

**INCLUSIONARY HOUSING**  
**POLICIES AND PROCEDURES**  
**RENTAL**

**The City of Evanston**



# The City of Evanston Inclusionary Housing Policies and Procedures - Rental



Development Projects (“the Developments”)

Leasing Agent (“Management”)

The City of Evanston (“the City”)

The City of Evanston’s Designee (“City’s designee”)

Leaseholder(s) (“Tenant and Co-tenant”)

## I. INTRODUCTION

This Inclusionary Housing Policies and Procedures – Rental (the "Policies") outlines the policies and procedures that will be followed in income verification and preferences for qualifying tenants for inclusionary affordable units that are created through the Evanston Inclusionary Housing Ordinance 60- O-15. The Developments, Management, the City, and the City’s designee are responsible for implementing the Policies during the initial lease up and periodically as tenants leave and units turnover to new tenants. For purposes of these Policies, the City’s designee shall act on the City’s behalf. Management shall act on behalf of the Developments.

### A. Development Description

The Developments offer rental housing at below-market rents for low- and moderate-income households. The number of units available and at what income levels will vary for each of the Developments and will be specified in the related Affordable Unit Declarations and Developer Agreement. The Developments and Management will notify the City or the City’s designees with as much notice as possible, but no later than 60 days before lease-up, when affordable units are available for leasing. At re-lease for any reason, the Developments and Management will notify the City or the City’s designee of the pending vacancy as soon as possible.

The Developments and/or Management may not offer a lease of an inclusionary housing affordable apartment until they have been notified by the City or the City’s designee that the potential leaseholder has been income qualified by the City of the City’s designee.

### B. Tenant Type

The affordable units available as part of the Developments are not designated as housing exclusively for any particular tenant type (i.e. family, senior, special needs). Dependent students may be a member of the household, but are ineligible to be the Leaseholder.

### C. 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, age, 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, or unfavorable discharge from military service.

The remaining paragraphs in this section provide brief descriptions of key federal civil rights laws regarding fair housing and accessibility. The Development, Management, the City and the City's designee 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 when applicable.

## **2. Fair Housing Act**

The 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, the Development, Management, the City or the City's designee shall not take any of the actions listed below based on race, color, religion, sex, disability, familial status and national origin:

- a. Provide anyone housing that is different from that provided to others;
- b. Subject anyone to segregation, even if by floor or wing;
- c. Restrict anyone's access to any benefit enjoyed by others in connection with the Development;
- d. 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;
- e. Deny anyone access to the same level of services;
- f. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- g. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; or
- h. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

The Fair Housing Act provides additional protections for persons with disabilities. It requires that the Developments and Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford disabled 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.

Management and the City's designee 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**

The 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**

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 Developments 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.

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.

**6. Executive Order 13166 – Limited English Proficiency**

Executive Order 13166 requires Management and the City’s designee 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.

**II. PREFERENCES**

**A. Establishing Preferences**

The following preferences apply:

**1. Local Preference**

Qualified applicants who have lived in Evanston for at least 12 months or who have lived in Evanston for at least 12 months with a member of a household currently living in Evanston, or where an adult member of the household works in Evanston for a minimum of 20 hours a week, will receive a “preference”, in accordance with Section 5-7-6 of the Evanston Inclusionary Housing Ordinance 60-0-15 as it now exists or as it may be amended in the future.

**B. Verification of Preference**

Preferences will be verified by the City’s designee.

**C. Qualification of Applicants for Participation**

A qualified applicant who is deemed to have a preference will be referred by City Designee to Management for tenant qualification by Management before other qualified applicants who do not have a preference. Applicants will be informed of the availability of preferences, and will be given an opportunity to demonstrate that they are eligible for a preference. Applicants may claim a preference at any time during the application process.

**D. Exceptions to the Preference Rule**

Management may give priority to current households in the Development if: (i) their unit is designated for rehabilitation; and/or (ii) Their unit has been designated as uninhabitable by federal, state, or local authorities, or Management, due to fire, flood or other natural disaster. Management will also notify the City’s designee if they have granted an exception to the preference rule.

**III. PRE-APPLICATION PROCESSING**

The City’s designee will use pre-applications in order to determine if an applicant is eligible for inclusion on the Waiting List. The City’s designee will keep one waiting list for all Developments. Pre-applications are filled out by the applicants with self-reported information. Pre-applications are kept in City designee’s office.

**A. Distribution of Pre-Applications**

Households who inquire to the City’s designee about affordable units will be provided a pre-application, as appropriate. Pre-applications can be provided by email, regular mail, fax, or in person pick up. Households may also submit a pre-application online using City Designee’s website. The applicant may email, fax, mail or drop off the completed pre-application to the City’s designee. All applicants will be given an opportunity to show that they qualify for a preference. Management or the City may also directly refer applicants to the City’s designee to obtain a pre-application when necessary.

**B. Processing Pre-Applications**

All submitted pre-applications will be logged in, indicating the date received. In addition, pre-applications will also be categorized according to preferences, unit size and the Special Occupancy Category (as described in Section X).

**IV. WAITING LIST PROCEDURES**

**A. Creation of Waiting List**

If an applicant appears to be eligible for tenancy based on the self-reported information provided on the Pre-Application, but no appropriately sized unit is immediately available (as referred to in **Section VII**), the City’s designee will place the applicant on a waiting list (the “Waiting List”).

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

1. Applicant name
2. Number of persons in household
3. Household unit size (number of bedrooms household qualifies for under site occupancy standards)  
(NOTE: applicant may qualify for multiple unit sizes)
4. Date application received
5. Qualification for any preferences
6. Approximate annual income level
7. Targeted program qualifications
8. Accessibility requirements
9. Special requests of the applicant such as preferred number of bedrooms

All pre-applications will be maintained in order of preference. Pre-applications equal in preference will be maintained by date sequence.

**B. Status of Pre-Application**

When a pre-applicant is not eligible for an affordable unit based on the self-reported information on the pre-application, the applicant will not be placed on the Waiting List. The applicant will be so notified in writing. Applicant may update the information that was provided on the pre-application at any time, and be added to the Waiting List based on the updated information.

**C. Changes in Income or Household Composition**

When placed on the Waiting List, applicants will be informed to notify the City's designee when changes occur to the following types of information:

1. Address and/or phone number, or email address
2. Household composition
3. Preference status
4. Household income

Applicant's will be notified if the updated information affects applicant's eligibility for the Waiting List. Changes in household size may also affect the units for which the applicant could be eligible. For instance, a larger household size could require additional bedrooms. Pre-application updates will not affect the numbered spot an applicant holds on the Waiting List.

**D. Contacting Persons on the Waiting List**

Applicants on the Waiting List will be contacted as follows:

1. When a unit becomes or will become available, Management must notify the City's designee of the impending vacancy as soon as possible so the City's designee may begin contacting potential eligible tenants on the Waiting List.
2. When a unit becomes or will become available within 60 days, the City's designee will select the next group of applicants who meet applicable preference criteria or who are at the top of the Waiting List. The City's designee will contact the selected applicant utilizing email, phone, and/or mail.
3. Applicants will be asked to complete a full rental application. This represents the beginning of the screening process. Those applicants who do not respond in a timely manner or who are not interested in the unit will be processed in the manner indicated below:
  - a. If the City's designee does not receive a response within 10 consecutive days after attempting to contact the applicant, the applicant will forfeit the opportunity to apply for the offered unit but will retain their spot on the Waiting List. When a second unit becomes available, the City's designee will again attempt to contact the applicant and will explain that if the applicant does not respond within 10 consecutive days, the applicant's name will be removed from the Waiting List.
  - b. If the City's designee receives a timely response but the applicant rejects the first offered unit, the applicant will retain their spot on the Waiting List.
  - c. If applicant rejects a second unit offered, the applicant is placed at the end of the Waiting List.

**E. Annual Waiting List Update**

The City's designee will update the waiting list once a year by mailing each applicant with a form to be returned with updated contact, household size and income information. If the form is not returned, the City's designee will attempt to contact the applicant by email and/or phone, when applicable. If the applicant does not return the form or cannot be reached using the contact information that the applicant provided, the applicant will be removed from the waiting list.

**V. THE SCREENING PROCESS**

**A. Application Requirements**

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

1. Applicants must complete a written application certifying the accuracy of all information that is provided. In addition to providing applicant(s) the opportunity to submit applications at the City's designee office, the City's designee may also send out and receive applications by email, fax or mail. The City's designee shall accommodate persons with disabilities who, as a result of their disabilities, cannot utilize the preferred application process, by providing alternative methods of taking applications.
2. Verification of household size and of employment, income (including wages, disability, unemployment, child support, annuities, and any and all additional sources of income), bank accounts, and proof of any and all other assets, etc., is required as applicable for each applicant. City's designee may require additional documentation related to income and household size, including but not limited to child custody and divorce orders, as is necessary to complete the verification process.
3. Valid photo identification for all household members 16 and over, as well as social security numbers or ITIN numbers are required. Acceptable identification for adults 18 and over may include a driver's license, passport, and state-issued photo identification card. For those 16 – 18, school photo ID cards are also acceptable.
4. If the income information submitted, or on record in City Designee's office, is over 60 days old, the applicant will be required to submit new pay check stubs or other income and asset verification materials to demonstrate that household income still meets requirements and will continue to at the time of lease up.

## VI. ELIGIBILITY REQUIREMENTS

### A. Income

The annual gross household income of the applicant(s) must be equal to or less than the relevant income limit established by the U.S. Department of Housing and Urban Development (HUD), 24 CFR Part 5, for the appropriate household size, as updated and amended annually. The annual gross income is based on the Chicago-Naperville-Joliet Area Median Income by household size, as determined by HUD, CFR 24 Part 5. Income eligibility verifications are valid for 60 days. Once a complete application is submitted, the applicant may be asked to submit updated information as necessary to verify income continued eligibility.

### B. Sole Residence

The unit must be the applicant's sole residence in order for the applicant to be eligible for housing.

### C. Assets

Household assets will be calculated. Household assets of the applicant(s) must be equal to or less than the asset limit for retirement and non-retirement assets.

#### 1. Income from assets

Income from assets is currently calculated as .06% of total assets and will be included in the calculation of gross household income. (The multiplier can and will adjust per HUD rules.)

#### 2. Asset Limits

Retirement assets held in retirement accounts are not limited. However, assets in non-retirement accounts are allowed up to 100% of the Chicago AMI for the household size.

See *Table 1: Net Family Assets Inclusions and Exclusions*, below, for more detail.

*Table 1: Net Family Assets Inclusions and Exclusions—HUD Occupancy Handbook, Exhibit 5-2.*

	Inclusions		Exclusions
1	Cash held in savings accounts, checking	1	Necessary personal property, except as noted in #8

	accounts, safe deposit boxes, home, etc., assets in foreign countries.		of Inclusions, such as clothing furniture, cares, and vehicles specially equipped for persons with disabilities.
2	Cash value of revocable trusts available to applicant.	2	Interest in Indian trust lands.
3	Equity in rental property or other capital investments	3	Assets not effectively owned by the applicant
4	Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts,	4	Equity in cooperative in which the family lives.
5	Individual retirement, 401(K), and Keogh accounts.	5	Assets not accessible to and that provide no income for the applicant.
6	Retirement and pension funds.	6	Term life insurance policies (i.e., where there is no cash value).
7	Cash value of life insurance policies available to the individual before death (surrender value).	7	Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.
8	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc		
9	Lump sum or on time receipts such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.		
10	Mortgages or deeds of trust held by applicant.		

## 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.

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. NOTE: THIS IS FOR THE PURPOSE OF DETERMINING UNIT SIZE ONLY; THIS IS NOT FOR DETERMINING INCOME AND/OR ELIGIBILITY FOR THE PROGRAM.

1. Fulltime household members
2. Unborn children (in utero)
3. Children in the process of being adopted
4. Children whose custody is being determined
5. Foster children
6. Children temporarily in a foster home
7. Children in joint custody 50% of the year or more
8. Children away at school but home for recess
9. Live-in aides
10. Foster adults

## VIII. 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 or incomplete information will be grounds for rejection.

**B. Income Ineligibility**

1. Applicant is over the applicable household income limit for the household size.
2. Applicant has insufficient household income to satisfy the current debt to income ratio. The debt to income ratio will be determined by information submitted as part of the application process along with self-reported information on the application.

**C. Ineligibility Based on Assets**

Applicant is over the asset limit per Section VI.C.above.

**D. Occupancy Standards**

Household size is not appropriate for the specific type of unit available.

PLEASE NOTE THAT MANAGEMENT WILL CONDUCT ITS OWN APPLICANT SCREENING PROCESS. IT IS UP TO MANAGEMENT TO DECIDE WHETHER TO OFFER A LEASE. NOT ALL INCOME QUALIFIED APPLICANTS WILL RECEIVE AN OFFER OF A LEASE FROM MANAGEMENT.

**IX. PROCEDURES IF APPLICANT IS FOUND INCOME UNQUALIFIED**

**A. Written Notification**

Each applicant who submits a full, complete application who is not qualified for an available unit based on income and related criteria, will be notified in writing by the City's designee. The notice will advise the applicant that they may, within 7 days after receipt of the notice (excluding weekends and designated federal holidays), submit a written appeal, with supporting documentation acceptable to the City's designee, providing information that may change the outcome of the income qualification review.

**B. Review of Rejected Applications**

If the applicant submits additional information, the applicant will be given a final written determination from the City's designee. If the applicant is then income qualified for an available unit, the applicant will be referred to Management.

**X. SPECIAL OCCUPANCY CATEGORY**

Applicants will be processed as authorized in **Sections V through VIII**. 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 Waiting List, as applicable.

**XI. AMENDMENTS TO THIS PLAN**

This Plan may be amended by the City or the City's designee as appropriate.

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Drafted by Community Partners for Affordable Housing