shops and Lofts at 47 Phase I and the danger to the health and safety of residents and staff. No consideration will be given to households if any member of the household is subject to lifetime registration as a sex offender, or was convicted for the manufacture or production of methamphetamine on the premises of federally assisted housing. Examples of mitigating factors include:

(i) The culpable household member no longer resides in the household and is not expected to reside in the household in the future.

(ii) The incident occurred at a relatively distant time in the past.

(iii) The offense was an isolated incident, and is not part of a pattern of excludable behavior.

(iv) The seriousness or nature of the offense was minor.

(v) The conduct was caused by a disability, and it is verified that the applicant is not likely to engage in excludable behavior in the future.

(vi) The applicant can provide evidence of rehabilitation, such as current involvement in counseling or the HOPE VI Community and Supportive Services Program, if available, Alcoholics Anonymous, Narcotic Anonymous, successful completion of treatment, compliance with or successful completion of conditions of parole or probation.

## **E. Application and Screening Procedures for Credit History**

1. General Procedures. TCB will utilize a credit scoring worksheet to assess an applicant's ability to meet the financial obligations of a lease. The credit scoring worksheet is attached to this policy. In general, greater emphasis will be placed on the applicant's history of paying rent, utilities and other housing related costs, than on the applicant's consumer credit history.

2. Credit Checks and Credit Reports. If an applicant is denied admission based on a credit check or a credit report, the written notification of denial will include:

(i) A statement that the application was rejected because of the credit report;

(ii) The name, address and telephone number of the credit reporting agency;

(iii) A statement that the credit reporting agency did not make the decision to deny the application and is unable to provide the applicant with the reasons for the denial;

(iv) A statement that the applicant is entitled to obtain a free copy of the credit report from the credit reporting agency within sixty days of the notice;

(v) A statement that the applicant has the right to examine the credit report; and

(vi) A statement that the applicant has the right to dispute the accuracy of the credit report with the credit-reporting agency.

3. Correction of Credit Information and Mitigating Circumstances. If an applicant is rejected based upon a credit report, the household will have two weeks after receiving notice from TCB of the cause for rejection to send corrected information directly to TCB. If a CHA applicant is rejected for poor credit, the applicant may request that TCB consider mitigating circumstances or factors that indicate that the applicant is actively engaged in credit improvement activities that establish a reasonable probability of future favorable conduct and lease compliance. In considering such mitigating circumstances, TCB will take into account:

(i) Whether the CHA applicant's credit report score indicates a consistent and repeated history of non-payment of housing expenses.

- (ii) The age of the debts.
- (iii) Whether the CHA applicant made and kept arrangements to pay back unpaid bills.
- (iv) The size or the number of debts in collection.
- (v) Whether the credit report indicates a lengthy or repeated history of unpaid bills, or repeated bankruptcies.
- (vi) Whether the CHA applicant's poor credit was caused by disability or illness.
- (vii) The nature of the unpaid responsibilities, such as high medical bills, or large school loans.
- (viii) Whether the poor credit was caused by family break-up.
- (ix) Whether the poor credit is related to involuntary displacement.
- (x) Whether the poor credit resulted from involuntary unemployment or some other involuntary change in income.
- (xi) Whether a history of non-payment of rent resulted from an extraordinary rent burden.
- (xii) Satisfactory completion of credit counseling.
- (xiii) Whether the applicant is enrolled and actively participating in the HOPE VI Community and Supportive Services Program, if available.
- (xiv) The presence of other events beyond the control of the CHA applicant

#### **F. Home Visits and Apartment Inspections**

Home visits will be scheduled in circumstances where landlord verification results in information that indicates that an otherwise qualified applicant is not suitable for occupancy. The purpose of the home visit is to determine whether the applicant is capable of meeting the obligations of a tenant, including caring for a unit in a way that creates a healthy and safe living environment. Home visits are subject to the following procedures:

1. Home visits will be conducted by TCB staff and may be conducted by an individual or in teams. Applicants will be notified at least two days prior to the scheduled visit. All TCB staff performing home visits will be trained to ensure that the home visit is completed fully and correctly.
2. If the unit inspected as part of the home visit indicates applicant-caused health or safety hazards, housekeeping that contributes to infestation or applicant-caused damage, the application may be rejected.
3. If the home visit reveals that the applicant is currently permitting unauthorized occupants to share the unit, is engaged in criminal activity or some other situation that was inconsistent with the information presented on the application, the applicant could be rejected.

TCB will document any cases where a home visit results in a rejection.

An applicant's lack of cooperation during the home visit or during the application process will be considered in assessing an applicant's possible behavior toward neighbors. Physical or verbal

abuse or threats by an applicant towards TCB staff will be noted in the file and included in the screening evaluation.

### **G. Additional Application and Screening Procedures for CHA Applicants**

In determining the eligibility of CHA applicants for admission, TCB will consider whether the applicant or household member is actively engaged in activities to meet the property specific requirements described in Exhibit B, including activities designed to lead to the achievement of working family status, or compliance with the credit, or the safety and security standards of the Tenant Selection Plan. In addition, TCB may exercise the discretion to admit an applicant if TCB determines that mitigating factors indicate a reasonable probability of future favorable conduct and compliance with the obligations of the lease, as more specifically described in this Tenant Selection Plan. CHA applicants who do not satisfy or are found not to be engaged in activities that will meet the screening criteria of the Tenant Selection Plan will be notified in writing. CHA applicants who are unable to meet or are found not to be engaged in activities that will meet the selection criteria in the Tenant Selection Plan at the time of admission will be referred to the CHA for placement as provided in the Relocation Rights Contracts. When TCB rejects an applicant and refers a Public Housing applicant to the CHA Relocation Department, TCB will notify the CHA applicant in writing of the adverse decision. The notice will advise the applicant of the right to seek an informal hearing and file a grievance in accordance with CHA grievance procedures.

### **H. Pre-Occupancy Orientation**

1. Attendance. In addition to the pre-application orientation described in Section IV(B), all applicants must complete a pre-occupancy orientation. Attendance and satisfactory completion of the orientation are part of TCB's screening criteria. Failure to attend and satisfactorily complete the program will result in rejection of the application.

2. Scheduling. The pre-occupancy orientation will typically be offered when the applicant is within 30 days of being offered a unit (90 days for initial occupancy).

3. Content. The pre-occupancy orientation may include the following topics:

- (i) Program purpose and relationship to TCB screening.
- (ii) How screening relates to lease compliance.
- (iii) Keeping the units clean.
- (iv) How to request maintenance.
- (v) How to conserve utilities, read a utility bill and family budgeting.
- (vi) Review of TCB's lease requirements.
- (vii) Security procedures.
- (viii) Rights and responsibilities of residents.
- (ix) Procedures that will be followed should lease violations occur.
- (x) Grievance procedures for CHA tenants.
- (xi) TCB's obligation to make reasonable accommodations for persons with disabilities.

- (xii) Chicago Tenant/Landlord Ordinance.
- (xiii) Community amenities.
- (xiv) Participation in community building activities.

## **V. Occupancy**

### **A. Lease Requirements**

All applicants who are selected for housing under this tenant selection plan shall sign a lease. The form of lease for all occupants will conform to the requirements of the Residential Landlord and Tenant Ordinance. The lease for occupants of public housing units will be approved by the CHA and HUD. The form of lease for occupants of non-public housing LIHTC units will conform to the requirements of the LIHTC program. The Owner shall provide a copy of the fully executed lease for all tenants.

### **B. Rent**

#### **1. Public Housing Rents.**

(i) At the time of admission, a public housing applicant must choose to pay either an income based rent equal to the greatest of 30% of the household's adjusted monthly income or 10% of actual gross monthly income, less a utility allowance, or may choose to pay a flat rent established by the Owner and approved by the CHA.

(ii) A family that elects to pay an income based rent shall make a minimum rent payment of \$75 or such higher rent which may be established by the Authority, minus the applicable utility allowance.

(iii) A public housing resident household may request a hardship exemption from the minimum rent requirement. A family will qualify for a hardship exemption if TCB determines that there is hardship that is expected to last 90 days or more, including circumstances where:

- (a) The family has lost eligibility for or is awaiting an eligibility determination for a government assistance program;
- (b) The household includes a member who is a non-citizen lawfully admitted for permanent residence in the United States and who would be eligible for public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- (c) The family would be evicted because of the inability to pay a minimum rent;
- (d) Household income is decreased because of changed circumstances, including loss of employment;
- (e) There was a death in the family; or
- (f) Other documented circumstances exist that TCB determines create a family hardship.



(iv) If a household requests a hardship exemption from the minimum rent requirement, TCB will suspend the minimum rent effective in the month following the month of the request until it is determined that the hardship will last at least 90 days. In no event will the household be evicted for non-payment of rent for the 90 day period beginning on the day of the request for the hardship exemption. If it is determined that the hardship will last less than 90 days, the obligation to pay the minimum rent will be reinstated effective the month the minimum rent obligation was suspended. The family must enter into a repayment arrangement to pay any rent determined to be due. A household qualifying for a hardship exemption must pay an income based rent, less a utility allowance, and may qualify for a utility reimbursement. The family must report any changed circumstances affecting the hardship exemption within 15 days of the change.

2. Rent for LIHTC and Market Units. Rents for LIHTC units that are not public housing units will be based on rent and utility allowance schedules established by the Owner from time to time, consistent with the requirements of Section 42. Rents for market units will be based on rent schedules established by the Owner from time to time.

**C. Unit Size**

Households will be assessed at the time of application to ensure household size does not exceed the maximum per person limit. For the purpose of determining unit size, TCB will count all full-time members of the household, including any live-in aides and all children expected to reside in the unit. In general, no more than two persons will be required to occupy a bedroom and unrelated persons or persons of different generations or of the opposite gender will not be required to share a bedroom. Two people cohabiting (including a married couple) and dependent children of the same gender will be expected to share a bedroom. Two dependent children under age seven (7) will be expected to share a bedroom regardless of the gender of the children. The limits are as follows:

Number of Bedrooms	Minimum Number of Persons	Maximum Number of Persons
1	1	2
2	2*	4
3	3*	6
4	4	8

\* For two and three-bedroom market rate rental units, the minimum number of persons shall be one.

**D. Accessible Units**

At the time of initial lease-up, units that are modified to be accessible will be offered to families referred by the CHA that include a household member needing the features of the unit.

After initial lease-up, any unit that has been modified to be accessible will be offered first to any current resident of Shops and Lofts at 47 Phase I who needs the special features of the unit and who is presently residing in a unit in the revitalized Shops and Lofts at 47 Phase I that lacks accessibility features. If no current resident has a need for the accessible unit, it will be offered to a qualified applicant on the Shops and Lofts at 47 Phase I waiting list who needs accessibility features. If there are no applicants on the Shops and Lofts at 47 Phase I waiting list who require an accessible unit, the unit will be offered to the next qualified applicant. The lease for the unit will require that the household agrees to promptly move to another unit in Shops and Lofts at 47 Phase I if a qualified applicant or resident needs the accessibility features.

### **E. Applicant Inspection of Units**

Applicants will have the opportunity to view the assigned unit prior to signing a lease.

## **VI. Additional Priorities for Applicants.**

### **A. Public Housing Units**

1. Referrals from the HOP System. For the public housing units, CHA shall refer CHA leaseholders from the HOP system in accordance with the Relocation Rights Contracts. For purposes of initial occupancy, CHA will identify eligible families no less than 12 months prior to occupancy.

2. Income Tiers. Creating and maintaining a mixed income community is a primary objective of the Owner and the CHA for Shops and Lofts at 47 Phase I. The income eligibility criteria described in Section III(A)(2) and (3) outline the income eligibility requirements for both the public housing/LIHTC units and the LIHTC-only units. No additional income tiering requirements apply to the project.

3. Applicability of Public Housing Laws. All offers of public housing units must be in conformance with governing CHA policies and procedures and public housing laws.

4. Shops and Lofts at 47 will utilize and enforce additional continued occupancy rules and guidelines contained in the 2010 CHA Admissions and Continued Occupancy Policy – Board Approved September 21, 2010 and in subsequent board approved versions thereafter for public housing units and public housing families occupying such units.

5. Shops and Lofts at 47 will also utilize the CHA's Grievance Policy and Procedures for informal and formal grievances related to public housing units and families.

### **B. Non-Public Housing Units**

For non-public housing units, including non-public housing LIHTC and market units, applicants will be selected from the site-based waiting list based upon the availability of units and family eligibility for occupancy. Applicants will be served on a first-come, first-served basis. Admissions to the non-public housing units will be limited to households that meet the working family qualifications. TCB will use its best efforts to lease half of the non-public housing units to families that have at least one household member working 30 hours per week, including work through Earnfare, Work First, or any comparable program where the household member is paid wages for his or her work.

## **VII. Recertification**

### **A. Annual Lease Renewal and Annual Recertification**

1. Leases at Shops and Lofts at 47 Phase I shall be renewed annually, unless otherwise terminated under the terms of the lease. Mandatory drug testing will be required of all occupant households at the time of lease renewal.

2. No less than annually TCB will also reexamine the income and the composition of each public housing and non-public housing LIHTC household at Shops and Lofts at 47 Phase I. TCB will verify by third-party sources all information and certifications provided by the household in order to determine if the household remains eligible for occupancy in the unit, and to determine if the household is in a unit of appropriate size. For residents of public housing units, TCB will redetermine the appropriate amount of tenant rent. Failure to provide requested information and complete the reexamination may result in lease termination.

### **B. Interim Recertification**

1. General Obligations to Report Changes; Public Housing and Non-Public Housing LIHTC Households. Occupants of public housing and non-public housing LIHTC units must report an increase in income or a change in family size to TCB within 15 days of the change. TCB will re-examine the income and the composition of public housing and non-public housing LIHTC households in between annual recertifications when:

- (i) A household reports an increase in income or family composition.
- (ii) TCB obtains information indicating an increase in income or family composition.
- (iii) The household requests a recertification based on a reduction in family income.

2. Obligations to Report Loss or Reduction of Employment; All Occupants. All occupants, including occupants of public housing units, must report any reduction in hours of employment below 30 hours each week. Occupants of public housing who are engaged in an active job search and are actively engaged in activities to obtain employment must report any change in job search and self-sufficiency activities. All reports of such changes must be made to TCB within 15 days of the change. TCB will require all occupants to re-certify or otherwise verify continuing eligibility for occupancy on no less than an annual basis, and may re-examine continued eligibility for occupancy in between annual recertifications.

## **VIII. Self-Sufficiency Obligations of Residents**

### **A. Obligations of CHA Applicants.**

1. CHA Applicants Admitted as Working Families. CHA applicants who are admitted to Shops and Lofts at 47 Phase I as working families must immediately begin an active job search, if the head or co-head of household's hours of work are involuntarily reduced below the 30 hour minimum through no fault of the head or co-head of household. In addition:

(i) Within 90 days of the loss of employment, the head or co-head of the household must also begin activities approved by TCB that will lead to achievement of working family status, consistent with the provisions of Section I(A)(6) and (7) of the Tenant Selection Plan. Such households must remain engaged in the approved self-sufficiency activities until they find

employment, and must obtain employment of at least 30 hours each week no later than 12 months after the loss or reduction in employment of the head or co-head of household. TCB may approve self-sufficiency activities that will extend beyond the 12 month period for a head or co-head of household enrolled in and actively participating in a full-time, multi-year degree or vocational certification program, in a manner consistent with the provisions of Section I(A)(7). TCB may also approve an extension beyond the 12 month limit for a period of up to an additional 90 days for a head or co-head of household to secure employment after completion of approved self-sufficiency activities.

(ii) It is the purpose of the Tenant or co-head of household's participation in self-sufficiency activities to further develop and improve employment skills and history that will enable the Tenant or co-head of household to re-attain economic self-sufficiency. The Tenant or co-head of household will develop the Service Plan for Self-Sufficiency in cooperation with the local Service Provider and failure to follow the requirements of the Service Plan for Self-Sufficiency will constitute grounds for transfer from the development. Any educational program or self-sufficiency program must be one that, in the determination of TCB, will lead to the fulfillment of the 30 hour employment criterion at its completion. In reviewing and approving a self-sufficiency plan, TCB will consider the head or co-head of household's history of compliance with the self-sufficiency requirements of the Shops and Lofts at 47 Phase I, and whether:

(a) the Tenant or co-head of household is enrolled full-time and is regularly attending a self-sufficiency program or multi-year degree or vocational certification educational program, or is engaged in other self-sufficiency activities and shows progress in completion of the program, or

(b) the Tenant or co-head of household is employed for some period of time less than 30 hours a week but is also engaged in one or a combination of the following activities: enrollment and regular attendance in an economic self-sufficiency program, part-time enrollment and regular attendance in a multi-year degree or vocational certification educational program, participation in a verified active job search or job counseling, or enrollment and regular attendance in a basic skills training program, that together with the employment, equal not less than 30 hours a week.

2. Obligations of CHA Applicants Admitted as Households Engaged in Self-Sufficiency Activities. During the first year of occupancy, CHA applicants who are admitted to Shops and Lofts at 47 Phase I as households engaged in an active job search and actively engaged in activities to obtain employment must remain engaged in job search and self-sufficiency activities. For such families, the head or the co-head of household must obtain employment within 12 months of admission, or at the end of participation in a full-time, multi-year degree or vocational certification program, in a manner consistent with the provisions of Section III(A)(4).

3. Relocation Rights of CHA Applicants. Pursuant to the Relocation Rights Contracts, the CHA must provide a public housing unit at another site, or a Section 8 Housing Choice Voucher to CHA Applicants who fail to secure employment at the completion of approved self-sufficiency activities. In such circumstances, TCB will work with the household and the CHA to assure a smooth transition to other housing. In particular, TCB will notify the CHA about the

status of any family admitted as a household engaged in activities leading to employment in which the head or co-head of household is not employed 9 months after admission, and any family admitted as a working family where the head or co-head of household is not employed 9 months after a loss or reduction in employment. TCB will also provide notice to the CHA and the tenant in the event the head or co-head of household does not attain 30 hours a week of employment after 12 months, or within the period of the self-sufficiency plan, as extended by TCB. The CHA will offer the tenant a Section 8 voucher, or replacement public housing at another public housing property. TCB may terminate the lease of occupants who do not accept an offer of a voucher or replacement public housing, or who otherwise do not meet the working family requirements described in paragraphs III(A)(4).

4. Exemptions. The provisions of this paragraph XI(B) shall not apply to households in which the head of household and the co-head of household, if any, is age 62 or older, or in which the head of household, and the co-head of household is a person with disabilities, or households in which the head of household and the co-head of household cannot work because he or she is the primary caretaker of a blind person, or a disabled person as defined by the Social Security Act in 42 U.S.C. §216(i) or §1614.

### **B. Obligations of Non-Public Housing Occupants and Non-CHA Applicant Public Housing Occupants**

For occupants of non-public housing units, and for occupants of public housing units that were not admitted as CHA applicants, the head or co-head of household must remain employed at least 30 hours each week, as a condition of continued occupancy.

### **C. Community Service Obligations**

All non-exempt adult occupants of public housing units must participate in community service and self-sufficiency activities as a condition of continued occupancy. Tenants of public housing units, including all adult occupants, must report to TCB any change in participation in community service and self-sufficiency activities, and any change in status as an exempt individual, within 15 days of the change. TCB will require all occupants to re-certify or otherwise verify continuing eligibility for occupancy on no less than an annual basis, and may re-examine continued eligibility for occupancy in between annual recertifications. In addition:

1. The exemption from the community service and self-sufficiency requirement shall apply to any adult household member who is: (i) 62 years of age or older; or (ii) who is blind or disabled within the meaning of Section 216(i) or Section 1614 of the Social Security Act; or (iii) who is the primary caretaker of a blind or disabled person; or (iv) who is engaged in work activities, including the employment and self-sufficiency activities of Section XI(B) of the Tenant Selection Plan; or (v) who meets the requirements for exemption from participation in work activities under a state program funded under Title IV-A of the Social Security Act or under any other welfare program in Illinois; or (vi) is a member of a household receiving Transitional Assistance for Needy Families or under any other welfare program in Illinois and has not been found to be out of compliance with the requirements of that program.

2. Each non-exempt household member must: (i) contribute 8 hours each month of community services; or (ii) participate in an economic self-sufficiency program for no less than 8

hours each month; or (iii) must perform 8 hours of combined community service and self-sufficiency activities each month.

3. If TCB determines that any non-exempt public housing occupant is not in compliance with the community service and self-sufficiency requirement, the tenant will be notified that the tenant's lease will not be renewed at the end of the twelve month period following the end of the last annual recertification unless the tenant and the non-compliant adult household member enter into a written agreement to cure the non-compliance. The tenant's lease will not be terminated if the non-compliant adult household member no longer resides in the unit.

4. A written agreement to cure non-compliance with the community service and self-sufficiency requirement must provide that: (i) the non-compliant adult household member will cure the non-compliance by completing the additional number of hours needed to reach 96 hours community service and self-sufficiency activity over the twelve month period of the lease; and (ii) all other non-exempt adult household members are in compliance with the community service and self-sufficiency requirements, or no longer reside in the household.

5. Performance of the community service responsibilities in this Section XI(C) does not relieve a household member from the obligation to comply with the property specific work and self-sufficiency requirements described in Section III and Section XI.

#### **D. Election of Public Housing Rents**

At the time of admission, and at each annual recertification, each household occupying a public housing unit shall have the right to choose to pay a tenant rent based on family income, or a flat rent established for the unit by the Owner with the approval of the CHA. During any period a family pays a flat rent, the family may choose to pay an income-based rent, if TCB determines that the household is unable to pay the flat rent because of financial hardship. Financial hardship includes, but is not limited to situations in which the household's income has decreased because of changed circumstances, loss or reduction of employment, death in the family, or reduction in or loss of income or other assistance; an increase, because of changed circumstances, in the household's expenses for medical costs, child care, transportation, education, or similar items.

#### **E. Shortfall in Revenues for Public Housing Units**

Continuing residency and lease terms for public housing tenants may be changed in the event there is a shortfall in revenues to the Owner from the operation of the public housing units at Shops and Lofts at 47 Phase I. In that event, the Owner and the CHA will implement a plan to assure that the viability of Shops and Lofts at 47 Phase I as a mixed income rental community can be maintained without unnecessary hardship to low-income residents, excessive claims on scarce resources, or a marked deterioration in the physical condition of the property. If these efforts fail, then the Owner may take steps that will affect tenant rents, or continued occupancy in the public housing units at Shops and Lofts at 47 Phase I, such as:

1. An increase in income-based rents above the amounts otherwise required by HUD regulations;
2. An increase in flat rents otherwise established by the Owner;
3. Provision of substitute housing to public housing residents by the CHA, including provision of Section 8 rental assistance or other public housing outside of Shops and Lofts at 47 Phase I;
4. Termination of public housing leases.

Any actions taken by the Owner are subject to Section 35 of the U.S. Housing Act, any implementing regulations, HUD approval, if required, and any agreements affecting the development, including the Regulatory and Operating Agreement between the Owner and the CHA. In the event the Owner must take any adverse action, TCB will give each affected family and the CHA no less than 30 days advanced notice. In no event will the Owner refer a household to a credit agency for any reason related to a shortfall in revenues for public housing units.

#### **F. Increased Income for Public Housing Residents of LIHTC Units**

If after initial occupancy a public housing resident is determined to be no longer eligible under Section 42 because such public housing resident's income exceeds the prescribed limits, as determined under federal regulations, the family must choose to: (i) become a market rate resident of the development by assuming the responsibility to pay the associated market rate rent for its unit (or transfer to another market rate unit of appropriate size if one is available); (ii) request a transfer to a public housing unit in another CHA property in accordance with the procedures of the CHA, if a unit is available; (iii) accept an offer of a Section 8 Housing Choice Voucher from the CHA in accordance with the procedures of the CHA, if a voucher is available; or (iv) vacate the unit.

#### **IX. Family Orientation/Case Management**

Family orientation and case management are critical factors for successful transition into a mixed income environment. This will serve to make the resident aware that management will provide ongoing assistance and support for a smooth transition. All tenants will be required to attend a pre-occupancy orientation as a condition of the lease. Any community service providers affiliated with the development will be present at this meeting to introduce residents to the services available to them. Tenants will also be encouraged to participate in neighborhood and community building activities. The purpose of the community building events is to aid all tenants in the assimilation into a socially diverse community while fostering a healthy, interaction between residents.

## **X. Rejection of Applicants**

### **A. Reasons for Rejection**

TCB may reject an applicant for the following reasons:

1. Inability to Meet Financial Obligations. Any information showing that an applicant will be unable to pay rent and other charges under the lease will be grounds for rejection, including any collection/eviction/judgment from landlord.

2. Income. If an applicant is unable to verify income, or if household income exceeds the applicable income restrictions, the application will be denied.

3. Inadequate Verification. If staff has any doubts about the truthfulness or reliability of information received, they may request alternative methods of verification from the applicant or third parties. TCB will not make an offer of housing to an applicant who cannot document the ability to comply with the essential obligations of the lease. A determination of “insufficient or inadequate” documentation means denial of an application for admission. Public housing applicants who do not provide adequate, sufficient documentation of eligibility will be denied admission. The CHA will be notified by TCB as to what the applicant needs to do in order to provide proper documentation.

4. Substance Abuse. Evidence of illegal use of drugs, or substance abuse that would constitute a threat to the health, safety or welfare of other residents, the Owner or the Owner’s employees, TCB or TCB employees, or neighbors in the vicinity of Shops and Lofts at 47 Phase I.

5. Criminal History. Criminal history reported from an independent reporting agency, and other evidence of criminal behavior, as described in Section IV, above, or the household includes a member who, within five years of the final screening for admission, engaged in any violent criminal activity, drug-related criminal activity, or any other criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of Shops and Lofts at 47 Phase I by other residents, the Owner’s employees, TCB’s employees, or persons residing in the immediate vicinity of the Shops and Lofts at 47 Phase I. Examples of criminal offenses that will be considered include, but are not limited to: commission of any felony offense, disturbing the peace, drunk and disorderly conduct, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property, vandalism, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage to property, arson, home invasion, and all other activities that may adversely affect the health, safety or welfare of other tenants.

6. Ineligibility. Public housing and LIHTC applicants will be rejected if the household does not meet the eligibility requirements for occupancy in the public housing or LIHTC units.

7. Failure to Cooperate. An application will be rejected if the applicant fails to cooperate with the application and screening process, including any failure to attend pre-occupancy orientation.

### **B. Meeting Screening Criteria**



1. CHA applicants who do not meet the property specific criteria summarized in Exhibit B may be admitted if TCB determines that the applicant is engaged in activities designed to lead to the achievement of working family status, or compliance with admissions criteria, as appropriate. For families seeking to achieve working family status, examples of such activities are outlined in Section III(A)(5). For CHA applicants seeking to meet the safety and security admissions criteria, or the criteria for credit, examples of such activities are respectively outlined in Sections IV(D).

2. If negative screening information is received on a CHA applicant, staff will contact the applicant and set up a second meeting to determine whether circumstances exist that make it possible to approve the application. Subject to the grievance procedure described in this Tenant Selection Plan, it will be in TCB's sole discretion to determine if such evidence is satisfactory to warrant admission.

### **C. Notice**

If an applicant is rejected, a form letter indicating the cause for rejection will be completed and mailed via certified mail with return receipt requested to the applicant. The notice will include the specific reasons for the rejection, and will notify the applicant that the household has been removed from the Shops and Lofts at 47 Phase I waiting list. The rejection letter will also inform the family of the right to review the information that caused the application to be rejected. The notice will also advise the household of the opportunity to respond in writing to request an informal hearing to discuss the rejected application. A copy of the notice will be provided to the CHA.

### **D. Informal Meetings and Grievances**

1. General Procedures. Any applicant whose application for admission is rejected may request an informal meeting with an on-site TCB employee within ten days of the date of the rejection letter. In addition, any resident of Shops and Lofts at 47 Phase I may request an informal meeting to discuss any management action or proposed action that adversely affects the household. For existing CHA residents, the procedure for informal meetings shall be the procedure as established from time to time by the CHA. In the case of evictions not otherwise excluded from the informal meeting and grievance procedure under this section, the resident shall have ten days from the date of the notice of lease termination to request an informal meeting.

2. Public Housing Applicants and Residents. Former residents of the Washington Park Homes public housing developments and former residents of other CHA developments referred by the CHA from the HOP system for admission to Shops and Lofts at 47 Phase I pursuant to the Relocation Rights Contracts who are rejected and who are not satisfied with the outcome of an informal meeting may seek a de novo grievance hearing before an independent hearing officer, if provided for and in the manner provided by the CHA grievance policy. Any resident of a public housing unit at Shops and Lofts at 47 Phase I who is not satisfied with the outcome of an informal meeting may also seek a grievance hearing. The procedure for the grievance hearing shall be the procedure as established from time to time by the CHA.

3. Termination of Tenancy Related to Violent or Criminal Activity. The procedures for informal meetings and grievance hearings shall not apply to any termination of a public housing

tenancy based on any violent or drug-related criminal activity on or off the premises of Shops and Lofts at 47 Phase I; any other criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents of Shops and Lofts at 47 Phase I, neighbors of Shops and Lofts at 47 Phase I, the Owner, TCB or the employees of the Owner or TCB; or any activity resulting in a felony conviction.

**E. Non-Discrimination**

The following list of factors will not be considered in making a decision to reject an application:

- |                   |                     |                              |
|-------------------|---------------------|------------------------------|
| -Race             | -Sex                | -Handicap or Disability      |
| -Color            | -Marital Status     | including mental or physical |
| -Religion         | -Parental Status    | -Ancestry                    |
| -Age              | -Sexual Preference  | -National Origin             |
| -Source of income | -Political Ideology |                              |

EXHIBIT A  
RELOCATION RIGHTS CONTRACTS

DRAFT



EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
<p><b>Employment</b></p> <p>See Section I(A)(5), (6) and (7)</p>	<p>Head or Co-Head of Household must currently be employed at least 30 hours per week AND have been continuously working for two (2) years, OR has graduated within the previous two years from a post-secondary educational program AND is currently employed at least 30 hours per week.</p> <p>Elderly and disabled persons, and the primary caretakers for disabled persons are exempt from work requirement.</p>	<p>If Head or Co-Head of Household does not meet the employment requirement, the household may be admitted if the Head or Co-Head of Household is a: (1) full time student in multi-year degree or certificate program; or (2) full-time participant in job training; or (3) participating in active job search, enrolled in and participating in HOPE VI community and supportive services program.</p> <p>Additionally, to qualify for occupancy under this second priority for occupancy, the head or co-head of household must demonstrate either of the following: (1) a minimum of two years of continuous, verifiable employment of at least 30 hours per week within the last five years of the date of application, or (2) documentation of the nature, objectives and outcomes of the economic self-sufficiency program, employment counseling, employment skills training, or educational program described in items (b) through (e) above that is satisfactory in the sole discretion of the Property Manager. Documentation under item (2) will be reviewed for indications of the applicant's attendance in the program, measures of success provided under the program and the applicant's commitment to that success, and affirmative steps taken by the applicant as a result of the program to achieve employment that satisfies the minimum 30 hours per week requirement. Applications that cannot provide documentation of either (1) or (2) satisfactory in the sole discretion of the Property Manager will be rejected, and an explanation of why the application was</p>

EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
		rejected will be provided to the Applicant and to the CHA.

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EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
<p><b>Criminal History</b></p> <p>See Section II(B)</p>	<p>An applicant household will not be admitted to the new development if any household member:</p> <ol style="list-style-type: none"> <li>1) is subject to registration as a sex offender; or</li> <li>2) illegally uses or shows a pattern of illegal drug use; or</li> <li>3) abuses or shows a pattern of abuse of alcohol; or</li> <li>4) in the past 5 years was evicted from federally assisted housing by reason of drug-related criminal activity; or</li> </ol>	<p>If screening indicates grounds for rejection, the following factors may be considered:</p> <ol style="list-style-type: none"> <li>1) the seriousness of offense</li> <li>2) when the offense occurred</li> <li>3) if there is a pattern of criminal activity or if the conviction was an isolated event</li> <li>4) if the person who committed the crime is no longer part of your household</li> <li>5) if the offending party has completed rehabilitation.</li> </ol>
<p><b>Criminal History</b></p>	<ol style="list-style-type: none"> <li>5) in the past 5 years engaged in any violent criminal activity,</li> </ol>	

EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
(continued)	<p>drug-related criminal activity, or other criminal activity that would adversely affect the health, safety, or right to peaceful enjoyment of the community by other residents, owner/manager, or neighbors; or</p> <p>6) has been convicted for the manufacture or production of methamphetamine on the premises of federally assisted housing.</p>	



EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
<p><b>Credit and Financial Standing</b></p> <p>See Section II(C) and (D)</p>	<p>Applicant households must have acceptable history of meeting financial obligations, based upon a credit scoring worksheet drawn from information reported by credit bureaus.</p> <p>The applicant household must be able to obtain utilities in its own name.</p>	<p>Payment of housing obligations (rent, utilities, etc.) will be given greater consideration than other debts. The size, age, and reason for delinquent debt may also be considered.</p>
<p><b>Residential History</b></p> <p>See Section I(C)</p>	<p>An applicant must have a history of being a good tenant. Management will check with landlords during the previous 5 years to verify that the household has complied with rules and housekeeping standards.</p>	<p>A household inspection/check of current residence may be performed so management can independently determine if the household is suitable for admission.</p>

EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
<p><b>Drug Testing</b></p> <p>See Section II(B)(3)</p>	<p>All members of applicant households age 18 or older will be required to pass a drug test prior to admission.</p>	<p>If a member of the household fails the drug test, admission may be reconsidered if the person:</p> <ol style="list-style-type: none"> <li>1) passes a subsequent test; AND</li> <li>2) provides evidence of having completed an approved treatment program.</li> </ol>
<p><b>Community Service</b></p> <p>See Section V(A)(4)</p>	<p>***</p>	<p>All non-exempt adult occupants of public housing units must perform at least 8 hours of community service and/or self-sufficiency activities each month as a condition of continued occupancy. If any adult occupant fails to comply, the household's lease will not be renewed unless such occupant enters into a written agreement to cure the non-compliance by performing an additional 96 hours of community service during the lease renewal term.</p> <p>The following list of persons are exempt from the Chicago Housing Authority's Community Service Requirements:</p> <ul style="list-style-type: none"> <li>• Persons who are 62 years old and older;</li> <li>• Persons who are working 30 or more hours per week;</li> </ul>

EXHIBIT B

PROPERTY SPECIFIC REQUIREMENTS FOR SHOPS AND LOFTS AT 47 PHASE I		
Screening Category	Site Specific Requirement	Additional Criteria for CHA Applicants
		<ul style="list-style-type: none"> <li>• Persons who are in job training 30 or more hours per week</li> <li>• Persons who are primary care takers of persons with disabilities</li> <li>• Disabled persons, and the primary caretakers for disabled persons are exempt from work requirement.</li> </ul> <p>Anyone aged 18 or older or between 17 and 18 years old and has dropped out of school who is a CHA applicant and does not meet the exemption categories listed above must meet the Community Service requirements.</p>

EXHIBIT C  
CREDIT SCORING WORKSHEET

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## CREDIT SCORING WORKSHEET

Property: Shops and Lofts at 47 Phase I Date: \_\_\_\_\_

Applicant: \_\_\_\_\_ Prospective Unit: \_\_\_\_\_

### 1. Housing Payment

#### A) Rent

Times <b>Late</b>	0-12 <b>Months</b>	13-24 <b>Months</b>	25-36 <b>Months</b>	37-48 <b>Months</b>	49-60 <b>Months</b>
0	10	10	10	10	10
1-2	6	6	6	6	6
3	0	0	0	0	0
4 or more	-4	-4	-4	-4	-4
Total A)	_____	+ _____	+ _____	+ _____	+ _____ = _____

Total A

Accept: 40 points or more

Accept with Explanation: 30-39 points

Reject: below 30 points

#### B) Utilities

Times late	0-12	13-24	25-36	37-48	49-60
0	2	2	2	2	2
1-2	1	1	1	1	1
3	0	0	0	0	0

4 or more    -1                    -1                    -1                    -1                    -1

Total B)    \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_  
Total B

Accept:                                8 points or more  
 Accept with Explanation:        4 to 7 points  
 Reject:                                below 4 points

**Total Housing Payments (A & B)= \_\_\_\_\_**

Accept:                                48 points or more  
 Accept with Explanation:        24 to 47 points  
 Reject:                                below 24 points

Brief description of Acceptance with Explanation, which can include mitigating circumstances offered by applicant or verification source (briefly describe attempts/results of verifying explanation/mitigating circumstance):

**2. Consumer Credit:** *Calculate number of late payments as a percentage of total payments.*

%	0-12	13-24	25-36	37-48	49-60
Late	Months	Months	Months	Months	Months
0-10%	5	5	5	5	5
10-15%	3	3	3	3	3
15-30%	0	0	0	0	0
30% or more	-2	-2	-2	-2	-2

Total \_\_\_\_\_

Accept: 15 points or more

Accept with Explanation: 10-14 points

Reject: below 10 points

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DISPOSITION:

1. Housing Payment:

A) Rent: \_\_\_\_\_

B) Utilities: \_\_\_\_\_

2. Credit: \_\_\_\_\_

TOTAL SCORE: \_\_\_\_\_

Accept: \_\_\_\_\_ Accepted on both categories: 63 points or more

Accept with Explanation: \_\_\_\_\_ Accepted for Housing and Rejected Consumer Credit  
With approval of Portfolio Manager: 34 to 62 points

Automatic Rejection:

1. Non-Payment of Housing costs during prior five years (Can be cured if paid or on payment plan)
2. Eviction from Housing during prior five years
3. Inability to secure utility account
4. Write-off of over 5 Consumer Credit accounts

Signed: \_\_\_\_\_ Date \_\_\_\_\_  
                    Processed by

Signed: \_\_\_\_\_ Date \_\_\_\_\_  
                    Portfolio Manager

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