

TENANT SELECTION PLAN

Other Programs

(Non-Section 8 and 236 Programs)

Mahalia Place
DEVELOPMENT NAME

109 E 43rd Street, Chicago, IL
DEVELOPMENT ADDRESS

Revised: February 19, 2016

TABLE OF CONTENTS

I	<u>INTRODUCTION</u>	
A.	<u>Development Description</u>	1
B.	<u>Tenant Type</u>	1
C.	<u>Unit Distribution</u>	2
D.	<u>Rent Structure</u>	3
E.	<u>Policies to Comply with Section 504, Fair Housing Act and Civil Rights Act</u>	3
	<u>Policies to Comply with Limited English Proficiency and Violence Against Women Act</u>	6
II.	<u>PREFERENCES</u>	
A.	<u>Establishing Preferences</u>	7
B.	<u>Verification of Preferences</u>	8
C.	<u>Selection of Families for Participation</u>	8
D.	<u>When a Preference Is Denied</u>	8
E.	<u>Exceptions to the Preference Rule</u>	8
III.	<u>PRE-APPLICATION CARD PROCESSING</u>	
A.	<u>Distribution of Pre-Application Cards or Pre-Applications</u>	8
B.	<u>Processing Pre-Application Cards or Pre-Applications</u>	9
IV.	<u>WAITING LIST(S) PROCEDURES</u>	
A.	<u>Creation of Waiting List(s)</u>	9
B.	<u>Changes In Income or Household Composition</u>	10
C.	<u>Contacting Persons on the Waiting List(s)</u>	10
D.	<u>Updating the Waiting List(s)</u>	11
E.	<u>Closing and Re-Opening the Waiting List(s)</u>	12
V.	<u>THE (INTERVIEW) SCREENING PROCESS</u>	
A.	<u>Application Requirements</u>	12
B.	<u>Home Visits</u>	13
C.	<u>Completion of Application Process</u>	13
VI.	<u>ELIGIBILITY REQUIREMENTS</u>	
A.	<u>Income</u>	13
B.	<u>Certification of Date of Birth</u>	13
C.	<u>Certification of Social Security Numbers</u>	13
D.	<u>Student Eligibility Requirements</u>	13
VII.	<u>OCCUPANCY STANDARDS</u>	14
VIII.	<u>SECURITY DEPOSITS</u>	14

IX.	<u>REJECTION CRITERIA</u>	
A.	<u>Insufficient/Inaccurate Information on Application</u>	14
B.	<u>Credit and Financial Standing</u>	14
C.	<u>Criminal Convictions/Current Drug Use</u>	15
D.	<u>Household Characteristics</u>	15
E.	<u>Unsanitary Housekeeping</u>	16
F.	<u>Exception to Rejection Criteria</u>	16
X.	<u>REJECTION PROCEDURES</u>	
A.	<u>Written Notification</u>	16
B.	<u>Review of Rejected Applications</u>	16
XI.	<u>SPECIAL OCCUPANCY CATEGORIES</u>	
A.	<u>Persons with Disabilities</u>	16
XII.	<u>POST SELECTION TENANCY REQUIREMENTS</u>	
A.	<u>Annual Recertification Requirements</u>	17
B.	<u>Interim Recertification Requirements</u>	17
C.	<u>Unit Inspections</u>	17
D.	<u>Implementation of House Rules</u>	18
XIII.	<u>AMMENDING THE TENANT SELECTION PLAN</u>	18
XIV.	<u>CERTIFICATION</u>	19
	<u>EXHIBIT A – RENT STRUCTURE</u>	20
	<u>EXHIBIT B – LEASE ADDENDUM FOR ACCESSIBLE UNIT AVAILABILITY</u>	21
	<u>EXHIBIT C – VERIFICATION OF PREFERENCE STATUS</u>	22
	<u>EXHIBIT D – REJECTION LETTER FOR PREFERENCES</u>	24
	<u>EXHIBIT E – APPLICANT INQUIRY</u>	25
	<u>EXHIBIT F – PRE-APPLICATION CARD</u>	26
	<u>EXHIBIT G – PRE-APPLICATION CARD LOG</u>	27
	<u>EXHIBIT H – SAMPLE WAITING LIST</u>	28
	<u>EXHIBIT I – WAITING LIST UPDATE</u>	29
	<u>EXHIBIT J – REPLY CARD</u>	30
	<u>EXHIBIT K – WAITING LIST ACKNOWLEDGEMENT</u>	31
	<u>EXHIBIT L – HOME VISIT REPORT</u>	32
	<u>EXHIBIT M – APPLICANT REJECTION</u>	33
	<u>ADDENDUM 1 – SOCIAL SECURITY NUMBER REQUIREMENTS</u>	34



TENANT SELECTION PLAN



For Other Programs (Non-Section 8 and 236 developments)

IHDA Identification Number: _____

Mahalia Place
"Development"

Owner's Name (the "Owner")

Interstate Realty Management Company
Managing Agent's Name (the "Management")

I. INTRODUCTION

This Tenant Selection Plan (this "Plan") outlines the procedures that will be followed in selecting tenants for the Development. Management is responsible for implementing these procedures.

A. **Development Description** (Check the one that applies)

- ☒ The Development does not offer subsidized rents.
- ☐ The Development offers subsidized rents. This means the rent that a tenant pays is based upon the tenant's household income. Therefore, the rent paid by tenants may vary among tenants as well as from time to time for an individual tenant. The rents attached to this Plan as **Exhibit A** reflect the market or contract rent for the Development and **not** the typical tenant portion of the rent. (Subsidized rents are usually made available through participation in one of two housing programs: (i) the HUD Section 8 program or (ii) the HUD 236 program which are further augmented by either the Rent Supplement or Rental Assistance programs. Both of these programs have household income limitations.)

In addition, the Development ☒ **does** ☐ **does not** accept Housing Choice Vouchers.
(Check the one that applies)

B. **Tenant Type**

The Development is designated as housing for: (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Elderly | <input type="checkbox"/> Family & Special Needs |
| <input type="checkbox"/> Special Needs Family | <input type="checkbox"/> Elderly & Special Needs |
| <input checked="" type="checkbox"/> Family | |

If the "Elderly" or "Elderly & Special Needs" designation is selected, the age restriction, for the units designated Elderly, will be:

(Check the one that applies)

- ☐ 55 and above (households whose head or spouse or sole member is at least 55 years of age) or,
- ☐ 55 and above (one person 55 years of age or older) or,
- ☐ 62 and above (**all** members of the household are 62 years of age) or,
- ☐ 62 and above (households whose head **or** spouse **or** sole member is at least 62 years of age) (this is only available to developments participating in a HUD housing program); or
- ☐ Other (please describe) _____

If any of the "Special Needs" designations is selected, the Development is serving the following special needs population(s):

(Check all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Battered Women | <input type="checkbox"/> Developmentally Disabled |
| <input type="checkbox"/> Disabled | <input type="checkbox"/> Physically Disabled |
| <input type="checkbox"/> HIV/AIDS | <input type="checkbox"/> Ex-offenders |
| <input type="checkbox"/> Homeless | <input type="checkbox"/> Substance Abusers |
| <input type="checkbox"/> Foster Care Families | <input type="checkbox"/> Mentally Ill |
| <input type="checkbox"/> Transient Families | |
| <input type="checkbox"/> Other (please describe) _____ | |

C. Unit Distribution

1. Development (Start-Up only)

The Development will offer 110 rental units.

This ☐ **includes** ☒ **does not include** a management unit.

(Check the one that applies)

The income limitations of these units are as follows:

12 Market rate (no income restriction) units

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Manager unit(s)

2. Development (Up and Running only)

Per Regulatory Agreement

12 Market rate units

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Manager unit(s)

Per Extended Use Agreement (if applicable)

_____ Market rate units

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Manager unit(s)

3. Other Agreements

Per SRN Written Agreement (if applicable)

_____ Market rate units

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Manager unit(s)

Per Section 811 PRA Contract (if applicable)

_____ Market rate units

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Units at _____% Median income

_____ Manager unit(s)

D. Rent Structure

The current rent structure for the Development, by unit size and income distribution, is attached to this Plan as **Exhibit A**.

E. Civil Rights and Nondiscrimination Requirements

1. General

Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants on the basis of race, color, national origin, sex, disability, religion, and familial status. The Illinois Human Rights Act addressing fair housing prohibits discrimination against applicants or tenants on the basis of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, gender identity or unfavorable discharge from military service.

HUD's Office of General Counsel issued a memo dated April 4, 2016, which is guidance concerning how the Fair Housing Act applies to the use of criminal history by providers or operators of housing and real-estate related transactions.

The remaining paragraphs in this section provide brief descriptions of key federal civil rights laws regarding fair housing and accessibility.

Owner and Management shall be familiar and comply with the regulations implementing these applicable federal civil rights laws and any state civil rights laws or local ordinance regarding fair housing and accessibility.

2. Fair Housing Act

Fair Housing Act Amendments of 1988 ("Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, disability, familial status and national origin regardless of any federal financial assistance.

Under the Fair Housing Act, Owner and Management shall not take any of the actions listed below based on race, color, religion, sex, disability, familial status and national origin:

- a. Deny anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs;
- b. Provide anyone housing that is different from that provided to others;
- c. Subject anyone to segregation, even if by floor or wing;
- d. Restrict anyone's access to any benefit enjoyed by others in connection with housing program;
- e. Treat anyone differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of a lease;
- f. Deny anyone access to the same level of services;
- g. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- h. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; and
- i. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

Fair Housing Act provides additional protections for persons with disabilities. It requires that the Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford handicapped persons equal opportunity to use and enjoy a dwelling. Moreover, it contains specific accessibility requirements that apply to the design and construction of new multi-household housing.

Owner of federally assisted housing program shall display the Fair Housing poster required by the Fair Housing Act.

3. Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 prohibits all recipients of federal financial assistance from discriminating based on race, color or national origin.

4. **Age Discrimination Act of 1975**

Age Discrimination Act of 1975 (the "Age Discrimination Act") prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances. It is not a violation of the Age Discrimination Act to use age as screening criteria in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

5. **Section 504 of the Rehabilitation Act of 1973 (for HOME and CDBG programs)**

Section 504 of the Rehabilitation Act of 1973 ("Section 504") prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on the Owner to make their programs as a whole, accessible to persons with disabilities. Section 504 obligations include the following:

- a. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
- b. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- c. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
- d. Performing a self-evaluation of Management's programs and policies to ensure that they do not discriminate based on disability; and
- e. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements.
- f. Section 504 also establishes accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units.

If the Owner, Management and Development employ 15 or more persons, regardless of their location or duties, a Section 504 Coordinator must be designated.

Does the Section 504 Coordinator requirement apply?

(Check the one that applies)

☒ Yes

☐ No

If "Yes" was checked, indicate the name of the Section 504 Coordinator:

Name: Aaron Richards

Telephone Number: 856-596-0500

TDD Number: _____

6. **Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (for HOME and CDBG programs)**

Effective March 5, 2012, HUD implemented new regulations intended to ensure that HUD's core housing programs are open to all eligible persons regardless of actual or perceived sexual orientation, gender identity or marital status (HUD Notice 2015-01).

Owners and operators of HUD-assisted housing, or housing whose financing is insured by HUD, must make housing available without regard to sexual orientation, gender identity, or marital status.

All otherwise eligible families, regardless of marital status, sexual orientation, or gender identity, will have the opportunity to participate in HUD programs.

Owners and operators of HUD-assisted housing or housing insured by HUD are prohibited from asking about an applicant or occupant's sexual orientation and gender identity for the purpose of determining eligibility or otherwise making housing available.

7. **Executive Order 13166 – Limited English Proficiency (for HUD programs only)**

Executive Order 13166 requires Owner/Management to take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.

8. **Violence Against Women and Justice Department Reauthorization Act of 2005 & 2013 (for Tax Credit, HOME, TCAP and 1602 developments only)**

Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA 2005, and reinstated in the HUD Reauthorization Act of 2013) protects victims of domestic violence, dating violence or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance if an incident of violence is reported and confirmed.

Owner/Management responding to an incident of actual or threatened domestic violence, dating violence or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign and submit within 14 business day of the request, the HUD-approved certification form (HUD-91066).

Alternatively, in lieu of the certification form or in addition to it, Owner/Management may accept (i) a federal, state, tribal, territorial, or local police record or court record or (ii) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim has sought assistance.

Owner/Management is encouraged to carefully evaluate abuse claims as to avoid conducting an eviction based on false or unsubstantiated accusations.

9. **Military Status Discrimination (Chicago Only)**

Chicago has amended its Human Rights Ordinance and Fair Housing Ordinance to prohibit discrimination targeting current and former members of the military in all areas under the Commission's jurisdiction: employment, public accommodations, credit transactions, bonding, and housing. This protection extends to any individual who is on active duty, or in any reserve component of any branch of any state or Federal armed forces, or a veteran. The amendments apply to actions taken on or after March 6, 2016.

II. PREFERENCES

A. Establishing Preferences

Preferences are not permitted if they in any way negate affirmative marketing efforts or fair housing obligations. The following preferences apply to the Development:

1. Existing Tenant Preferences

The following actions are always given priority if applicable. If not, State Mandated Preferences take precedence.

- a) A unit transfer because of household size.
- b) A unit transfer based on the need for an accessible unit.
- c) A unit transfer of a non-handicapped individual living in a handicapped accessible unit to accommodate a handicapped applicant on the Waiting List (as defined below). A lease addendum (**Exhibit B**) will be entered into with non-handicapped tenant living in a handicapped accessible unit.

2. State Mandated Preferences

The Development must comply with the three Illinois mandatory preferences required in Section 11 and 12 of 20 ILCS 3805 as described below:

- a) Displaced from an urban renewal area.
- b) Displaced as a result of a governmental action.
- c) Displaced as a result of a major disaster.

3. Optional Preferences

In addition to the preferences mandated by the State of Illinois and the Existing Tenant Preferences listed above, the Development may establish the following preferences. The preferences listed below are subordinate to State Mandated Preferences and Existing Tenant Preferences.

(Check all that apply and rank in the order of highest preference (1) to lowest preference):

- a) HUD Pre-approved Preferences
 - i. Preference for Working Families ☐ Order # _____
 - ii. Preference for Persons with Disabilities ☐ Order # _____
 - iii. Preference for Victims of Domestic Violence ☐ Order # _____
 - iv. Preference for elderly, displaced, homeless, or disabled single person over other single persons ☐ Order # _____
- b) Residency Preferences (with HUD approval) ☐ Order # _____
- c) Local Preference (as established by PHA/PSH) ☐ Order # _____
- d) Existing Tenant Transfers (other) ☐ Order # _____
Including, but not limited to a change in household composition, a deeper rent subsidy, or for medical reasons certified by a doctor.

B. Verification of Preferences

The State Mandated Preferences will be verified by third party verification (**Exhibit C**). Third party verification will also be utilized if the Owner has adopted any of the Former Federal Preferences. If Management has selected any of the optional preferences and will not be using third party verification the following means of verification will be utilized:

C. Selection of Families for Participation

1. An eligible applicant who qualifies for a preference will receive housing before any other applicant who is not so qualified. These preferences take precedence over other applicants' place on the Waiting List, or date of submission of application.
2. Applicants will be informed of the availability of preferences, and will be given an opportunity to certify that they qualify for a preference. Applicants may claim a preference at any time during the application process.

D. When a Preference Is Denied

1. If it is determined that an applicant does not meet the criteria for receiving a preference, the applicant will promptly receive a written notice of this determination from Management (**Exhibit D**). The notice will contain a brief statement of the reasons for the determination, and state that the applicant has the right to meet with the Management's designee to review this decision. If the applicant requests a meeting, it will be conducted by a person or persons designated by Management.
2. Denial of a preference does not prevent the applicant from exercising any legal rights the applicant may have against Management and/or Owner.

E. Exceptions to the Preference Rule

1. **Relocation and/or Unit Transfers:**
Management must give priority to current households
 - i) when their units are designated for rehabilitation and/or
 - ii) for current households residing in a unit within the Development that has been designated as uninhabitable by federal, state, local municipalities or Management due to fire, flood or other natural disaster.

III. PRE-APPLICATION CARD PROCESSING

(Please check which method will be used)

- ☐ The Development will use pre-application cards or;
- ☒ The Development will use pre-applications.

A. Distribution of Pre-Application Cards or Pre-Applications

1. A letter will be sent to households who respond to the marketing efforts (**Exhibit E**). This letter will include a Pre-Application Card or Pre-Application (**Exhibit F**) to be completed and mailed to Management. This letter will also inform persons about the Development's preferences and will indicate that all applicants will be given an opportunity to show that they qualify for a preference.
2. The letter will state that those persons qualifying for a preference will receive housing before any other applicant who is not so qualified.
3. In addition, the letter will inform all applicants that for those persons not claiming a

preference, screening will be conducted according to the order in which the Pre-Application Cards or Pre-Applications are received.

4. All returned Pre-Application Cards or Pre-Applications will be logged in, indicating the time and date received (**Exhibit G**). The Pre-Application log will indicate whether the applicant has claimed a preference or has requested a handicapped accessible unit.

B. Processing Pre-Application Cards or Pre-Applications

1. Pre-Application Cards or Pre-Applications will be filed in the order of receipt. In addition, Pre-Application Cards or Pre-Applications will also be categorized according to preferences, unit size and Special Occupancy Categories (as described in **Section X**).
2. All persons making inquiries will be provided a Pre-Application Card or Pre-Application with instructions to mail this Pre-Application Card or Pre-Application to Management. Pre-Application Cards or Pre-Applications received after initial sorting will be categorized in accordance with the process stated above.
3. For Developments beginning their initial marketing efforts (start-up), no Pre-Application Cards or Pre-Applications will be accepted after the date on which 95% occupancy of the Development has been reached and the applicable Waiting List has been closed.
4. For Developments, which have completed their initial marketing efforts (Up and Running), no Pre-Application Cards or Pre-Applications will be accepted after the date on which the applicable Waiting List has been closed.
5. All Pre-Application Cards or Pre-Applications will be retained on-site permanently.

IV. WAITING LIST(S) PROCEDURES

A. Creation of Waiting List(s)

If an applicant is eligible for tenancy, but no appropriately sized unit is available (as referred to in **Section VII**), Management will place the applicant on a waiting list (the "Waiting List") for the Development (**Exhibit H**). The Waiting List(s) will be maintained in either:
(Check the one that applies)

- ☐ A bound ledger (manually)
☒ A computer program (electronically)

The Waiting List(s) will contain the following information for each applicant listed:

1. Applicant name
2. Household unit size (number of bedrooms household qualifies for under site occupancy standards)
(*NOTE: applicant may qualify for multiple unit sizes*)
3. Date and time application received
4. Qualification for any preferences and ranking
5. Annual income level
6. Targeted program qualifications
7. Accessibility requirements
8. Number of persons in household

The Waiting List will be maintained in accordance with the following guidelines:

- The pre-application or pre-application card will be a permanent file.
- All applicants will be maintained in order of preference. Applications equal in preference will be maintained by date and time sequence.

B. Changes In Income or Household Composition

When placed on the Waiting List, applicants will be informed to notify Management when the following changes occur:

- Address and/or phone number
- Household composition
- Preference status
- Income (Optional)

If an applicant's income changes to an amount which is no longer eligible, written notice will be given advising the applicant that: (1) they are not presently eligible; (2) the applicant could be eligible if the household income decreases, the number of household member changes, or the Income Limit changes; and (3) they may choose to remain or not remain on the Waiting List.

If an applicant's household composition changes resulting in a need for a different apartment size, Management will, upon notification by applicant, place the applicant on the appropriate Waiting List. Management's policy for handling changes in household composition are indicated below: (check the one that applies)

- ☐ Applicant will maintain original application date. (Applicant will be placed on new bedroom list according to original application date.)
- ☒ Applicant will receive new application date based on redetermination. (Applicant will be placed at bottom of new bedroom list.)

C. Contacting Persons on the Waiting List(s)

1. Applicants on the Waiting List will be contacted as follows:

When a unit becomes or will become available within 30 days, Management will select the next applicant who meets applicable preference criteria or whose name is chronologically at the top of the appropriate Waiting List. Management will contact the selected applicant utilizing the following procedure: (*i.e. certified mail, regular mail, telephone or other.*) Modifications will be made to reasonably accommodate persons with disabilities who request or require such modifications.

Applicants, who respond timely and accept the offered unit, will be contacted to schedule an interview. This represents the beginning of the screening process. Those applicants who do not respond timely or who do not accept the offered unit will be processed in the manner indicated below:

- a. If Management does not receive a response within 15 days, the applicant will forfeit the opportunity to apply for the offered unit (*check the one that applies*)
- ☐ and will be removed from the applicable Waiting List.
- ☒ but will remain at the top of the applicable Waiting List. When a second unit becomes available, Management will again attempt to contact the applicant and will explain that if the applicant does not respond within 7 days or fails to accept the second unit, the applicant's name will be removed from the applicable Waiting List.
- ☐ (Other)

- b. If Management receives a timely response but the applicant rejects the first offered unit, the applicant (*check the one that applies*)

- ☐ will be removed from the applicable Waiting List.
- ☒ will remain at the top of the applicable Waiting List. When a second unit becomes available, Management will again attempt to contact the applicant and will explain that if the applicant does not respond within 7 days or fails to accept the second unit, the applicant's name will be removed from the applicable Waiting List.
- ☐ (Other)
- _____

2. If, after an interview has been scheduled, the applicant fails to attend or to contact Management to reschedule the interview, the policy regarding how applicants will be addressed is: (*Please indicate Management's policy below.*)

The applicant's name will be removed from the applicable Waiting List.

D. Updating the Waiting List(s)

1. The Waiting List will be updated at least once every twelve months in the following manner:

- ☒ A letter will be sent via regular/certified mail to each applicant on the Waiting List(s) (**Exhibit I**). The letter will include a Reply Card (**Exhibit J**) to be returned if the applicant is still interested in living at the Development. The applicant will be given 15 days (excluding weekends and designated federal holidays) from the date the letter was mailed in which to respond. If no response is received, the applicant's Pre-Application Card will be removed from the Waiting List and a letter will be sent informing the applicant of this action. If the letter is returned with a forwarding address, it will be re-mailed to the address indicated and a new response time same as above will begin.

- ☐ (Other)
- _____

2. After each of the Waiting List(s) are updated based on the Reply Cards returned, an acknowledgement letter (**Exhibit K**) ☐ will ☒ will not (*Check the one that applies*) be sent to each applicant. It is the applicant's responsibility to notify the Management office of any change in address, telephone number or telephone device for the deaf (TDD) number (if applicable).
3. If it is determined an applicant failed to respond to a Waiting List update due to a disability and such applicant was either removed or lowered on the Waiting List, the applicant must be reinstated at the original place on the Waiting List.

E. Closing and Re-Opening the Waiting List(s)

1. Closing the Waiting List(s)

The Waiting List(s) for the Development will be closed when the following occurs:

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

When Management decides to close the Waiting List(s), future applicants will be advised that the Waiting List(s) are closed and additional applications will not be taken. When Management decides to no longer accept applications, a notice to that effect will be published in the following publication(s):

The notice must state the reasons for the Management's refusal to accept additional applications.

2. Re-opening the Waiting List(s)

Prior to each re-opening of the Waiting List(s), a notice, announcing the re-opening and providing information on the rules regarding how, when, and where to apply, will be placed in the advertisements/publications listed below:

Note: IHDA now requires all Tenant Selection Plans to include ILHousingSearch.org which is a Housing Locator Resource for Marketing. Please print screen shot of "Property Profile" and attach to TSP as proof of enrollment in ILHousingSearch.org.

The Waiting List(s) will be re-opened when the following occurs:

If, based on the maximum number of applications, it is anticipated that all persons who have submitted applications for a specific unit size will be housed within the next twelve (12) months, the site waiting lists for that unit size only will be reopened and applications will be accepted again. Management will present the notice of the reopening of the site waiting lists to prospective residents.

All notifications of the opening of the waiting list will be completed through advertising and outreach efforts in compliance with applicable fair housing marketing requirements & the HUD approved Affirmative Fair Housing Marketing Plan.

3. Affirmative Marketing Plan Requirements

Management will affirmatively market the Development in its outreach efforts during the re-opening of the Waiting List(s). Management will provide a copy of the Affirmative Fair Housing Plan to applicants upon request for review.

V. THE (INTERVIEW) SCREENING PROCESS

A. Application Requirements

The following information will be used to determine program eligibility for anyone who is seeking housing at the Development.

Live in aides, new household members and police officers, security personnel or managers residing in HUD subsidized units will be subject to same screening for drug abuse and other criminal activity applied to other applicants.

1. The head of household must complete a written application certifying the accuracy of all information that is provided. The applicant will be provided with the appropriate disclosures concerning the Privacy Act (5 U.S.C. § 552a). In addition to providing applicant(s) the opportunity to complete applications at the Development, Management may also send out and receive applications by mail. Management shall accommodate persons with disabilities who, as a result of their disabilities, cannot utilize the Management's preferred application process by providing alternative methods of taking applications.
2. ☒ A credit report will be ordered.
☐ A credit report will not be ordered.

3. ☒ A criminal background search will be obtained.
☐ A criminal background search will not be obtained.
4. Verification of employment, income, bank accounts, and other assets, etc., is required as applicable for each applicant.
5. Verification of previous housing, for 3 years, is required. This will include references from previous landlords. If applicable, it will also include verification for those who were homeowners or lived with parents or guardians. Applicants will not be rejected solely for a lack of rental history.
6. Verification of Social Security Numbers for all members of the household is required.
7. Other: All family members 18 years of age and older must pass a drug screening test at initial application.

B. Home Visits

☐ Home Visits will be conducted to inspect the current dwelling of the applicant to determine that the housekeeping practices are acceptable. Details of this process are outlined in **Exhibit L**. Home Visits will be conducted for all applicants who reside within _____ miles of the Development. Home Visits will be conducted for every applicant household reaching the final stages of the approval process.

☒ Home Visits will not be conducted.

C. Completion of Application Process

All applications will be processed within thirty days after the date of the applicant's initial interview or within five business days of receipt of all required documentation, whichever is later (excluding weekends and designated federal holidays).

VI. ELIGIBILITY REQUIREMENTS

A. Income

The annual gross income of the applicant(s) must be equal to or less than the income limit established by the applicable program's administrative rules for the appropriate household size.

B. Date of Birth

Dates of birth must be disclosed for all household members.

C. Social Security Numbers

The head of household/spouse/co-head must disclose Social Security Numbers for all household members. An explanation of acceptable documentation is provided in **Addendum 1** attached to this Plan.

D. Student Eligibility Requirements (for Tax Credit only)

Households consisting entirely of full-students are not eligible for Tax Credits unless the household is income eligible and one or more of the following exceptions applies to the household:

1. All members of the household are married (they do not need to be married to each other) and are entitled to file a joint tax return.

2. The household consists of single parent(s) and their child (or children) and no one in the household is a dependent of a third party.
3. At least one member of the household receives assistance under Title IV of the Social Security Act (i.e. TANF).
4. At least one member of the household is participating in an officially sanctioned job training program.
5. At least one member of the household was formerly in foster care.

Full-time status for purposes of the LIHTC program includes attendance at regular facilities for five or more months during the calendar year in which the taxable year of the taxpayer begins.

VII. OCCUPANCY STANDARDS

The unit must have enough space to accommodate the household. Occupancy standards must comply with federal, state and local occupancy standards, and/or laws in connection with occupancy requirements, fair housing and civil rights laws, as well as landlord-tenant laws and zoning restrictions.

1. For the purpose of determining the unit size for which a household may be eligible; the following will be counted as members of the household:
 - a. Fulltime household members
 - b. Unborn children
 - c. Children in the process of being adopted
 - d. Children whose custody is being determined
 - e. Foster children
 - f. Children temporarily in a foster home
 - g. Children in joint custody 50% of the year or more
 - h. Children away at school but home for recess
 - i. Live in aides
 - j. Foster adults

The Occupancy Standards for the development are:

Two persons per bedroom size - EX. 1 bed max 2 persons, 2 bed max 4 persons

2. Upon request, an applicant or resident may be placed on as many of the Development's Waiting List(s) that the household size qualifies.
3. A household may be required to provide proof of custody of related or unrelated occupants in order to be considered for a change in unit size.

VIII. SECURITY DEPOSITS

If applicable, a security deposit equal to one month's total tenant payment or tenant rent will be collected. The security deposit must be paid upon signing the lease for the unit. The amount of the security deposit established at move-in does not change when a tenant's rent changes.

Note: The owner may collect the security deposit on an installment basis (HUD Handbook 4350.3 - Chapter 6, Section 2).

IX. REJECTION CRITERIA

The ability of the applicant to fulfill lease obligations will be considered. An applicant may be rejected for one or more of the following reasons:

A. Insufficient/Inaccurate Information on Application

Refusing to cooperate fully in all aspects of the application process or supplying false information will be grounds for rejection.

B. Credit and Financial Standing

1. Unsatisfactory history of meeting financial obligations (including, but not limited to timely payment of rent, outstanding judgments or a history of late payment of bills) will be considered. If an applicant is rejected based on the credit report, they will be provided with the reasons for rejection and given the name of the credit bureau that performed the credit check. Applicants will also be given two weeks to dispute any information on the credit report.
2. The inability to verify credit references may result in rejection of an applicant. Special circumstances will be considered in which credit has not been established (income, age, marital status, etc.) and lack of credit history will not cause an applicant to be rejected. In such circumstances, a person with a history of creditworthiness may be required to guarantee the lease.
3. The applicant's financial inability to pay his/her monthly contribution toward the rent of the unit may be assessed. Ordinarily, the total of the applicant's monthly contribution plus other long-term obligations (payments extending more than twelve months) should be less than 30% of his/her monthly gross income. Income ratios may be considered in the context of the applicant's credit and employment history and potential for increases in income.

C. Criminal Convictions/Current Drug Use

1. Applicants who fall into the following categories will be rejected:
 - a) any household in which any member uses marijuana, or whose use of marijuana, or current addiction to or engagement in the illegal use of a controlled substance interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents will be denied admission and, if an occupant, will be subject to termination of tenancy.
 - b) any household containing a member(s) who was evicted in the last three years from housing for drug-related criminal activity. Exception: if the evicted household member has successfully completed an approved supervised drug rehabilitation or the circumstances leading to the eviction no longer exist (e.g. the household member no longer resides with the applicant household).
 - c) any household member that is subject to a state sex offender lifetime requirement. In order to comply with this provision, a criminal background check will be conducted on all applicants over the age of 18 that includes a check of all state sex offender registration program lists, or a national registration list that includes the information from all states.
 - d) any household member for whom there is reasonable cause to believe that the member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.
2. Applicants who fall into the following categories may be rejected. In addition, if other persons that will be living in the unit fall into these categories, the applicant may be rejected. **Note:** The owner shall ensure that the relevant "reasonable" time period is uniformly applied to all applicants in a non-discriminatory manner and in accordance with applicable fair housing and civil rights laws.
 - a) criminal convictions that involved physical violence to persons or property, or endangered the health and safety of other persons within the last 10 year(s);
 - b) criminal convictions in connection with the manufacture or distribution of a

controlled substance within the last 10 year(s); or

- c) Other Applicant or household member ever convicted of a crime requiring registration under a state sex offender registration program including ten year Illinois State Sex Offender Registration Act.

D. Household Characteristics

Household size or household characteristics were not appropriate for the specific type of unit available at the time of application.

E. Unsanitary Housekeeping

☐ Housekeeping will be considered because home visits are conducted. Housekeeping criteria are not intended to exclude households whose housekeeping is only superficially unclean or disorderly if such conditions do not appear to affect the health, safety or welfare of other residents.

☒ Housekeeping will not be considered because home visits are not conducted.

F. Exception to Rejection Criteria

The development has adapted the following policy regarding Extenuating Circumstances: **Note:** Additional references include the Guidance for PHAs and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions, HUD Notice H 2015-10 dated November 2nd, 2015. Additionally, HUD Memo dated April 4, 2016, Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions.

Extenuating circumstances will be considered in cases when applicants would normally be rejected. The applicants will have to provide, in writing, the circumstances under which he/she will be an acceptable resident in the future.

If the applicant is a person with disabilities, Management must consider extenuating circumstances where this would be required as a matter of a Reasonable Accommodation.

X. REJECTION PROCEDURES

A. Written Notification

Each rejected applicant will be promptly notified in writing of the reason(s) for rejection (**Exhibit M**). This notice will advise the applicant that he/she may, within 14 days of receipt of the notice (excluding weekends and designated federal holidays), respond in writing or request to meet with Management to discuss the notice.

B. Review of Rejected Applications

The applicant will have 14 days (excluding weekends and designated federal holidays) to respond in writing or request a meeting to discuss the rejection. Any meeting with the applicant or review of the applicant's written response will be conducted by a member of Management's staff who did not participate in the decision to reject the applicant.

If the applicant appeals the rejection, the applicant will be given a final written decision from Management within five days (excluding weekends and designated federal holidays) of the applicant's written response or meeting. If the decision is reversed, the applicant will be offered a suitable vacant unit. If no such unit is available, the applicant will be offered the next appropriate unit.

XI. SPECIAL OCCUPANCY CATEGORIES

Applicants will be interviewed and processed as authorized in **Sections V through VIII**, with exceptions made as follows:

A. Persons with Disabilities

An applicant with disabilities will be given priority for an accessible unit if such applicant deems that this type of unit is appropriate for their household.

If the household determines that the accessible unit is not appropriate for the household's needs, the household's name will be returned to its place on the Development's Waiting Lists, as applicable.

XII. POST SELECTION TENANCY REQUIREMENTS

A. Annual Recertification Requirements

Owners are required to conduct and tenants are required to submit to a recertification of household income and composition at least annually (applicable per program guidelines). Owners must then recalculate the tenants' rents and assistance payments, if applicable, based on the information gathered.

Owner must inform tenants, through written notices, about the tenants' responsibility to provide information about changes in family income or composition necessary to properly complete an annual recertification. These notices include information on the recertification process, requirements, and timelines.

B. Interim Recertification Requirements

To ensure that assisted tenants pay rents commensurate with their ability to pay, tenant must supply information required by the Owner or HUD for use in an interim recertification of family income and composition in accordance with HUD requirements. All tenants must notify the owner when:

1. A family member moves out of the unit;
2. The family proposes to move a new member into the unit;
3. An adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment; or
4. The families' income cumulatively increases by \$200 or more per month. In addition, tenants may request an interim recertification due to any changes occurring since the last recertification that may affect their total tenant payment or tenant rent and assistance payment for the tenant, including decreases in income, increases in allowances (i.e., increases medical expenses and higher child care costs), and other changes affecting the calculation of a family's annual or adjusted income including but not limited to a family member turning 62 years old, becoming a full-time student, or becoming a person with a disability. Rev. 10/13/2015 pg. 26

C. Unit Inspections

1. Move-In Inspection

Owner will perform a move-in inspection with tenant prior to execution of a lease using a form to indicate the condition of the unit. The move-in inspection form must be attached to and made a part of the lease agreement. The condition of the unit must be decent, safe, sanitary, and in good repair. If cleaning or repair is required the Owner must specify on the inspection form the date by which the work will be completed. The date must be no more than 30 days after the effective date of the

lease. Both the Owner and tenant must sign and date the inspection form. The tenant has 5 days to report any additional deficiencies to the Owner to be noted on the move-in inspection form.

2. Move-Out Inspection

Owner will complete a move-out inspection with tenant, if the tenant is available and willing to participate. Upon a tenant's request, he/she must be allowed to attend the move-out inspection conducted by Owner. If a tenant does not wish to participate, the Owner may do the inspection alone. If an Owner determines that the unit is damaged as a result of tenant abuse or neglect, Owner may use the security deposit to cover repair costs in compliance with all applicable local and state laws.

3. Housekeeping Inspections

Owner reserves the right to conduct annual inspections as part of the annual recertification process. In addition, where there is reasonable cause to believe that tenant has poor or unsafe housekeeping habits, Owner reserves the right to conduct periodic inspections to ensure that the housing remains decent, safe, and sanitary.

D. Implementation of House Rules

The Owner has established written House Rules which are an attachment to every lease agreement. These House Rules shall be compliant with HUD requirements and will not discriminate against individuals based upon membership in any federal, state or local protected class. (See Section E - 2 on page 4 for a list of protected classes).

Owners must give tenants written notice 30 days prior to implementing any new house rules.

XIII. AMENDING THE TENANT SELECTION PLAN

This Plan may be amended only with the prior written approval of the Illinois Housing Development Authority.

XIV. CERTIFICATION

By signing this Plan, Management certifies that the contents of this Plan will be followed as written, and that no other Tenant Selection Plan has been executed for the Development at this time, or will be executed in the future without written approval from the Illinois Housing Development Authority.

MANAGEMENT:

Entity Name: Interstate Realty Management Company

Signature: _____

Print Name: Bianca Walker

Title: Regional Manager

Today's Date: 1/31/2019

OWNER:

Entity Name: 43rd State, LP

Signature: _____

Print Name: Cheryl Cooper

Title: Regional Vice President

Today's Date: 1/31/2019

This Plan is reviewed as of this _____ day of _____, 20_____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

Signature: _____

Print Name: _____

Title: _____