

IHDA Permanent Supportive Housing (PSH) Tenant Screening Requirements

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Background

Permanent Supportive Housing is targeted to persons who already face significant barriers to housing. Many studies have demonstrated how a Housing First approach, including low-barrier tenant screening, is critical to ensuring that Supportive Housing populations are able to secure and maintain stable housing. The Authority encourages Projects to approach tenant screening criteria with the intent to screen *in* rather than screen *out*. This can include focusing on the most relevant housing-related information and avoiding the use of overly broad criteria or information that has little relevance to assessing tenants' ability to maintain stable housing. Project Sponsors should be aware of the existing fair housing laws and HUD guidance¹ regarding criminal background and other screening practices. Please also note that housing providers must deny admission to applicants in specific limited circumstances in federally assisted housing².

As a requirement of applying for funding through the Authority's PSH Development Program, Projects must provide preliminary details regarding their low-barrier approach to tenant screening at both the Preliminary Project Assessment (PPA) stage and at full Application. At PPA, this should include a general description as part of the Project Concept Criteria regarding how the Project intends to align with Housing First and harm reduction principles including low-barrier tenant screening. At full application, this should include a

¹ See [Implementation of the Office of General Counsel's Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions](#), FHEO 2022 and [Guidance on Application of the Fair Housing Act to the Screening of Applicants for Rental Housing](#), FHEO 2024.

² This includes:

- a) if a household member is subject to a lifetime sex offender registration requirement,
- b) a household member has been convicted of the manufacture of methamphetamine on the premises of federally assisted housing, and
- c) a household member has been evicted from federally assisted housing within the last three years for drug-related criminal activity unless it is determined that the evicted household member who engaged in such activity has successfully completed a drug rehabilitation program or that the circumstances which led to eviction no longer exist.

See further information here: <https://www.hudexchange.info/faqs/4078/are-applicants-with-felonies-banned-from-public-housing-or-any-other/>

detailed description of the Project's intended approach minimally addressing the four components described in this document. Please refer to Section 8.B.iii. in the RFA regarding full Application requirements. Projects must also affirm that the Project will undertake Reasonable Accommodation requests related to tenant screening criteria³. Projects are encouraged to review the Authority's template Tenant Selection Plan⁴ as they prepare responses to the preliminary tenant screening criteria outlined in this section.

Tenant Screening Components

The preliminary tenant screening details must minimally demonstrate the Project's compliance with the following requirements:

a. Credit History

Supportive Housing Populations may have no or poor credit history. Projects should consider these factors when determining policies regarding the use of credit history in tenant screening. Credit Scores were established to assess the risk of loan default, and there is no conclusive evidence that credit scores effectively predict a household's ability or likelihood to pay rent and may be even less relevant in supportive housing than in general affordable housing settings.

The Authority recommends that Projects **do not** use credit screening in PSH settings.

If a Project intends to utilize credit screening, it should avoid overly-broad approaches and focus on negative credit history rather than requiring a specific credit score or positive credit history. For example, Projects could consider recent prior history of utility payments instead of using the credit score as a threshold.

b. Criminal Background

Acknowledging the significant barriers to housing for Justice-Involved Individuals, Projects are encouraged to implement low-barrier screening policies to reduce the impact of an individual's criminal background on securing housing in the proposed development. Projects should be aware that the Illinois Human Rights Act prohibits discrimination based on arrest records in employment and real estate transactions⁵.

The following are recommended best practices for Projects related to Criminal Background:

³ Projects should review the [Reasonable Accommodations and Modifications: A Guide for Housing Professionals](#) published by the Illinois Department of Human Rights

⁴ The Authority's template Tenant Selection Plan can be found here: <https://www.ihda.org/wp-content/uploads/2024/11/Tenant-Selection-Plan-Other-Programs-Rev.-11.27.2024.pdf>. Additional information is available on the [Authority's Website](#).

⁵ In addition to arrest records not leading to a Conviction, Juvenile records or expunged, sealed or impounded records are also protected. Please see the [IDHR website](#) for more detail.

- limit look-back periods for prior convictions to no more than 3 years (and preferably no more than one year) for prior convictions; and
- Establish a clear policy to implement case-by-case criminal screening (i.e. “individualized assessments”).

Projects located in Cook County should be aware that the Just Housing Amendment⁶ already requires housing providers implement the practices listed above. In no case should arrest records alone be used as part of criminal background screening. Additionally, conviction or other criminal background may be related to an individual’s disability, in which case reasonable accommodations should be considered.

c. Previous Housing and Eviction History

Supportive Housing Populations may have limited prior rental history, or prior circumstantial evictions that are not relevant to their ability to maintain stable housing with adequate supports. Projects are strongly encouraged to implement the following, at a minimum:

- Establish screening criteria that does not screen out based on no/limited prior rental history alone;
- limit look-back periods for prior evictions to no more than 3 years (and preferably no more than one year), and;
- Avoid any use or consideration of prior evictions that have been sealed.

d. Substance Use

From a Housing First and harm reduction perspective, use of drug testing as part of the tenant screening process presents an unnecessary barrier for Supportive Housing Populations. The Authority recommends that Projects **do not** use drug testing or implement a sobriety requirement as part of the tenant screening process, or as part of their ongoing management of the housing.

Projects pursuing Opioid Remediation Funds are **required** to confirm that their tenant screening and property management will be consistent with the following:

In fidelity with a harm reduction approach, sobriety must not be a condition of initial or continued tenancy in the Project. Project property managers may not perform drug testing or other monitoring of Project tenant sobriety.

⁶ <https://www.cookcountyil.gov/content/just-housing-amendment-human-rights-ordinance>