

**TENANT SELECTION PLAN  
SOUTHBRIDGE  
(AKA ICKES REVITALIZATION)  
SCREENING AND SELECTION POLICY  
Ickes Master Developer JV LLC**

**I. Introduction**

This Tenant Selection Plan (“TSP”) addresses screening and selection criteria for the rental units in the mixed income community known as Southbridge, formerly known as the Harold Ickes Revitalization (“Ickes”), which will be developed in multiple phases, along State Street between Cermak Road and 25<sup>th</sup> Street in Chicago, Illinois. Southbridge consists of approximately 770 rental housing units. During a compliance period of fifteen years, and extended use period of an additional 25 years, approximately 316 of the 770 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 or the City of Chicago Department of Planning and Development (“DPD”) pursuant to 26 U.S.C. §42 (“Section 42”).

Of these 316 LIHTC units, 244 are also Rental Assistance Demonstration (“RAD”) Project Based Voucher (“PBV”). These 244 RAD PBV units are considered replacement housing units for the redevelopment of the former Ickes public housing site. The remaining 454 rental units at Southbridge are either moderate (80% of AMI) or unrestricted market units. Southbridge is owned by Ickes Master Developer JV LLC, a Delaware limited liability company (“IMD”) with its partners consisting of The Community Builders, Inc, (“TCB”) and MI Ickes LLC, a Delaware limited liability company (“MII”) (collectively, the “Owner”). The Owner will form special purpose entities to construct and own the units. The property manager has yet to be named, and shall be provided at a future date. Within this document, they shall be referred to as (the “Property Manager”), and they are the Owner’s management agent while TCB’s Community Life shall serve components of the property.

Southbridge is part of the Chicago Housing Authority’s Plan for Transformation. Current and former tenants of the Ickes 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 Relocatee” or “Relocatee” 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 Southbridge. 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. This 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 Southbridge are expected to meet the property-specific requirements regardless of whether they are applying for RAD PBV housing, other assisted housing, or market-rate rental units in the new community. However, CHA relocatees who are covered under the CHA's Relocation Rights Contract ("Relocatees" or "CHA Relocatees", as defined above) and who do not meet the selection criteria at admission may be admitted (i) if the Property Manager determines that the applicant meets the applicable income restrictions and (ii) under the agreement that the household is engaged in activities by which the household will meet the property specific requirements within one year of admission. CHA applicants drawn from the CHA's community-wide (family) or site-based (family) waitlists must meet all property-specific requirements at the time of initial application and screening at this property. The property-specific requirements are summarized in the chart attached to the TSP as Exhibit B, and are described in greater detail throughout the TSP. The CHA and the Owner will notify CHA relocatee applicants of the property-specific requirements at least one year before the first RAD PBV units are leased at Southbridge.

### For RAD PBV Units

In circumstances where there is conflict between lease terms, rules, policies or procedures ("property terms") and Chapter 18 of the CHA's HCV Administrative Plan,<sup>1</sup> property terms will command, unless superseded by HUD regulations, federal or state laws, and/or local ordinance. Where property terms are silent, provisions of CHA's Administrative Plan-Chapter 18 may apply.

## II. Unit Size and Income Distribution

The following is the distribution of units in the Southbridge project:

	0 BR	1 BR	2 BR	3 BR	4 BR	Total
LIHTC total units	0	201	87	20	8	<b>316</b>
<i>RAD PBV/ LIHTC units*</i>	<i>0*</i>	<i>157*</i>	<i>62*</i>	<i>17*</i>	<i>8*</i>	<i>244*</i>
<i>LIHTC units (60% of AMI)*</i>	<i>0*</i>	<i>44*</i>	<i>25*</i>	<i>3*</i>	<i>0*</i>	<i>72*</i>
Moderate units (80% of AMI)	0	38	20	15	0	<b>73</b>
Market-rate units	81	170	130	0	0	<b>381</b>
<b>Total</b>	<b>81</b>	<b>409</b>	<b>237</b>	<b>35</b>	<b>8</b>	<b>770</b>

*\*Included in LIHTC total units*

The Rental Assistance Demonstration Program is a program developed by the Department of Housing and Urban Development ("HUD") that seeks to preserve and protect public and affordable housing. Under RAD, properties are funded through a long-term Housing Assistance Payment ("HAP") contract under Section 8 of the U.S. Housing Act of 1937, in contrast to Section 9, which provides a capital and operating subsidy for traditional public housing. CHA's RAD properties will operate as PBVs that will be subject to HUD regulations governing the program and by CHA policies outlined in CHA's HCV Administrative Plan, Chapter 18.

<sup>1</sup> CHA's Housing Choice Voucher Program Administrative Plan ("CHA Administrative Plan")(CHA Board approved 1/17/2017, effective 2/1/2017, or subsequent versions)

	Total Units	Percentage
50% of Area Median Income	244	31.6%
60% of Area Median Income	72	9.3%
80% of Area Median Income	73	9.5%
Unrestricted Market Rate	381	49.5%
<b>Total Units:</b>	<b>770</b>	<b>100%</b>

In the event the total number of units shall be modified, the percentages provided herein shall be utilized to establish a modified unit size matrix and or income distribution matrix.

### **III. Equal Opportunity Policy**

#### **A. Non-Discrimination**

It is the policy of the Owner and the Property Manager 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”), the Property Manager 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 tenant with disabilities an equal opportunity to use and enjoy a dwelling and participate in the housing, programs and services available at Southbridge. The Reasonable Accommodation Policy includes the following elements:

1. Reasonable accommodations will be made at the request of applicants and tenants 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 tenant 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 tenant, 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, the Property Manager 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 the Property Manager will take reasonable steps to ensure meaningful access to the housing and services available at Southbridge 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 and the Property Manager 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 Southbridge.

2. The frequency with which such people will come into contact with the Management Agent and service providers at Southbridge.

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

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

## **IV. General Principles of Screening**

The standards outlined in this policy are based on the expectations of occupancy at Southbridge. The property specific admissions criteria for the RAD PBV units at Southbridge, 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 Contract which

shall be executed between the Owner, the Property Manager, and each tenant. In assessing an applicant's ability to meet these criteria, the Property Manager 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 their intended way, and to maintain their unit at reasonable standards of care and cleanliness.
- (iii) To report damages and maintenance needs;
- (iv) To respect the right to quiet enjoyment of others.
- (v) 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.
- (vi) To comply with the necessary and reasonable rules of the property.

In accordance with VAWA, the Property Manager 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 supersede any provisions of Federal, state or local law that provide greater protection for victims of domestic violence, dating violence or stalking.

2. **Eligibility for Occupancy in RAD PBV Units.** For admission in a RAD PBV 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 IV(A)(4).
- (ii) Qualify for admission as citizens or eligible immigrants under the rules of the U.S. Department of Housing and Urban Development ("HUD"). (24 CFR Sect. 5.506)
- (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. (24 CFR Sect. 5.216)
- (iv) Admission will also be based on the selection priorities in Section IV(A). The maximum income limit for RAD PBV rental units should not exceed the maximum permitted by law, or 80% of Area Median Income ("AMI") or the income limits established by HUD, by family size. The tenant portion of rent is calculated at 30% of the household's adjusted monthly income or 10% of actual gross monthly income, less a utility allowance. If household income exceeds thresholds for more than 180 days, the family must choose to either: (a) become a market rate tenant of the development by assuming the responsibility to pay the associated market rate rent for another unit of appropriate size if one is available; or, (b) vacate the unit.

3. **Eligibility for Occupancy in LIHTC Units.** During the LIHTC compliance period, for admission to the LIHTC units, including RAD PBV units, an applicant household must:

(i) Meet the income standards required by Chicago DPD under which (a) Maximum income limit for LIHTC rental units will not exceed the maximum permitted by IRS Code (Sec 42), 60% of AMI and (b) all of the LIHTC units, including the RAD PBV units, must be rented to families whose incomes are equal to or less than 60% of AMI at initial occupancy.

(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 (sub-letting is not permitted under any circumstance), 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. Under the City zoning code, dwelling units may be used for a home occupation, subject to certain restrictions and those restrictions are set forth below.

A *dwelling unit* may be used for one or more *home occupations* subject to compliance with all of the following minimum standards:

- (1) The *home occupation* must be accessory and secondary to the use of a *dwelling unit* for residential purposes, and the *home occupation* must not change the residential character of the *residential building* or adversely affect the character of the surrounding neighborhood;
- (2) No more than one non-resident employee is allowed in conjunction with a *home occupation*. All other employees must reside in the *dwelling unit* in which the *home occupation* is located. No more than two patrons or clients may be present in the *dwelling unit* at any one time, and no more than 10 clients or patrons may be present in the *dwelling unit* during any 24-hour period;
- (3) No separate entrance from the outside of the building may be added to the *residential building* for the sole use of the *home occupation*;
- (4) The *home occupation* may not display or create any external evidence of the operation of the *home occupation*;
- (5) There may be no internal or external *structural alterations* or construction, either permanent or accessory, to the *dwelling unit*, nor the installation of any equipment which would change the residential character of the *dwelling unit* or *residential building*;
- (6) The *home occupation* and all related activities, including storage, must be conducted completely within the *dwelling unit* and may not be operated from an *accessory structure* or garage;

- (7) The total floor area of any *home occupation* may not occupy more than 10% of the floor area of any *detached house* or 15% of the floor area of any other type of *dwelling unit*; provided, however, that in no instance may one or more *home occupations* in any single *dwelling unit* permanently occupy more than 300 square feet of the *dwelling unit*;
- (8) No direct sale of any product on display shelves or racks is permitted;
- (9) Bulk deliveries related to a *home occupation* are limited to one per day (in addition to United States mail service, Federal Express, U.P.S. and messenger services) and may only occur between the hours of 8:00 a.m. and 5:00 p.m. No delivery via tractor trailer is permitted;
- (10) No *home occupation* may produce or emit any noise, vibration, smoke, dust, or other particulate matter, odorous matter, heat, humidity, glare, or any other effect that unreasonably interferes with any person's enjoyment of their residence; and
- (11) The following uses are expressly prohibited as *home occupations*:
  - (a) any repair of motorized vehicles, including the painting or repair of automobiles, trucks, trailers, boats, and lawn equipment;
  - (b) animal hospitals;
  - (c) kennels;
  - (d) stables;
  - (e) bird keeping facilities;
  - (f) barber shops or beauty parlors;
  - (g) dancing schools;
  - (h) restaurants;
  - (i) massage therapy;
  - (j) catering/food preparation businesses or shared kitchens;
  - (k) funeral chapels or homes;
  - (l) crematoria;
  - (m) *mausoleums*;
  - (n) medical or dental clinics;
  - (o) any facility where products are manufactured, produced or assembled when the *home occupation* licensee is not the retail point of sale for such products;
  - (p) public places of amusement;
  - (q) the sale of firearms or ammunition;

- (r) caterers;
- (s) construction businesses or landscaping businesses that provide the storage of goods and materials to be utilized in the operation of the business or use;
- (t) warehousing; and
- (u) welding or machine shops.

A family residing in a LIHTC 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 RAD PBV units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section IV(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 receipt of unemployment or disability (temporary or permanent) benefits, 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 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.

(iii) All household members age 6 to 17 must regularly attend school. The head of the household must complete and sign a certification as part of the lease documents, that each household member ages 6 to 17 is enrolled in school or a home school program (the “School Certification/Addendum”).

(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 RAD PBV units:

- (a) Individuals age 62 or older;
- (b) People with disabilities that preclude them from working;



(c) No more than one adult household member who elects to stay home to care for young children (ages 5 and under) 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;

(d) An individual who is retired and is receiving a retirement annuity or a pension.

**5. Employment and Self-Sufficiency Requirements for RAD PBV Applicants.**

Applicants for RAD PBV units will qualify for occupancy only if all household members meet the property specific employment and self-sufficiency requirements of this Section IV(A)(5) (except for those requirements in subparagraphs (i) through (iv) below, which apply only to Relocates. Note that the first and second priorities for occupancy described below are applicable **only** to Relocates. RAD PBV applicants drawn from the CHA Community-Wide (Family) waitlist must meet all property specific requirements at time of leasing and are not afforded one year from the point of admission to satisfy the property specific requirements (second priority status).

(i) Relocates will have first priority for occupancy of the RAD PBV 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. Relocatee 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 IV(A)(5)(vii) also qualify for first priority for occupancy of the RAD PBV units.

(ii) Relocates 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.

(f) Retired receiving a pension.

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 Relocatee and to the CHA.

(iii) All Relocatees who 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) All Relocatees 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. All Relocatees 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. If working family status is not achieved within ninety days of program completion, the enrollee may, upon written request to the Property Manager, be granted an additional 60 days to achieve this requirement. All Relocatees will be required to verify participation in the educational or vocational program.

(v) All CHA Relocatee and RAD PBV 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 30 hours of work or a combination of activities that promote self-sufficiency including but not limited to:

- (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.

(f) Retired receiving a pension.

(vi) All CHA Relocatee and RAD PBV household members age 6 to 17 must regularly attend school. The head of the household must complete and sign a certification as part of the lease documents, that each household member ages 6 to 17 is enrolled in school or a home school program (the “School Certification/Addendum”) and that children under the age of 13 are adequately supervised by a responsible household member or participate in daycare, an after-school program or are otherwise adequately supervised.

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

(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) Single parent serving as primary, full-time caretaker for children age 5 years and under;

(e) An individual who is retired and is receiving a retirement annuity or a pension.

**6. Ability to meet financial obligations.** The Property Manager will review the applicant household’s past credit history, as noted in Section V.E.1 below, 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 Southbridge 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 leaseholders 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 RAD PBV applicants, the household will pay an income based rent. The RAD PBV leaseholder must demonstrate the ability to pay a minimum rent of \$75 or such higher amount which may be established by the Authority, less the applicable utility allowance, per month. Payment of minimum rent is subject to the hardship exemptions also described in Section VI B (iii).

**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. One method of documentation is signing the School Certification/Addendum.

## **B. Documentation of Income**

1. **General:** The applicant shall demonstrate the ability to pay rent. For applicants to the RAD PBV and LIHTC units, household income may not exceed the limits described in Section IV (A) (2) and (3) 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 the Property Manager 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 Relocates who are not working, but are admitted because they are engaged in activities that will lead to achievement of working family status. See Section IV (A) above for working family requirements and for minimum income standards.

### **C. Landlord verification and Judgments**

All applicant households will be required to submit two years of landlord verification, including lease violations, by an authorized management representative, documenting residency, rent payment, and compliance with all lease obligations and site and building rules. If applicant's lease is compliant at time of application, violations will not be a bar for occupancy. If an applicant was homeless during the two-year verification period, and provides evidence of homelessness reasonably acceptable to the Property Manager, then the Property Manager will not require landlord verification for the period of homelessness. Evidence of homelessness may include documentation of stays at emergency shelters, certification by the individual or head of household, third-party documentation, Homeless Management Information System (HMIS) data, and intake worker observations if any. No judgments in favor of landlord in past two years. Judgment that is not the fault of the tenant shall not be considered a judgement in favor of a landlord. If landlord judgments exist, but none in last year before admission, the applicant must demonstrate one year without a landlord judgment. The first year of residency in the mixed-income/mixed finance community will be evaluated to satisfy the second year of the requirement.

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 two-year period, but landlord verification of rent payment and lease compliance cannot be obtained for the entire two-year period, the Property Manager shall have the sole discretion to make an exception to the landlord verification requirement, if 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. No debts to any Public Housing, PBV or RAD programs (“families engaged in activities” and exception provisions for CHA RRC families only). If the applicant owes outstanding or current delinquent debts to a utility provider or is unable to obtain utility connections, these debts must be made current prior to approval for admission or applicant must be current on a payment plan. Leaseholder must be able to obtain utilities in his/her name. Additional screening and verification standards regarding credit history are described in Section V(E).

#### **E. Home Visit**

Applicants may be subject to a home visit as part of the screening process, based on the procedures outlined in Section V(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. 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. The Property Manager 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 requires a referral to CHA. The Property Manager will notify the CHA regarding what the applicant needs to do in order to provide proper or additional documentation.

### **V. Application and Screening Procedures**

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

1. **CHA 10/1/1999 Relocates/Applicants.** Current and former Harold Ickes Homes tenants with a right of return will receive priority for RAD PBV units in the revitalized development. Tenants with a right of return will be referred to the Property Manager 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. Once the HOP list has been exhausted and CHA has determined the need to access the CHA Family Site-Based waitlist, the Property Manager will work with the CHA and its Occupancy Department to receive names of potential candidates from the CHA’s Family Site-Based waitlist for RAD PBV assisted units at this site.

Lease compliant families earning between 60% and 80% of AMI will have a super-priority for units which were specifically financed without low income housing tax credits or other income-restricted funds in order to allow for occupancy by such families. The super-priority will be applied to families in HOP order according to the priorities listed in this TSP. If no lease compliant families earning between 60% and 80% of AMI are available to lease such units, the units will be made available to CHA applicants from the Family Site-Based waitlist meeting the 60% to 80% AMI requirements. Only if names are exhausted from HOP and the Family Site-Based waitlist will families earning below 60% of AMI be eligible to lease the units in accordance with the process set out in this TSP.

2. **Other Applicants.** The Property Manager will establish a site-based waiting list for non-public housing-RAD PBV LIHTC applicants and applicants for market units. Applicants from the site-based list will be given the opportunity to be screened for available non-RAD PBV units and market units when they become available for occupancy. Qohq3985

Prospective applicants will also be identified through marketing efforts conducted by the Property Manager according to an affirmative fair housing marketing plan.

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

1. For initial lease up, the Property Manager will contact applicants approximately 90 days prior to unit availability to schedule attendance at a scheduled pre-application orientation. This pre-application orientation will be conducted jointly by the Property Manager and CHA 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 the Property Manager 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 general enrollment records will be verified for household members under the age of 18 (see School Certification/Addendum of the Lease Contract), 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.**

All applicant households 18 years of age and older 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. There will be a 3-year criminal background check, however, sealed juvenile records will not be reviewed. This verification shall be used to assess the applicants' and families' past criminal behavior, especially for the 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 Southbridge. 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. Please refer to the "Crime/Drug Free Housing Addendum".

**2. 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 three 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 tenants;

(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 tenants;

(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 three 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 Southbridge by other tenants, staff or persons residing in the immediate vicinity. Examples of criminal offenses that may be considered include, but are not limited to: commission of any felony offense, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage to property, arson, child molestation, 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.

3. **Consideration of Mitigating Circumstances.** In the event an applicant is rejected for admission because of security or safety concerns, or because of criminal history, the Property Manager 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 Southbridge and the danger to the health and safety of tenants 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 incident occurred at least 15 years (or more) prior to date of application
- (ii) Evidence of the applicant family's participation in social service or other appropriate counseling services programs and the availability of such programs.
- (iii) 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.
- (iv) The circumstances leading to the eviction no longer exist (e.g., the criminal household member has died or is imprisoned).

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

1. **General Procedures.** The Property Manager 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. Persons screening for CHA units at Southbridge will not be subject to rejection due to consumer credit payment history. However, in order to properly review a prospective tenant's history of paying housing costs, utilities and other costs, it will be necessary to obtain credit report, and applicants may be rejected based on negative history in these categories, as noted in the credit scoring worksheet. All other criminal and background checks will be made for all applicants.

2. **Credit Checks and Credit Reports.** Credit check on all members of the household age 18 and older (as noted above), including live-in aides (medical related and student loan debts not considered). 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 (60) 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 and Criminal Background Information and Mitigating Circumstances.** Any applicant who is rejected from admission may request an informal meeting with Management within ten (10) business days of the date of the rejection letter. Applicants have sixty (60) days from the date of the initial meeting with the Property Manager to provide any corrections of credit information. During this time, while the Property Manager will not hold a unit for the applicant until discrepancies in credit and/or criminal background information are resolved, the applicant's position on the waitlist will be maintained and the Property Manager will retain applicant's initial application and related reports so that the applicant is not required to reapply for admission. If and when the required project admission criteria are met by the applicant, the applicant will be entitled to lease the next available unit.

(i) Applicants subject to Relocation Rights Contracts who are rejected and are not satisfied with the informal meeting outcome may request a de novo grievance hearing before an independent hearing officer if provided for and in the matter provided by the CHA grievance policy. If a RAD PBV applicant is rejected for poor credit, the applicant may request that the Property Manager 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, the Property Manager will take into account:

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

(iii) The age of the debts.

(iv) Whether the RAD PBV applicant made and kept arrangements to pay back unpaid bills.

(v) The size or the number of debts in collection.

(vi) Whether the credit report indicates a lengthy or repeated history of unpaid bills, or and undischarged bankruptcy, or a currently active bankruptcy or filing repeated bankruptcies.

(vii) Whether the RAD PBV applicant's poor credit was caused by disability or illness.

(viii) The nature of the unpaid responsibilities, such as high medical bills, or large school loans.

(ix) Whether the poor credit was caused by family break-up.

(x) Whether the poor credit is related to involuntary displacement.

(xi) Whether the poor credit resulted from involuntary unemployment or some other involuntary change in income.

(xii) Whether a history of non-payment of rent resulted from an extraordinary rent burden.

(xiii) Satisfactory completion of credit counseling.

(xiv) Whether the applicant is enrolled and actively participating in the HOPE VI

Community and Supportive Services Program, if available.

(xv) The presence of other events beyond the control of the RAD PBV applicant.

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

Home visits may 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 the Property Manager's staff and may be conducted by an individual or in teams. Applicants will be notified at least two (2) days prior to the scheduled visit. All property management staff performing home visits will be trained to ensure that the home visit is completed fully and correctly.

2. Lease compliance in housekeeping. Applicants with a record of housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other tenants may be denied. **(24 CFR 960.203)**

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.

The Property Manager 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 the Property Manager's staff will be noted in the file and included in the screening evaluation.

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

In determining the eligibility of CHA Relocates for admission, the Property Manager 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, the Property Manager may exercise the discretion to admit an applicant if the Property Manager 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 Relocates 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 Relocates 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. It will be mandatory for a CHA Relocate to work with a FamilyWorks provider if they are not meeting the work requirement but engaged in activities to meet within one year. When the Property Manager rejects an applicant and refers a CHA Relocate to the CHA Relocation Department, the Property Manager will notify the CHA

Relocatee in writing of the adverse decision. The notice will advise the Relocatee of the right to seek an informal hearing and file a grievance in accordance with CHA RAD grievance procedures. Relocates will not be subject to rejection due to poor consumer credit payment history. All other credit, criminal and background checks will be made.

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

1. **Attendance**. All applicants must complete a pre-occupancy orientation. Attendance and satisfactory completion of the orientation are part of the Property Manager'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 be offered prior to occupancy.

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

- (i) Program purpose and relationship to the Property Manager's 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 the Property Manager's lease requirements.
- (vii) Security procedures.
- (viii) Rights and responsibilities of tenants.
- (ix) Procedures that will be followed should lease violations occur.
- (x) Grievance procedures for CHA tenants.
- (xi) The Property Manager's obligation to make reasonable accommodations for persons with disabilities.
- (xii) Chicago Tenant/Landlord Ordinance.
- (xiii) Community amenities.
- (xiv) Participation in community building activities.

## **VI. 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 Tenant Landlord and Tenant Ordinance. The lease, including related addenda, for occupants of RAD PBV units will be approved by the CHA and HUD. The form of lease for occupants of non-RAD PBV 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. RAD Rents.**

(i) At the time of admission, a RAD PBV applicant will pay an income based rent equal to the greater of 30% of the household's adjusted monthly income or 10% of actual gross monthly income, less a utility allowance.

(ii) The tenant household 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 tenant household may request a hardship exemption from the minimum rent requirement. A family will qualify for a hardship exemption if the Property Manager 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 the Property Manager determines create a family hardship.

(iv) If a household requests a hardship exemption from the minimum rent requirement, the Property Manager 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 RAD PBV 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, the Property Manager will count all full-time members of the household, including any live-in aides and all

children expected to reside in the unit. The required number of persons per bedroom will comply with the CHA's Administrative Plan (CHA Board approved 1/17/2017, effective 2/1/2017, and subsequent versions) Chapter 18 – Policies for Rental Assistance Demonstration Properties, along with any other applicable restrictions. Subject to the foregoing, the general 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, it will be offered to a qualified applicant on the Southbridge waiting list who needs accessibility features. If there are no applicants on the Southbridge waiting list who require an accessible unit, the unit will be offered to the next qualified tenant. The lease for the unit will require that the household agree to promptly move to another unit in Southbridge if a qualified applicant or tenant needs the accessibility features.

RAD units modified to be accessible will be offered to families referred by the CHA that include a household member needing the features of the unit. If CHA is not able to identify any CHA households are applicants who require an accessible unit, any unit that has been modified to be accessible will be offered to a current tenant of Southbridge who needs the special features of the unit and who is presently residing in a unit in Southbridge that lacks accessibility features. If no current tenant has a need for the accessible unit, the unit will be offered to the next CHA HOP or CHA Waitlist qualified applicant. The lease for the unit will require that the household agree to promptly move to another unit if a qualified applicant or tenant needs the accessibility features. RAD units certified by the CHA through a third-party architectural firm as fully compliant with the Uniform Federal Accessibility Standards (UFAS) or Section 504 units, will not float as these unique units have been verified by HUD as counting toward CHA's federally-mandated count of fully UFAS-accessible units and will only house CHA families.

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

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

## **VII. Additional Priorities for Applicants.**

### **A. RAD PBV Units**

1. **Referrals from the HOP System.** For the RAD PBV 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 Southbridge. The income eligibility criteria described in Section IV(A) outline the income eligibility requirements for both the RAD PBV/LIHTC units and the LIHTC-only units. No additional income tiering requirements apply to the project.

3. **Applicability of RAD PBV Laws.** All offers of RAD PBV units must be in conformance with governing CHA policies and procedures and RAD PBV laws.

4. Southbridge will utilize and enforce additional continued occupancy rules and guidelines contained in the CHA's Administrative Plan (CHA Board approved 1/17/2017, effective 2/1/2017) Chapter 18 – Policies for Rental Assistance Demonstration Properties and in subsequent board approved versions thereafter for RAD PBV units and RAD PBV families occupying such units.

5. Southbridge will also utilize the CHA's RAD Grievance Policy and Procedures for informal and formal grievances related to RAD PBV units and families.

### **B. Non-RAD PBV Units**

For non-RAD PBV units, including non-RAD PBV 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-RAD PBV units will be limited to households that meet the working family qualifications.

## **VIII. Recertification**

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

1. Leases at Southbridge shall be renewed annually for market households unless otherwise terminated under the terms of the lease.

2. The Property Manager will also reexamine the income and the composition of each RAD PBV and each non-RAD PBV/LIHTC household at Southbridge. The Property Manager 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 tenants of RAD PBV units, the Property Manager 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; RAD PBV and Non-RAD PBV/LIHTC Households.** Occupants of RAD PBV and non-RAD PBV/LIHTC units must report a change in income or a change in family size to the Property Manager within 10 days of the change. The Property Manager will re-examine the income and the composition of RAD PBV and non-RAD PBV/LIHTC households in between annual recertifications when:

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

The Property Manager will re-examine the income and the composition of non-RAD PBV/ LIHTC households at annual, biennial or triennial recertification in accordance with RAD PBV rules.

Occupants of RAD PBV units 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 the Property Manager within 15 days of the change. Other than for occupants of market rate units, the Property Manager 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 recertifications.

## **IX. Self-Sufficiency Obligations of Tenants**

### **A. Obligations of CHA Relocates.**

1. **CHA Relocates Admitted as Families Engaged in Activities to Satisfy the Employment Requirement.** CHA Relocates who are admitted to Southbridge as families engaged in activities to meet the employment requirement of the screening criteria must immediately begin an active job search and begin working with a FamilyWorks provider, 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 30 days of the loss of employment, the head or co-head of the household must also begin activities approved by the Property Manager that will lead to achievement of working family status, consistent with the provisions of Section IV(A)(4) and (5) 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. the Property Manager 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 IV(A)(4). The Property Manager 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 the Property Manager, will lead to the fulfillment of the 30-hour employment criterion at its completion. In reviewing and approving a self-sufficiency plan, the Property Manager will consider the head or co-head of household's history of compliance with the self-sufficiency requirements of the Southbridge, 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 Relocates Admitted as Households Engaged in Self-Sufficiency Activities.** During the first year of occupancy, CHA Relocates who are admitted to Southbridge 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 IV(A)(5).

**3. Relocation Rights of CHA Relocates.** Pursuant to the Relocation Rights Contracts, the CHA must provide a subsidized unit at another site, or a Section 8 Housing Choice Voucher to CHA Relocates who fail to secure employment at the completion of approved self-sufficiency activities. In such circumstances, the Property Manager will work with the household and the CHA to assure a smooth transition to other housing. In particular, the Property Manager 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 three (3) months after admission, and any family admitted as a working family where the head or co-head of household is not employed three (3) months after a loss or reduction in employment. The Property Manager 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 the Property Manager. The CHA will offer the tenant a subsidized unit. The Property Manager may terminate the lease of occupants who do not accept an offer of a subsidized unit, or who otherwise do not meet the working family requirements described in paragraphs IV(A)(5).

**4. Exemptions.** The provisions of this paragraph IX(A)(4) 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 RAD PBV Occupancy Admitted from the CHA Community-Wide (Family) Waitlist or Applicable CHA Waitlist.**

For occupancy of RAD PBV units by those who were admitted from the CHA Community-Wide (Family) Waitlist or applicable CHA Family Site-Based waitlist, all members of the household 18 years of age and older must remain employed at least 30 hours each week (compliance with CHA Work Requirement & Property Specific Requirement), unless otherwise exempted or qualified for Safe Harbor (as defined in the CHA HCV Administrative Plan.)

For occupants of non-RAD PBV units, the head or co-head of household must remain employed at least 30 hours each week, as a condition of continued occupancy

**C. Election of RAD PBV Rents**

At the time of admission, and at each recertification, each household occupying a RAD PBV will pay a tenant rent based on family income.

## **D. Shortfall in Revenues for RAD PBV Units**

Continuing residency and lease terms for RAD PBV tenants may be changed in the event there is a shortfall in revenues to the Owner from the operation of the RAD PBV units at Southbridge. In that event, the Owner and the CHA will implement a plan to assure that the viability of Southbridge as a mixed income rental community can be maintained without unnecessary hardship to low-income tenants, 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 RAD PBV units at Southbridge, such as:

1. An increase in income-based rents (to the extent allowed by the applicable law) above the amounts otherwise required by HUD regulations;
2. Provision of substitute housing to RAD PBV tenants by the CHA, including provision of Section 8 rental assistance or other subsidized housing outside of Southbridge.

## **E. Increased Income for RAD PBV Tenants of LIHTC Units**

If after initial occupancy a RAD PBV tenant is determined to be no longer eligible under Section 42 because such RAD PBV tenant's income exceeds the prescribed limits, as determined under federal regulations, the family must choose to either: (a) transfer to a market rate unit, if available, and assume the responsibility to pay the associated market rate rent for that unit; or, (b) 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 tenant 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 tenants 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 tenants.

## **X. Rejection of Applicants**

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

The Property Manager 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. The Property Manager 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. RAD PBV applicants who do not provide adequate, sufficient documentation of eligibility will be denied admission. The CHA will be notified by the Property Manager 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 tenants, the Owner or the Owner’s employees, the Property Manager or the Property Manager’s employees, or neighbors in the vicinity of Southbridge.

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 three 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 Southbridge by other tenants, the Owner’s employees, the Property Manager’s employees, or persons residing in the immediate vicinity of the Southbridge. 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.** RAD PBV and LIHTC applicants will be rejected if the household does not meet the eligibility requirements for occupancy in the RAD PBV 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 Relocates who do not meet the property specific criteria may be admitted if the Property Manager 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 IV(A)(5). For CHA Relocates seeking to meet the safety and security admissions criteria, or the criteria for credit, examples of such activities are respectively outlined in Section IX and Sections V(D) and V(E).

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 the Property Manager’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 Southbridge 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. **Applicants.** Any applicant, including an applicant from CHA waitlists, whose application for admission is rejected may request an informal meeting with an on-site property management employee within ten days of the date of the rejection letter. CHA referred for admission to Southbridge pursuant to the Relocation Rights Contract who are rejected and not satisfied with the outcome of the informal hearing, may seek a formal, de novo grievance hearing before an independent hearing officer, if provided for and in the manner provided by the CHA grievance policy.

2. **Tenants.** All tenants of Southbridge may request an informal meeting to discuss any management action or proposed action that adversely affects the household. In the case of evictions, tenants shall have ten days from the date of the notice of lease termination to request an informal meeting. For CHA tenants, the procedure for informal meetings shall be the procedure as established from time to time by the CHA. If the CHA tenant is not satisfied with the outcome of the informal hearing, they may seek a formal, de novo grievance hearing before an independent hearing officer, if provided for and in the manner provided by the CHA RAD grievance policy. The procedure for the grievance hearing shall be the procedure as established from time to time by the CHA.

### **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  
Including Mental or Physical
- Color
- Marital Status
- Religion
- Parental Status
- Ancestry
- Age
- National Origin
- Political Ideology
- Lawful Source of Income
- Familial Status
- Gender Identity
- Sexual Preference/Orientation
- Order of Protection Status
- Military/ Military Discharge  
Status

### **XI. No Smoking Policy**

The premises known as Southbridge to be occupied by tenants and members of tenant's household has been designated a smoke-free living environment. Tenant and members of tenant's household shall not smoke anywhere in any interior or exterior areas of the property. This policy applies to all tenants, guests, visitors, service personnel and employees. Tenants are responsible for the actions of their households, their guests and visitors. If a tenant, member of the tenant's household, a guest or visitor of the tenant is observed in violation of this **No Smoking Policy**, it will constitute both non-compliance of a material provision of the tenant's Lease Contract and a serious violation of the Lease Contract. Please refer to the No Smoking Addendum, the Crime/Drug Free Housing Addendum and the Addendum Regarding Medical Marijuana Use and Landlord's Commitment to Enforcement of Crime /Drug Free Addendum.

## **XII. Firearms**

The Owner's properties are firearms free properties. The Owner prohibits displaying, controlling, using, or possessing any firearms, ammunition, or other weapons anywhere on or near its properties by applicants, tenants and guests. Unless required by lawful employment and obtained in accordance with law; firearms, ammunition, or other weapons are strictly prohibited on or near the Owner's properties.

## **XIII. Amending the Tenant Selection Plan**

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

**EXHIBIT A**  
**RELOCATION RIGHTS CONTRACT**

**EXHIBIT B**  
**CREDIT SCORING WORKSHEET**

## CREDIT REVIEW WORKSHEET

Property: Southbridge  
 Applicant: \_\_\_\_\_

Date: \_\_\_\_\_  
 Prospective Unit: \_\_\_\_\_

### 1. Housing Payment

#### A) Rent

Times Late	0-12 Months	13-24 Months	25-36 Months	37-48 Months	49-60 Months
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
<b>Total A)</b>	_____	_____	_____	_____	_____
	+	+	+	+	
					<b>Total A</b>

Accept: 40 points or more  
 Accept with Explanation: 30-39 points  
 Consider Rejection: 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
<b>Total B)</b>	_____	_____	_____	_____	_____
	+	+	+	+	
					<b>Total B</b>

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

### Total Housing Payments:

\_\_\_\_\_ **Total A+B**

Accept: 48 points or more  
 Accept with Explanation: 24 to 47 points  
 Consider Rejection: 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 excluding medical and student debt.*

% Late	0-12 Months	13-24 Months	25-36 Months	37-48 Months	49-60 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 2)**    \_\_\_\_\_    +    \_\_\_\_\_    +    \_\_\_\_\_    +    \_\_\_\_\_    +    \_\_\_\_\_    =    \_\_\_\_\_  
**Total 2**

Accept:	15 points or more
Accept with Explanation:	10-14 points
Collaborative Meeting with Management Staff:	0-14 points
Consider Rejection:	below 0 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

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. Persons screening for CHA units at Southbridge will not be subject to rejection due to poor consumer credit payment history. All other credit, criminal and background checks will be made.

Signed:\_\_\_\_\_ Date\_\_\_\_\_

Processed by

Signed:\_\_\_\_\_ Date\_\_\_\_\_

Portfolio Manager



November 20, 2018

Item No. 14

**AUTHORIZATION TO APPROVE 1) THE TENANT SELECTION PLAN, LEASE, AND LEASE RIDERS FOR HAROLD ICKES/SOUTHBRIDGE AND AMEND THE CHA HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATION PLAN TO INCORPORATE SUCH DOCUMENTS AS AN ADDENDUM THERETO; 2) LOAN APPROXIMATELY \$3,560,000 IN PROCEEDS FROM THE SALE OF THE ILLINOIS AFFORDABLE HOUSING TAX CREDITS (IAHTC) TO THE DEVELOPMENT; AND 3) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING**

Address: Property bounded by 23<sup>rd</sup> Street on the north, State Street on the east, 24th Street on the south, and Dearborn Avenue on the west.

Alderman: Pat Dowell Ward: 3

Presenter: Ann McKenzie, Chief Development Officer

### **Recommendation**

It is recommended that the Board of Commissioners (BOC) of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer or his designee to 1) Approve a tenant selection plan, lease, and lease riders for Southbridge and amend the CHA Housing Choice Voucher Program Administrative Plan to incorporate such documents as an addendum thereto; 2) Loan approximately \$3,560,000 in proceeds from the sale of the Illinois Affordable Housing Tax Credits (IAHTCs) to the development; and 3) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

### **Funding**

CHA will provide a loan from the proceeds of the sale of IAHTCs to the rental phases of the project as a result of donating to the project, the value of the CHA land lease in order to generate IAHTCs valued at approximately \$3,560,000.

**Compliance**

Subject to compliance with M/W/DBE and Section 3 participation.

**Background**

The Harold Ickes Homes development (Ickes), now known as Southbridge was originally situated on approximately 18 acres within the near south side community area of the city of Chicago and was located between 22nd Street (North), State Street (East), 25th Street and 24th Street (South) and Dearborn and Federal Street (West). The Ickes development consisted of eleven buildings with 1006 total units and the demolition of all buildings was completed in 2010.

**Tenant Selection Plan**

The proposed resolution also requests approval of the form of Tenant Selection Plan, lease, and lease riders to be used for Southbridge. It is understood that the owner has an interest and desire to implement its own lease forms and policy that encourages consistent community standards for the effective management of the Harold Ickes Redevelopment site, Southbridge.

Respectfully Submitted:

  
\_\_\_\_\_  
Ann C. McKenzie  
Chief Development Officer


**RESOLUTION NO. 2018-CHA-88**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated November 20, 2018 entitled "Authorization to Approve to 1) Approve a tenant selection plan, lease, and lease riders for Southbridge and amend the CHA Housing Choice Voucher Program Administrative Plan to incorporate such documents as an addendum thereto; 2) Loan approximately \$3,560,000 in proceeds from the sale of the Illinois Affordable Housing Tax Credits (IAHTCs) to the development; and 3) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing."

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Approve a tenant selection plan, lease, and lease riders for Southbridge and amend the CHA Housing Choice Voucher Program Administrative Plan to incorporate such documents as an addendum thereto; 2) Loan approximately \$3,560,000 in proceeds from the sale of the Illinois Affordable Housing Tax Credits (IAHTCs) to the development; and 3) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.



  
\_\_\_\_\_  
Eugene E. Jones, Jr.  
Chief Executive Officer  
Chicago Housing Authority