

**Tenant Selection Plan For:**

Renaissance North  
"Development"

Chicago

Renaissance Realty Group, Inc.  
"Management"

**I. INTRODUCTION**

This Tenant Section Plan (Plan) outlines the procedures which will be followed in selecting tenants for the Development. Management is responsible for implementing this plan.

**II. RENTAL UNITS**

The Development will offer 59 rental units. The number of rental units at the development reserved for low and very low income households follows:

12 low income units (60% of Chicago Area median income limit)

18 very low income units (50% of Chicago Area median income limit)

If a low or very low income household occupying a unit reserved for same, experiences a change of income which no longer qualifies them as a low or very low income household, the unit may remain a LIHTC unit. In such an occurrence, Management must make every effort to continue to rent the same number of units as stated above to low and very low income households respectively.

**III. ESTABLISH A WAITING LIST**

- A. If applicable, Management will send a letter (Exhibit A) to the groups listed on the outreach section of the Affirmative Fair Housing Marketing Plan stating that the marketing of the project is commencing. This letter will contain descriptive information about the Development and solicit tenant referrals. In regard to PHA units, the families will be selected from the Cabrini Green Consent Decree List (as provided by CHA) to Management.

## **B. DEFINITION OF WAITING LIST**

The Development will maintain a Waiting List for its units. The Waiting List is a list of all individuals interested in applying for a unit at the Development. Individuals can contact the Development's rental office to have their names placed on the Waiting List. When the rental office receives inquiries regarding the Development, the rental staff must indicate that names are being accepted for the Development's Waiting List.

Prior to being placed on the Waiting List, Management's staff will request that the individual provide the information on the Pre-application Form (Exhibit B). Once this information is obtained, the Pre-application Form will be dated and numbered. Placement on the Waiting List does not guarantee that an individual is eligible or acceptable for occupancy at the development.

## **IV. SCHEDULING INTERVIEWS**

### **A. CONTACTING INDIVIDUALS ON THE WAITING LIST**

When a unit becomes available, an interview will be scheduled with the individual who is first on the Waiting List for that unit size. Management will indicate what information the individual should bring to the interview.

If, after three attempts by telephone and one attempt by U.S. mail, Management cannot contact the individual, the individual will forfeit the opportunity to apply for the available unit. However, this individual will remain at the top of the Waiting List.

When a second unit becomes available, this individual will again be contacted according to procedure outlined above. If the individual cannot be contacted after three attempts, the individual's name will be removed from the Waiting List and placed in the inactive file.

### **B. REFUSAL OF A UNIT**

If an individual refuses a unit, Management will send a letter informing him/her that his/her name will be removed from the Waiting List and placed in the inactive file.

### **C. FAILURE TO ATTEND AN INTERVIEW**

When an individual fails to attend a scheduled interview, Management will attempt to contact the individual by telephone and U.S. Mail. If Management is unable to reach the individual after reasonable attempts, the individual's name will be placed in the inactive file. If Management contacts the individual, or if the individual contacts management within 48 hours, another appointment will be scheduled. If the Individual again fails to attend the interview, the individual's name will be placed in the inactive file.

#### D. PLACEMENT IN THE INACTIVE FILE

In all cases when a name is placed in the inactive file, Management will send a letter to the individual informing him/her that his/her name has been removed from the Waiting List and placed in the inactive file (Exhibit C). This letter will state the reason why the name was placed in the inactive file.

#### V. UPDATING THE WAITING LIST

The waiting list will be updated every 12 months in the following manner: Annually, a letter will be sent to each individual who has been on the waiting list for at least four months (Exhibit D). The bottom portion of this letter is to be returned if the individual is still interested in living at the Development. This letter will also inform the individual that it is up to him/her to immediately notify the Management Office of any changes in his/her address or telephone number. The individual will be given 5 days (excluding weekends and designated Federal holidays) from the date the letter was mailed in which to respond. If no response is received, the individual's name will be placed in the inactive file.

#### VI. CLOSING/REPORTING THE WAITING LIST

- A. The Waiting List will be closed when the number of individuals for any given unit size equals the projected unit turnover for that unit type for one (1) year. (See Chart Below):

Unit	Annual Projected Turnover	Maximum Pre-Application Cards
0 Bedroom	2	2
1 Bedroom	2	2
2 Bedroom	6	6
3 Bedroom	2	2
4 Bedroom		

#### B. REOPENING THE WAITING LIST

If it is anticipated that all of the individuals on the Waiting List for a specific unit size will be offered a unit within the next 12 months, Management will begin to accept names for the Waiting List for that unit size.

## **VII. THE INTERVIEW PROCESS**

### **A. Credit check fee (Strike and initial if not applicable)**

The CHA will pay to Management the credit check fee for all PHA applicants.

Management will charge a non-refundable credit check fee of no more than \$40.00.

### **B. VERIFICATION OF INFORMATION ON APPLICATION**

Management will take the following actions with respect to all written applications

1. Order a written credit report (strike and initial if not applicable)
2. Request a Certification of Income (Exhibit F)
3. Order a written criminal background check
4. Verify all housing, employment references, and income sources.

### **C. HOME VISITS (OPTIONAL - STRIKE AND INITIAL IF NOT APPLICABLE)**

After Management has completed all other steps in the application process, Management will conduct a home visit on all applicants living within a 50 mile radius of the Development at the time of the interview (Exhibit G). (Management may decide not to conduct home visits). However, if management decides to use a home visit as part of the application process, home visits must be conducted for all applicants as outlined above.

### **D. COMPLETION OF APPLICATION PROCESS**

Prior to 95% occupancy, the application process will be completed in 45 days (excluding weekends and designated Federal holidays). After that time, the application process will be completed within 30 days (excluding weekends and designated federal holidays). The application process begins with the applicant's interview with management, and ends when the applicant is advised of his/her rejection/acceptance.

## **VIII. ELIGIBILITY REQUIREMENTS**

### **A. INCOME**

1. As regards LIHTC tenants, the annual gross income of the applicant must be less than or equal to the maximum applicable income limit as provided in the HOME program regulations. These income limits are attached hereto as Exhibit H. These income limits may be revised from time to time by HUD.

2. Income limits as regards PHA units as described in FED Regulations Section 24CFR5, 960.102, and 960.202.

#### **B. HOUSEHOLD/UNIT SIZE LIMITATIONS**

The unit for which application is made must have enough bedrooms to accommodate the applicant's household size as regards common real estate practices that ensure a quality standard of living.

The following standard shall be used as a guideline:

1. NO MORE THAN TWO (2) PERSONS PER BEDROOM.

- C. This Tenant Selection Plan references the HOME Funds regulations and the HUD regulations in regard to tenant selection. RRG agrees to abide by these regulations.

### **IX. SELECTION AND REJECTION CRITERIA**

The fact that an applicant meets the eligibility requirements of Section VIII does not mean that the applicant will be a suitable tenant. The prospective tenant must be able to fulfill lease obligations. In making this determination, Management will consider various criteria, along with any related explanations offered by the applicant concerning the facts involved including changes in circumstances. Rejection of an applicant may be based on one or more of the following criteria:

#### **A. Insufficient/Inaccurate Information on Application**

Management will consider whether the applicant refuses to cooperate fully in all aspects of his/her application process, or whether the information supplied has been intentionally falsified. Selection of PHA tenants will follow Section 24CFR966.

#### **B. Credit and Financial Standing**

1. Management will consider the applicant's history of meeting financial obligations, including timely payment of rent, outstanding judgements or a history of late payment of bills). If management rejects an applicant based upon the credit report, Management will give the applicant the reason for rejection and the name of the credit bureau that performed the credit check. Applicants will also be given the opportunity to have corrections made to the credit report.
2. Management will take into account the inability to verify credit references in which credit has not be established (income, age, marital status, etc.). Lack of credit history will not cause an applicant to be rejected, although, in such circumstances, Management may require that the lease be guaranteed by a person of certified credit-worthiness.
3. As regards PHA applicants, Management will consider whether the applicant demonstrates financial ability to pay the monthly contribution toward the rent of the units.

### **C. HISTORY OF RESIDENCY**

Management will verify and document the previous three years of housing for each applicant, including applicants who were home owners or lived with parents/guardians. As part of this review, Management will consider whether the applicant or any other person who will be living in the unit has a history of criminal activity that involved physical violence to persons or property, or endangered the health and safety of other persons; who have been convicted of the manufacture or distribution of a controlled substance; or is currently addicted to or engaged in the illegal use of a controlled substance. If an applicant is currently receiving treatment for addiction to a controlled substance, Management will not reject the applicant so long as he or she is acceptable as a tenant in all other aspects. Management will consider all circumstances regarding criminal activity as well as the period during which it occurred.

### **D. UNSANITARY HOUSEKEEPING**

Management will consider unsanitary housekeeping by the applicant. This criteria is not intended to exclude households whose housekeeping is only superficially unclean or disorderly if such conditions would not appear to affect the health, safety or comfortable possession of other residents. Housekeeping is applicable only if home visits are conducted (Section VII ©).

- E. Management will reject an application if the applicant caused eviction proceedings and/or was evicted from a prior residence. Management will consider all circumstances regarding the reason for the eviction.

## **X. ACCEPTANCE/REJECTION PROCEDURES**

### **A. Acceptance Notification**

Each accepted applicant will receive a written notification indicating the date that the rental unit will be available for occupancy (Exhibit I).

### **B. Rejection notification**

Management will promptly send each rejected applicant a written notice stating the reason(s) for rejection (Exhibit J). 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. This letter shall also inform the applicant that responding to Management's notice does not preclude the applicant from exercising any legal rights he/she may have.

## **XI. SPECIAL OCCUPANCY CATEGORIES**

A. Physically handicapped applicants will be given priority for those units especially designated for the physically handicapped.

### **B. Community Residence Preference**

(strike and initial if not applicable)

1. As regards the PHA replacement units, preference will be given to applicants who are listed by CHA as qualified Cabrini Green replacement residents, determined under the Cabrini Green Consent Decree. The community is defined in City of Chicago ordinance as Mohawk North Redevelopment Area. An applicant who is a community resident will be selected prior to a non-resident even if the non-resident is higher on the waiting list.
2. To obtain preference in selection based on Cabrini Green residence, an applicant must provide documentation clearly demonstrating that they are a qualified Cabrini Green replacement applicant.

## **XII. DOCUMENTATION**

Management will document every step of the tenant selection process. Tenant files must be maintained by Management which will include, but not limited to, copies of the following correspondence:

- a. Exhibit A Affirmative Marketing Outreach Letter
- b. Exhibit B - Pre-application Form
- c. Exhibit C - Inactive File Letter
- d. Exhibit D -. Letter Updating the Waiting List
- e. Exhibit E - Application
- f. Exhibit F- Certification of Income
- g. Exhibit G - Home Visit Report (if applicable)
- h. Exhibit H - Income Limits
- i. Exhibit I - Acceptance Notice
- j. Exhibit J - Rejection Notice

**XIII. AMENDING THE TENANT SELECTION PLAN**

Management may amend this Tenant Selection Plan upon prior written approval of the Department of Housing, CHA and HUD.

Submitted: \_\_\_\_\_

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



EXHIBIT F

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
ANNUAL INCOME CERTIFICATION/RECERTIFICATION  
(TO BE COMPLETED BY OWNER/MANAGEMENT)**

PROJECT NAME \_\_\_\_\_

PROJECT # \_\_\_\_\_

APT. # \_\_\_\_\_

ORIGINAL  
MOVE IN DATE \_\_\_\_\_

THIS FILE IS: (check all which apply)

EFFECTIVE DATE: \_\_\_\_\_

☐ Initial Certification☐ Recertification☐ Transfer, (transferred from Bldg \_\_\_\_\_ Unit # \_\_\_\_\_)

PROGRAM: (check all which apply)

☐ TAX CREDIT☐ TRUST FUND BOND☒ HOME☐ COMMERCIAL  
PAPER☐ RISK SHARING☐ 80/20☐ HOUSING TRUST FUND  
(Low Income)☐ TAX EXEMPT**1. RESIDENT'S INCOME:**

List all of the occupants of the unit and the relationship (if any) of the various occupants and their ages, and the annual income of each occupant. Annual income relating to the determinations of a qualified low income housing project as stated in IRS Notice 88-80

is to be determined in a manner consistent with Section 8 of the 1937 U.S. Housing Act.

TENANT NAME	AGE	RELATIONSHIP	OCCUPATION	GROSS ANNUAL INCOME
If all occupants listed above are full time students, complete Form TST-6 to determine the family's eligibility. (Not applicable to pure HOME projects.)				<b>TOTAL</b>

**2. ASSETS:**

If any of the occupants listed in paragraph 1 above has any savings, stocks, bonds, equity in real property (including the value over and above actual consideration received, except in a foreclosure or bankruptcy, or any asset disposed of for less than the market value within two years of the date of this income certification) or other form of capital investment (but do not include necessary items such as furniture or automobiles), enter the following amounts:

a) The total value of all such assets owned by all such persons:

\$ \_\_\_\_\_

b) The amount of income derived from such assets:

\$ \_\_\_\_\_

**3. CALCULATION OF ELIGIBILITY INCOME:****(a) TOTAL ANNUAL INCOME:**

\$ \_\_\_\_\_

**(b) IMPUTED INCOME FROM ASSETS:**

[If assets on line 2(a) exceeds \$5,000, enter imputed amount. \*Imputed income is 2 % X the amount entered in Line 2(a)] (else enter 0)

\$ \_\_\_\_\_

**(c) INCOME FROM ASSETS:**

{Enter the greater of 3(b) or 2(b)}

\$ \_\_\_\_\_

**(d) ELIGIBILITY INCOME:**

(Line 3(a) plus Line 3(c))

\$ \_\_\_\_\_

**4. INCOME LIMIT**

Applicable Income Limit

\$ \_\_\_\_\_

Effective Date of  
this Income Limit

% of Area

Median Income

Based on  
Household size of**5. RENT**

Rent this household will be charged:

\$ \_\_\_\_\_

**6. RESIDENT'S STATEMENT:**

I understand that the information on this form is used to determine the eligibility of my household. I certify that, under penalty of perjury, to the best of my knowledge and belief, the information presented on this form concerning the income, assets and family composition of my household is true and complete. I agree to provide acceptable verification of this information to the Owner of the Project or its designee, and to execute such documents as may be required by Illinois

Signature of all parties who signed lease:

Date

Signature of Owner or Representative of the Owner

Date

\*(The current passbook rate as determined by HUD is 2%)