



# Department of Housing: Long-Term Monitoring ARO Intake & Compliance Training



2/2023





# DOH

## Long-Term Monitoring Intake & Compliance Training for ARO Property Management Staff

**Conducted by Assistant Commissioner Danielle Stringfellow**

This training is being provided by DOH's Long-Term Monitoring Division to all ARO Owners, Property Managers and Leasing staff who have ARO rental units.

Disclaimer: This division's sole function is to audit/monitor program and compliance requirements. While training is being provided, it is limited in scope and not all encompassing. ARO site staff are solely responsible for ensuring they understand and regularly meet all program and compliance requirements. Failure to do so, could result in denial of applications and/or ability to conduct future business with the City of Chicago.



# Overview of ARO Compliance Training

- Module 1 – History/Understanding the Basics
  - ARO Overview
  - Collaboration: ARO Property Management Team and LTM Staff
- Module 2 – ARO Application Process
  - Current Status of ARO Applications
  - Updated ARO Application Package Submission Process
- Module 3 – Calculating Income & Assets
  - Defining and Calculating Income
  - Defining and Calculating Assets
  - Special Circumstances
- Module 4 – TIC (Tenant Income Certification)
- Module 5 – ARO Affordability Ratio
- Module 6 – Rent/Income/Utility Allowance Limits
- Module 7 – Official Correspondence

# **Module 1 – History/Understanding the Basics**

- ARO Overview
- Collaboration: ARO Property Management Team & LTM





# Module 1 – History/Understanding the Basics

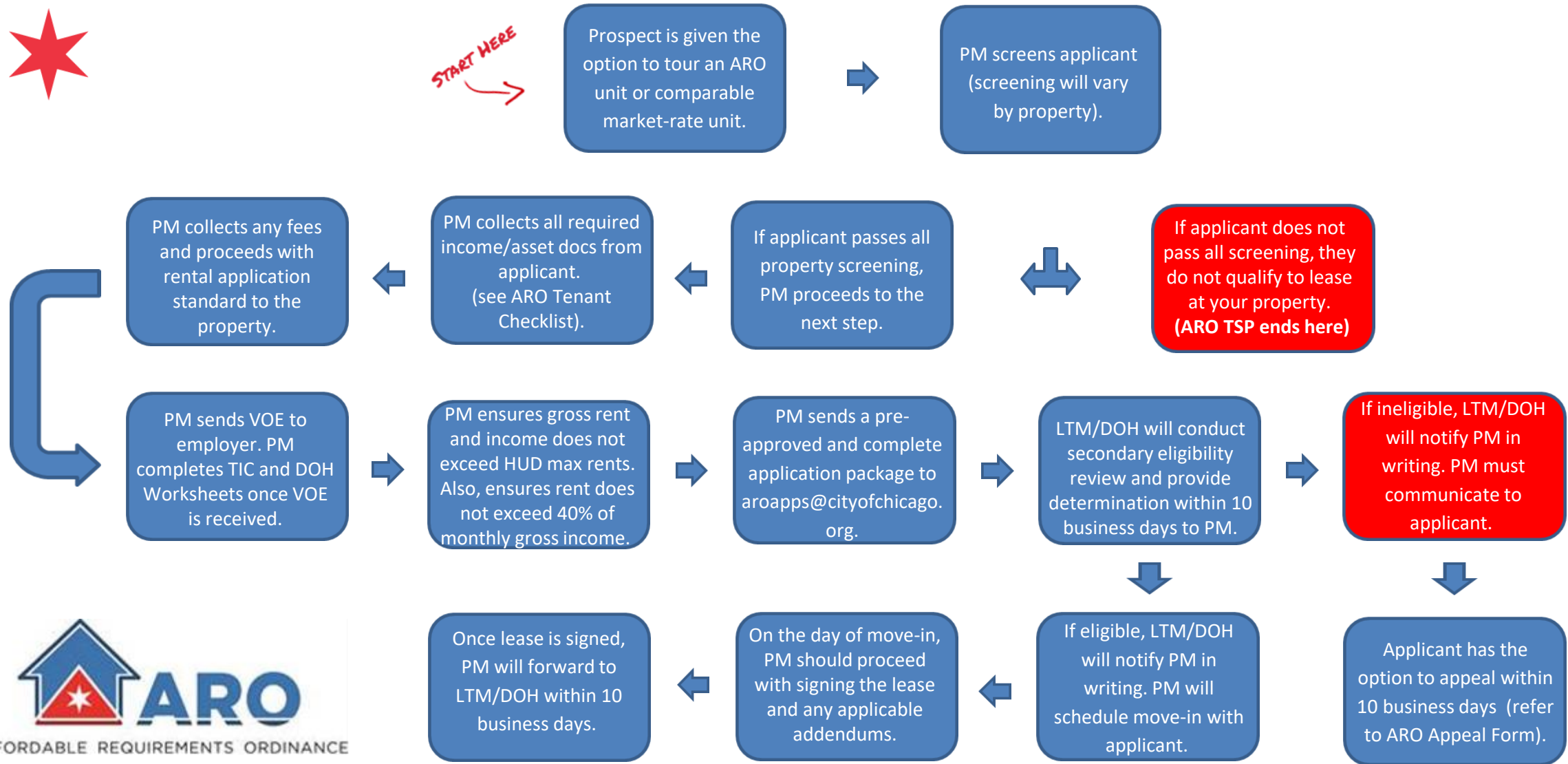
## ARO Overview

- First adopted in 2007, the Affordable Requirements Ordinance, is one of several City of Chicago programs that provides access to affordable housing for those who income-qualify. Visit [www.chicago.gov/aro](http://www.chicago.gov/aro) for more information.
- As of 2021, the revised ARO expanded off-site options that aids in targeting those most in need. Additionally, ARO units currently target households earning between 50% - 100% AMI (Area Median Income).
- DOH's Long-Term Monitoring (LTM) division provides program oversight for the initial lease-up period as well as for the life of project's affordability period, 30 years. Note: The commencement of the affordability period does not begin until all units have been initially leased and corresponding leases provided to LTM.

# ARO Tenant Income-Qualifying Process



*START HERE* →



# ★ Module 1 – History/Understanding the Basics

## Collaboration: ARO Property Management Team & DOH Staff

ARO Property Management Team	LTM Staff
Lease/Market ARO Units	Conduct Secondary Review of Approved Application Package
Take Initial Applications	Identify Corrections and Communicate to ARO Property Management Team
Request Initial Income-Qualification Documentation	Re-verify/Approve Program Eligibility
Verify/Approve Program Eligibility	Provide Determination Letter within 10 business days of ARO Application Package Submission. (Approval or Denial)
Prepare and Submit Approved Application Package for LTM Secondary Review	Issue Incomplete Application Letter if awaiting corrections and nearing 10 business day deadline
Process Corrections Received from LTM, if any.	If applicable, review Denial Submissions and Re-verify Program Eligibility
Act as Primary Point of Contact for Applicant Throughout Process	Act as Primary Point of Contact for ARO Property Management Team Throughout Process
If applicable, review Denial Appeal and Supporting Documentation from Applicant and Submit to LTM	If applicable, conduct secondary review of Denial Appeal and Supporting Documentation from Applicant and Provide Final Determination
If applicable, provide signed lease within 10 business days of	Upload and Record all Submitted Documentation to Electronic

4/27/2023

## **Module 2 – ARO Application Process**

- Current Status of ARO Applications
- Updated ARO Application Package Submission Process







# Module 2 – ARO Application Process

## Current Status

- Based on last sixty (60) applications received, approximately 25% were denied.
- Current ARO Application Package Submission is being modified to ensure packages received are properly income-qualified before secondary review is completed.



# ★ Module 2 – ARO Application Process

## Application Package Submission Requirements


The ARO Application Package requires the following:

- Completed/signed ARO Tenant Checklist
- Completed/signed DOH-approved TIC
- Income/Asset/Affordability Calculation Worksheet
- Three (3) current **and** consecutive paystubs
- Three (3) current **and** consecutive bank statements
- Verification of Employment (VOE)

Important Note:

- Tax Returns are no longer regular as it does not meet the definition of anticipated income.
- ARO Application Packages must be submitted in the exact order as listed. Failure to provide in exact order and/or provide incomplete documents will result in temporary rejection of application. 10 business day turnaround will not begin until complete ARO application package is received.



<p><b>For DOH Office Use Only:</b> Tenant Eligibility Determination</p> <p>Approved Denied Rejected</p> <p>Rejected Reason:  <input type="checkbox"/> Failure to comply with Checklist Section I  <input type="checkbox"/> Failure to comply with Checklist Section II</p>	<p><b>Affordable Requirements Ordinance (ARO)</b></p> <p>Tenant Application Package Checklist</p>	
<p>Date of Application Package Submission: _____</p> <p>ARO Property Name: _____</p> <p>Property Address: _____</p> <p>Property Management (PM) Contact Name: _____</p> <p>PM Phone #: (_____) _____ PM Email: _____</p> <p>Applicant Name (s): _____</p> <p style="text-align: center;">ARO Unit Number: _____ # of Bedroom(s): _____</p>		
<p><b>I. <u>Owner/Property Management Acknowledgments:</u></b></p> <p><input type="checkbox"/> All applicable screening criteria for tenant eligibility have been completed.</p> <p><input type="checkbox"/> Applicants' income and assets have been verified by on-site staff and application is considered eligible and pre-approved for ARO program.</p> <p><input type="checkbox"/> Applicants' gross rent and income are at or below the maximum allowable limit.</p> <p><input type="checkbox"/> Applicants' rental payment does not exceed 40% of their gross monthly income.</p> <p><input type="checkbox"/> ARO Application package has been compiled in the exact order listed below in Section II.</p>		
<p><b>II. <u>Required Documentation for Tenant Eligibility Determination:</u></b></p> <p><input type="checkbox"/> Fully completed Tenant Income Certification form (TIC) with appropriate signatures.</p> <p><input type="checkbox"/> Fully completed DOH Income/Assets/Affordability Excel Worksheet.</p> <p><input type="checkbox"/> Three (3) current/consecutive paycheck stubs for ALL household members 18 years old and older.</p> <p><input type="checkbox"/> Three (3) current/consecutive bank statements for each account.</p> <p><input type="checkbox"/> Copy of Verification of Employment (VOE) form completed by the employer.</p> <p><input type="checkbox"/> Any other supplemental income documentation (please describe): _____</p>		
<p><b>III. <u>Summary of Next Steps after Application Package Submission:</u></b></p> <p>Once a complete and pre-approved application is received, DOH will complete a secondary review of program eligibility and provide a determination letter within 10 business days. Applications are processed in order of receipt and cannot be moved ahead of another for any reason. Once approved, the property manager must execute the lease and send a copy of the signed lease to assigned Program Auditor within 10 business days.</p>		

**PM Certification Statement:** Based on the representations herein and upon the proofs and documentation required to be submitted, the above-referenced applicant(s) is/are eligible to live in the affordable unit specified above. I certify that the information presented herein is true and accurate to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Owner/Property Management Representative

\_\_\_\_\_  
Date

Form eff. 2/2023



# Application Package Submission Requirements

Note: This is most current version of the form. Older versions will not be accepted.

## General Guidelines:

Owner/Property Management staff must complete ALL applicable screening criteria for tenant eligibility before submitting application.

Owner/Property Management staff may evaluate prospective tenants based on the criteria they typically use to do so and may NOT evaluate prospective tenants on any criteria they would not apply to all tenants.

ARO applicants should NOT be charged any fees for applying to an affordable unit other than allowable fees noted in the AFHM/Tenant Screening Plan Rules;

*2.2 Fees - Leasing agents may not charge application fees to applicants for affordable units, other than a reasonable credit report fee. Leasing agents may not require fees or deposits for affordable units that are not applied to market-rate unit applicants. Leasing agents may not charge move-in fees to applicants for affordable units that will not be refundable or credited to the first month's rent. Leasing agents may not require move-in fees or security deposits amounting to more than 30% of the monthly rent of the unit to be occupied by the applicant for an affordable unit.*

ARO units should be rented to qualified tenants on a first-come, first-served basis. Note: If application is deemed ineligible, agent must hold unit until appeal period ends.

Owner/Property Management must ensure rent and income guidelines are adhered to.

Owner/Property Management must ensure applicants rent does not exceed 40% of monthly gross income.

DOH is not an extension of ARO Property Management staff, therefore ARO Property Management staff must communicate directly with applicants at all times. DOH/LTM should only receive applications that are pre-approved and should not interact with applicant in any way.

4/27/2023



# **Module 3 – Calculating Income & Assets**

- Defining and Calculating Income
- Defining and Calculating Assets
- Special Circumstances



# ★ Module 3 – Calculating Income & Assets

## Defining and Calculating Income

- Income is defined as, “All amounts anticipated to be received from a source (outside of the family during the 12-month period following admission...” (Source: HUD 4350.3 REV-1, Change 4: Chapter 5, page 5-3).
- Additionally, “Annual income includes amounts derived (during the 12-month period) from assets to which any member of the family has access.” (Source: HUD 4350.3 REV-1, Change 4: Chapter 5, page 5-3).
- Calculating anticipated income means, among other things, you take the full amount (before any deductions) of wages, salaries, commissions, bonuses, tips, etc. Refer to HUD’s 4350.3 Change 4, Exhibit 5-1 for more information:  
[https://www.hud.gov/sites/documents/DOC\\_35699.PDF](https://www.hud.gov/sites/documents/DOC_35699.PDF)

# What Constitutes Income?

Figure 5-2: Whose Income is Counted?

Members	Employment Income	Other Income (including income from assets)
Head	Yes	Yes
Spouse	Yes	Yes
Co-head	Yes	Yes
Other adult (including foster adult)	Yes	Yes
Dependents		
-Child under 18	No	Yes
Full-time student over 18	See Note	Yes
Foster child under 18	No	Yes
<b>Nonmembers</b>		
Live-in aide	No	No

**NOTE:** The earned income of a full-time student 18 years old or older who is a dependent is excluded to the extent that it exceeds \$480.

**Exhibit 5-1: Income Inclusions and Exclusions****24 CFR 5.609(b) and (c)**

Examples included in parentheses have been added to the regulatory language for clarification.

**INCOME INCLUSIONS**

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a \*\*periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;\*\*
- (5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;
- (6) Welfare Assistance.
  - (a) Welfare assistance received by the family.
  - (b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as

# Income Keyword = GROSS

Important Note: There are (4) pages of Exhibit 5-1: Income Inclusions/Exclusions.

**The goal is not to memorize all the information listed, but to know where you can locate it.**

In most cases, you'll be processing information that is relevant to #1 and #2.

[https://www.hud.gov/sites/documents/DOC\\_35699.PDF](https://www.hud.gov/sites/documents/DOC_35699.PDF)

# ★ Module 3 – Calculating Income & Assets

## Defining and Calculating Income

The ARO application package requires the following:

- Completion of **both** Employment Calculation Worksheets.
  - **When calculating income, also complete YTD Calculations within both worksheets.**
  - The income listed on the TIC must be the **higher of the paystub calculation or VOE calculation.**
- Three (3) current **and** consecutive paystubs.
  - Do not request or submit more than three (3) paystubs.
- Completed third-party employment verification (VOE).
  - Third-party is defined as the process of obtaining an independent party (i.e. employer) to confirm the applicants' employment and income information.
  - VOE's should never (under any circumstance) be completed by ARO Property Management staff and/or the applicant.



Request for Verification of Employment

City of Chicago - Department of Housing



AUTHORIZATION: City Ordinance Regulations require us to verify Employment Income of all members of the household applying for participation in the ARO Program, which we operate. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status of the household. Your prompt return of the requested information is appreciated.

ARO Property Name:

ARO Property Address:

Property Manager Name:

PM CERTIFICATION:

I certify that this VOE has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

Property Manager Signature / Date

Applicant Name:

X

RELEASE:

I hereby authorize the release of the requested information.

Applicant Signature / Date

THIS SECTION TO BE COMPLETED BY EMPLOYER ONLY:

Please answer questions fully, leaving no blanks. If not applicable, please write "N/A."

Start Date: / /

Job Title:

Current Wages (check one):

Hourly Salary \$

Pay Frequency (check one):

Weekly Bi-Weekly Monthly Semi-monthly

Number of regular hours worked per week:

Gross Year to Day Pay: \$

From / / through / /

Overtime Information:

Rate: \$ per hour / Average OT hours per week:

Shift Differential Rate Information:

Rate: \$ per hour / Average SD hours per week:

Other Types of Pay (check one):

Commissions Bonus Tips Rate: \$

Other Pay Frequency (check one):

Weekly Bi-Weekly Monthly Semi-monthly Yearly

Is there an anticipated pay increase within the next 12 mos. (check one)? Yes No

If yes, please indicate anticipated pay and effective date below:

\$ or % / Effective Date:

Is work seasonal or sporadic (check one)? Yes No

If yes, please indicate the layoff period(s):

Name and Title of Employer or Authorized Representative:

Signature of Employer or Authorized Representative / Date

Employer Name:

Employer Address:

Phone:

Email:

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

VOE (Verification of Employment)

Note: This is most current version of the form. Older versions will not be accepted.

### Example – Calculating Anticipated Annual Income

A teacher's assistant works nine months annually and receives \$1,300 per month. During the summer recess, the teacher's assistant works for the Parks and Recreation Department for \$600 per month. The owner may calculate the family's income using either of the following two methods:

1. Calculate annual income based on current income: \$15,600 ( $\$1,300 \times 12$  months).

The owner would then conduct an interim recertification at the end of the school year to recalculate the family's income during the summer months at reduced annualized amount of \$7,200 ( $\$600 \times 12$  months). The owner would conduct another interim recertification when the tenant returns to the nine-month job.

2. Calculate annual income based on anticipated changes through the year:

\$11,700      ( $\$1,300 \times 9$  months)

+ 1,800      ( $\$ 600 \times 3$  months)

\$13,500

Using the second method, the owner would not conduct an interim re-examination at the end of the school year. In order to use this method effectively, history of income from all sources in prior years should be available.

- B. Once all sources of income are known and verified, owners must convert reported income to an annual figure. Convert periodic wages to annual income by multiplying:

1. Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour week and no overtime);
2. Weekly wages by 52;
3. Bi-weekly wages (paid every other week) by 26;
4. Semi-monthly wages (paid twice each month) by 24; and
5. Monthly wages by 12.

To annualize other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work.

### Example – Anticipated Increase in Hourly Rate

February 1	Certification effective date
\$7.50/hour	Current hourly rate
\$8.00/hour	New rate to be effective March 15

(40 hours per week x 52 weeks = 2,080 hours per year)

February 1 through March 15 =	6 weeks
6 weeks x 40 hours =	240 hours
2,080 hours minus 240 hours =	1,840 hours

(check: 240 hours + 1,840 hours = 2,080 hours)

Annual Income is calculated as follows:

240 hours x \$7.50 =	\$1,800
\$1,840 hours x \$8.00 =	\$14,720
Annual Income	\$16,520

(See **Appendix 8** for an explanation of the correct approach to rounding numbers.)

When using the employment verification to calculate employment income, we must calculate based on both (I) current pay and (II) year to date earnings and use the higher of the two numbers.

Is employment seasonal, sporadic, or ending in the next twelve months?  (A)  
 If yes, how many weeks will they work in the next year?  (B)  
 Is there an anticipated increase in pay in the next twelve months?  (C)  
 If yes, what is the recert or move-in effective date?  (D)  
 What is the date of the change?  (E)  
 The new rate after the change is (F)   (G)



<b>Regular</b>	1 Enter current wages/salary:	<input type="text" value="\$27.50"/>	\$ 27.5
	2 Enter how current wages are paid:	<input type="text" value="hourly"/>	52
	3 If hourly, average hours per week:	<input type="text" value="40"/>	x 40
	Regular	<input type="text" value="\$57,200.00"/>	
<b>Overtime</b>	1 Enter the overtime rate:	<input type="text" value="\$0.00"/>	\$ 0
	2 Average overtime hours per week:	<input type="text" value="0"/>	52
		Overtime	x 0
	Overtime	<input type="text" value="\$0.00"/>	
<b>Other</b>	1 shift differential:	<input type="text" value="\$0.00"/>	\$ 0
	2 Average hours per week at this rate:	<input type="text" value="0"/>	52
		Other	x 0
	Other	<input type="text" value="\$0.00"/>	
<b>Bonus</b>	1 Enter amount of commissions, bonuses, tips, etc? <input type="text"/>		\$
	2 Enter how this is paid: <input type="text"/>		x
	Bonus	<input type="text" value="\$0.00"/>	
<b>This is the annual income calculation based upon current pay (I)</b>		<b>Total</b>	<input type="text" value="\$57,200.00"/>

Enter the employee start date:  (H)  
 Enter the year to date earnings:  (I)  
 Enter the date the year to date earnings are through:  (J)  
 If known, how frequently is the applicant paid?  (K)

days =  weekly periods  
 ÷  x  =

**This is the annual income calculation based upon year to date earnings (II)**  
 Total

*The higher of the two amounts is based on the current pay calculation*

Clear

### VOE Tips:

- Be sure to input data exactly as listed on VOE and always include any cents.
- Ensure you input the correct periodic wage conversion.
- When completing the TIC, use the exact annual income listed (include cents too).
- Don't forget to enter in YTD.

1. Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour week and no overtime);
2. Weekly wages by 52;
3. Bi-weekly wages (paid every other week) by 26;
4. Semi-monthly wages (paid twice each month) by 24; and
5. Monthly wages by 12.

To annualize other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work.

Applicant: \*(Insert Applicant Name) Move-In/Recert Date: \*(Insert Move-in Date)

When using the pay stubs to calculate employment income, we must calculate income based on both (I) a pay stub average and (II) year to date earnings and use the higher of the two numbers.

How many pay stubs do you have from the resident/applicant? (You should have the six most recent consecutive pay stubs except in instances in which the resident/ applicant began the job within the last few weeks).

3

How is the applicant paid?

bi-weekly

Is employment seasonal, sporadic, or ending in the next 12 months? (C) No

If yes, how many pay periods will they work in the next year?

Enter the gross earnings from each of the pay stubs.

(1) \$2,025.00  
+ (2) \$2,150.00  
+ (3) \$2,325.25

\$6,500.25 ÷ 3 × 26 = \$56,335.50

This is the annual income calculation based upon the pay stub average (I)

Enter the employee start date. 1/1/2023

Enter the pay date listed on the most recent pay stub. 2/3/2023

Enter the gross year to date earnings from the most recent stub. \$5,250.35

34 days = 4.857 weekly periods

\$5,250.35 ÷ 4.857 × 52 = \$56,211.28

This is the annual income calculation based upon year to date earnings (II)

The higher of the two amounts is based on the pay stub calculation

\$56,335.50 Clear

### Paystubs Tips:

- Only use three (3) paystubs, no exceptions. Make sure you use the exact gross amounts listed on paystubs (include cents).
- Ensure you input the correct periodic wage conversion.
- When completing the TIC, use the exact annual income listed (include cents too).

1. Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour week and no overtime);
2. Weekly wages by 52;
3. Bi-weekly wages (paid every other week) by 26;
4. Semi-monthly wages (paid twice each month) by 24; and
5. Monthly wages by 12.

To annualize other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work.



# ★ Module 3 – Calculating Income & Assets

## Defining and Calculating Income

### YTD Calculation Example:

- When calculating income, also complete YTD Calculations.
- The income listed on the TIC should be the **higher of the Paystub worksheet or VOE worksheet.**

Enter the employee start date:  (H)

Enter the year to date earnings:  (I)

Enter the date the year to date earnings are through:  (J)

If known, how frequently is the applicant paid?  (K)

days =  bi-weekly periods  
 ÷  ×  =

This is the annual income calculation based upon year to date earnings (I) Total   
*The higher of the two amounts is based on the current pay calculation*

5/03

Clear

MBMS-3k

**Important: There's a formulaic error on the YTD calculation portion. In order to produce an accurate calculation, leave the "start date" field blank, unless the applicant just started a new job after the 1<sup>st</sup> of the year.**

# ★ Module 3 – Calculating Income & Assets

## Defining and Calculating Assets

- An asset is defined as, “an item of value that may be turned into cash.” (Source: HUD 4350.3 REV-1, Change 4: Chapter 5, page 5-21).
- Typical assets include: checking account, savings account, prepaid card, and 401k.
- Additionally, any asset (i.e. savings, money market account, etc.) that earns interest must be calculated input on the TIC (see *below*).
- Refer to HUD’s 4350.3 Change 4, Exhibit 5-2 for more information:

[https://www.hud.gov/sites/documents/DOC\\_35701.PDF](https://www.hud.gov/sites/documents/DOC_35701.PDF)

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1	Checking		\$ 6,856.27	\$ 0.00
1	Savings		\$ 1,000.00	\$ 20.00
TOTALS:			\$ 7,856.27	\$ 20.00
Enter Column (H) Total If over \$5000		Passbook Rate X Currently <u>0.06%</u>	= (J) Imputed Income	\$ 4.71
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$ 20.00
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 41,178.00

**While most checking accounts DO NOT earn interest, ALL savings accounts do! If you return a TIC without the savings account interest listed (i.e. “Annual Income from Asset”) it will be returned for correction. Regardless of the type of account, all interest-bearing assets must have the interest calculation listed on TIC.**

# ★ Module 3 – Calculating Income & Assets

## Defining and Calculating Assets

The ARO application package requires the following:

- Completion of Asset Calculation Worksheet.
- Three (3) current **and** consecutive bank statements.
  - Do not request or submit more than three (3) statements.
- Checking Account Calculation Formula
  - Find the **average balance** of all (3) bank statements.
  - Use the ending balance on all (3) statements to find your average.
- Savings Account Calculation Formula
  - No averaging required.
  - Use the **ending balance** from the **most current/recent bank statement.**
- Prepaid Card Calculation Formula
  - Treated exactly as a savings account, follow the instructions above.
- 401k/403b/Stocks/IRA (*reach out to staff for guidance*)

## Exhibit 5-2: Assets

**NOTE:** There is no asset limitation for participation in HUD assisted-housing programs. However, the definition of annual income includes net income from family assets.

A. Net Family Assets include the following:

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.
2. Revocable trusts. Include the cash value of any revocable trust available to the family. See discussion of trusts in paragraph 5-7 G.1.
3. Equity in rental property or other capital investments. Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).

**NOTE:** If the person's main business is real estate, then count any income as business income under paragraph 5-6 G of the chapter. Do not count it both as an asset and business income.

4. Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts. Interest or dividends earned are counted as income from assets even when the earnings are reinvested. The value of stocks and other assets vary from one day to another. The value of the asset may go up or down the day before or after rent is calculated and multiple times during the year thereafter. The owner may assess the value of these assets at any time after the authorization for the release of information has been received. The tenant may request an interim recertification at any time thereafter that a decrease in stock value may result in a decrease in rent.
5. Individual retirement, 401K, and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the individual is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)

## Asset Keyword = Bank Account

Important Note: There are (5) pages of Exhibit 5-2: Assets.

**The goal is not to memorize all the information listed, but to know where you can locate it.**

In most cases, you'll be processing information that is relevant to #1, #4 and #5.

[https://www.hud.gov/sites/documents/DOC\\_35701.PDF](https://www.hud.gov/sites/documents/DOC_35701.PDF)





*IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET*				
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	150	1	\$ 150.00	0.01
Bank Statement 2	200	1	\$ 200.00	
Bank Statement 3	150	1	\$ 150.00	
<b>Bank Statement Checking Totals</b>			<b>\$ 500.00</b>	
Cash Value of Checking (H)			\$ 166.67	
Annual Income from Checking (I)				0.01
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Current Bank Statement Cash Value (H)	\$ 150.00	1	\$ 150.00	0.010
Annual Income from Savings (I)				0.02
Type of Account: Retirement				
Vested Balance (Deduct 10% penalty, if applicable, where account owner is younger than 59 1/2 years old)				
Outstanding Loans				
Cash Value of Retirement Account (H)			\$ -	
Stocks/Bonds Current Value (H)			\$ -	
Cash on Hand (H)			\$ -	
Life Insurance Cash/Surrender Value (H)			\$ -	
Type of Account: Property				
Current Property Value				
Mortgage Balance				
Fees (to convert to cash)				
Property Sale Price				
Cash Value Property (H)			\$ -	
Income from Asset Totals				
Total Cash Value of Asset (Column H Total)			\$ 316.67	
Annual Income from Asset (Column I Total)			\$ 0.03	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$5,000. Passbook rate: 0.06%			\$ -	
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			\$ 0.03	
<b>**NUMERICAL DATA ENTRY ONLY**</b>				
<b>**ENTER THIS DATA ON THE TIC**</b>				
<b>**DO NOT ENTER DATA**</b>				
<b>**FOR INTEREST RATE, ENTER RATE SHOWN ON BANK STATEMENT (DO NOT CONVERT TO PERCENT)</b>				

## Asset Calculation Worksheet

Note: This is most current version of the form. Older versions will not be accepted.





*IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET*				
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	150	1	\$ 150.00	0.01
Bank Statement 2	200	1	\$ 200.00	
Bank Statement 3	150	1	\$ 150.00	
<b>Bank Statement Checking Totals</b>			<b>\$ 500.00</b>	
Cash Value of Checking (H)			\$ 166.67	
Annual Income from Checking (I)				0.01
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Current Bank Statement Cash Value (H)	\$ 150.00	1	\$ 150.00	0.010
Annual Income from Savings (I)				0.02
Type of Account: Retirement				
Vested Balance (Deduct 10% penalty, if applicable, where account owner is younger than 59 1/2 years old)				
Outstanding Loans				
Cash Value of Retirement Account (H)			\$ -	
Stocks/Bonds Current Value (H)			\$ -	
Cash on Hand (H)			\$ -	
Life Insurance Cash/Surrender Value (H)			\$ -	
Type of Account: Property				
Current Property Value				
Mortgage Balance				
Fees (to convert to cash)				
Property Sale Price				
Cash Value Property (H)			\$ -	
Income from Asset Totals				
Total Cash Value of Asset (Column H Total)			\$ 316.67	
Annual Income from Asset (Column I Total)			\$ 0.03	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$5,000. Passbook rate: 0.06%			\$ -	
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			\$ 0.03	
<b>**NUMERICAL DATA ENTRY ONLY**</b>				
<b>**ENTER THIS DATA ON THE TIC**</b>				
<b>**DO NOT ENTER DATA**</b>				
<b>**FOR INTEREST RATE, ENTER RATE SHOWN ON BANK STATEMENT (DO NOT CONVERT TO PERCENT)</b>				

### Under \$5,000 in Asset Tips:

- Always use three (3) statements; Make sure you use the ending balances (include cents).
- Don't forget to add interest, if applicable.
- If the total of all assets are over \$5k, the worksheet will calculate the "Imputed Income" for you.
- When completing the TIC, use the exact "Total Cash Value of Assets" listed (include cents too).
- Follow example on next page.



\*IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET\*

Household Member Name:				
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	2542.42	1	\$ 2,542.42	0
Bank Statement 2	1000.25	1	\$ 1,000.25	
Bank Statement 3	85.75	1	\$ 85.75	
<b>Bank Statement Checking Totals</b>			<b>\$ 3,628.42</b>	
<b>Cash Value of Checking (H)</b>			<b>\$ 1,209.47</b>	
<b>Annual Income from Checking (I)</b>				<b>0</b>
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Current Bank Statement Cash Value (H)	\$ 150.00	1	\$ 150.00	0.030
<b>Annual Income from Savings (I)</b>				<b>0.05</b>
Type of Account: Retirement				
Vested Balance (Deduct 10% penalty, if applicable, where account owner is younger than 59 1/2 years old)				
Outstanding Loans				
<b>Cash Value of Retirement Account (H)</b>			<b>\$</b>	
<b>Stocks/Bonds Current Value (H)</b>			<b>\$</b>	
<b>Cash on Hand (H)</b>			<b>\$</b>	
<b>Life Insurance Cash/Surrender Value (H)</b>			<b>\$</b>	
Type of Account: Property				
Current Property Value				
Mortgage Balance				
Fees (to convert to cash)				
Property Sale Price				
<b>Cash Value Property (H)</b>			<b>\$</b>	
Income from Asset Totals				
<b>Total Cash Value of Asset (Column H Total)</b>			<b>\$</b>	
<b>Annual Income from Asset (Column I Total)</b>			<b>\$</b>	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$5,000. Passbook rate: 0.06%			<b>\$ -</b>	
<b>Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)</b>			<b>\$ 0.05</b>	
<b>**NUMERICAL DATA ENTRY ONLY**</b>				
<b>**ENTER THIS DATA ON THE TIC**</b>				
<b>**DO NOT ENTER DATA**</b>				
<b>**FOR INTEREST RATE, ENTER RATE SHOWN ON BANK STATEMENT (DO NOT CONVERT TO PERCENT)</b>				

## Under \$5,000 Example

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1	Checking		\$ 1,209.47	\$ 0.00
	Savings		\$ 150.00	\$ 0.05
<b>TOTALS:</b>			<b>\$ 1,359.47</b>	<b>\$ 0.05</b>
Enter Column (H) Total		Passbook Rate	=	(J) Imputed Income
If over \$5000 \$ 0.00		X Currently 0.06%		\$ 0.00
Enter the greater of the total of column I, or J: imputed income				<b>TOTAL INCOME FROM ASSETS (K)</b>
				<b>\$ 0.05</b>
<b>(L) Total Annual Household Income from all Sources [Add (E) + (K)]</b>				<b>\$ 0.05</b>

**\*IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET\***

Household Member Name:				
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	2542.42	1	\$ 2,542.42	0
Bank Statement 2	7502	1	\$ 7,502.00	
Bank Statement 3	10524.38	1	\$ 10,524.38	
<b>Bank Statement Checking Totals</b>			<b>\$ 20,568.80</b>	
<b>Cash Value of Checking (H)</b>			<b>\$ 6,856.27</b>	
<b>Annual Income from Checking (I)</b>				<b>0</b>
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
<b>Current Bank Statement Cash Value (H)</b>	\$ 1,000.00	1	\$ 1,000.00	2.000
<b>Annual Income from Savings (I)</b>				<b>20</b>
Type of Account: Retirement				
Vested Balance (Deduct 10% penalty, if applicable, where account owner is younger than 59 1/2 years old)				
Outstanding Loans				
<b>Cash Value of Retirement Account (H)</b>			<b>\$ -</b>	
<b>Stocks/Bonds Current Value (H)</b>			<b>\$ -</b>	
<b>Cash on Hand (H)</b>			<b>\$ -</b>	
<b>Life Insurance Cash/Surrender Value (H)</b>			<b>\$ -</b>	
Type of Account: Property				
Current Property Value				
Mortgage Balance				
Fees (to convert to cash)				
Property Sale Price				
<b>Cash Value Property (H)</b>			<b>\$ -</b>	
Income from Asset Totals				
<b>Total Cash Value of Asset (Column H Total)</b>			<b>\$ 7,856.27</b>	
<b>Annual Income from Asset (Column I Total)</b>			<b>\$ 20.00</b>	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$5,000. Passbook rate: 0.06%			<b>\$ 4.71</b>	
<b>Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)</b>			<b>\$ 20.00</b>	
<b>**NUMERICAL DATA ENTRY ONLY**</b>				
<b>**ENTER THIS DATA ON THE TIC**</b>				
<b>**DO NOT ENTER DATA**</b>				
<b>**FOR INTEREST RATE, ENTER RATE SHOWN ON BANK STATEMENT (DO NOT CONVERT TO PERCENT)</b>				

**Over \$5,000 Tips:**

- Always use three (3) bank statements; Make sure you use the ending balances (include cents).
- Complete a separate worksheet for each individual bank account (i.e. two checking accounts, two savings accounts).
- Don't forget to add interest, if applicable.
- If the total of all assets are over \$5k, the worksheet will calculate the "Imputed Income" for you.
- When completing the TIC, use the exact "Total Cash Value of Assets" listed (include cents too).
- Follow example on next page.

\*IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET\*

Household Member Name:				
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	2542.42	1	\$ 2,542.42	0
Bank Statement 2	7502	1	\$ 7,502.00	
Bank Statement 3	10524.38	1	\$ 10,524.38	
<b>Bank Statement Checking Totals</b>			<b>\$ 20,568.80</b>	
<b>Cash Value of Checking (H)</b>			<b>\$ 6,856.27</b>	
<b>Annual Income from Checking (I)</b>				<b>0</b>
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
<b>Current Bank Statement Cash Value (H)</b>	<b>\$ 1,000.00</b>	<b>1</b>	<b>\$ 1,000.00</b>	<b>2.000</b>
<b>Annual Income from Savings (I)</b>				<b>20</b>
Type of Account: Retirement				
Vested Balance (Deduct 10% penalty, if applicable, where account owner is younger than 59 1/2 years old)				
Outstanding Loans				
<b>Cash Value of Retirement Account (H)</b>			<b>\$ -</b>	
<b>Stocks/Bonds Current Value (H)</b>			<b>\$ -</b>	
<b>Cash on Hand (H)</b>			<b>\$ -</b>	
<b>Life Insurance Cash/Surrender Value (H)</b>			<b>\$ -</b>	
Type of Account: Property				
Current Property Value				
Mortgage Balance				
Fees (to convert to cash)				
Property Sale Price				
<b>Cash Value Property (H)</b>			<b>\$ -</b>	
Income from Asset Totals				
Total Cash Value of Asset (Column H Total)			<b>\$ 7,856.27</b>	
Annual Income from Asset (Column I Total)			<b>\$ 20.00</b>	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$5,000. Passbook rate: 0.06%			<b>\$ 4.71</b>	
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			<b>\$ 20.00</b>	
<b>**NUMERICAL DATA ENTRY ONLY**</b>				
<b>**ENTER THIS DATA ON THE TIC**</b>				
<b>**DO NOT ENTER DATA**</b>				
<b>**FOR INTEREST RATE, ENTER RATE SHOWN ON BANK STATEMENT (DO NOT CONVERT TO PERCENT)</b>				

## Over \$5,000 in Asset Tips:

- If the total of all assets are over \$5k, the worksheet will calculate the “Imputed Income” for you.
- When inputting “Total Income from Asset” always use the higher of the Annual Income or the Imputed Income. (Note: on the new updated TIC, it will automatically update for you.)

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1	Checking		\$ 6,856.27	\$ 0.00
1	Savings		\$ 1,000.00	\$ 20.00
<b>TOTALS:</b>			<b>\$ 7,856.27</b>	<b>\$ 20.00</b>
Enter Column (H) Total If over \$5000		\$ 7,856.27	Passbook Rate X Currently 0.06%	= (J) Imputed Income \$ 4.71
Enter the greater of the total of column I, or J: imputed income			<b>TOTAL INCOME FROM ASSETS (K)</b>	<b>\$ 20.00</b>
<b>(L) Total Annual Household Income from all Sources [Add (E) + (K)]</b>				<b>\$ 20.00</b>

# ★ Module 3 – Calculating Income & Assets

## Special Circumstances

### *Self-Employed Applicants*

- Applicant must provide Schedule C of current Tax Return.
- Applicant must complete Self-Employment Certification Form. Information listed on certification must coincide with Schedule C.

### *Students*

- Effective 12/15/2022, the ARO Affirmative Fair Housing Marketing and Tenant Screening Plan Procedures has been updated. Section 2.13, students may only apply if they qualify for one of the exemptions listed. All applicants must complete the ARO Student Status Affidavit (see next page) and include it with the ARO Application Package submission along with any applicable supporting documentation.

ARO Applicant Name: \_\_\_\_\_

ARO Project Address: \_\_\_\_\_

Please enter move-in date below:

Potential Move-in/Effective Date: \_\_\_\_\_

Are you a full-time student?  Yes  No

If YES, please answer each question below:

- Are you a student and receiving AFDC/TANF?  Yes  No
- Are you a student who was previously in a foster care program under Part B or Part E of title IV of the Social Security Act?  Yes  No
- Are you a student enrolled in a job training program funded under the Workforce Investment Act or similar federal, state or local program?  Yes  No
- Are you a single parent living with his/her minor children and such parent is not a dependent (as defined in Section 152) and whose children are not dependents of another individual other than a parent?  Yes  No
- Are you married and file a joint return?  Yes  No

I agree to notify management immediately if my student status changes prior to move-in. I understand that in order to be program eligible I must meet one or more of the above criteria and provide supporting documentation.

By signing below, I hereby certify under penalty of perjury that the information provided above is accurate and complete to the best of my knowledge. I consent to release such information in order to comply with ARO Program regulations. I understand that providing false and/or misleading information may subject me to criminal penalties.

\_\_\_\_\_  
(Signature of ARO Applicant)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature of ARO Co-Applicant)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature of ARO Property Manager)

\_\_\_\_\_  
Date

# Required Student Status Affidavit

## MAJOR UPDATE!

Effective 12/15/2022 under Section 2.13 of the ARO Affirmative Fair Housing Marketing and Tenant Screening Plan Procedures only full-time students who meet one or more of the listed criteria will be eligible for the ARO Program.

Note: Have applicant(s) complete this form with your property application before property screening (i.e., background/credit) and gathering income/asset documentation.

If the applicant identifies as a full-time student, follow below steps:

If full-time student **does not** meet one or more of the listed criteria, they are not program-eligible and should be denied at the property level. An ARO application package submission **should not** be submitted to [aroapps@cityofchicago.org](mailto:aroapps@cityofchicago.org) nor is required.

If student **does** meet one or more of the listed criteria, please include a completed and signed copy of the ARO Student Status Affidavit as well as supporting documentation within the ARO Application Package submission. Important: They must select "Agree" in order to proceed with application.

For more info on the ARO AFHMP, visit the following link:

[https://www.chicago.gov/content/dam/city/depts/doh/aro/ARO\\_Marketing%20and\\_Tenant\\_Screening\\_Plan\\_12.15.22.pdf](https://www.chicago.gov/content/dam/city/depts/doh/aro/ARO_Marketing%20and_Tenant_Screening_Plan_12.15.22.pdf)

# SELF-EMPLOYMENT INCOME AFFIDAVIT

Use this form for any applicant or resident who receives income as a business owner, independent contractor, sole proprietorship, cash pay, odd jobs, etc.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074 <b>2022</b> Attachment Sequence No. 09	
Department of the Treasury Internal Revenue Service		Go to <a href="http://www.irs.gov/ScheduleC">www.irs.gov/ScheduleC</a> for instructions and the latest information. Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.			
Name of proprietor		Social security number (SSN)			
<b>A</b> Principal business or profession, including product or service (see instructions)		<b>B</b> Enter code from instructions			
<b>C</b> Business name. If no separate business name, leave blank.		<b>D</b> Employer ID number (EIN) (see instr.)			
<b>E</b> Business address (including suite or room no.) City, town or post office, state, and ZIP code					
<b>F</b> Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____					
<b>G</b> Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>H</b> If you started or acquired this business during 2022, check here <input type="checkbox"/>					
<b>I</b> Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>J</b> If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>Part I Income</b>					
<b>1</b>	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	<b>1</b>			
<b>2</b>	Returns and allowances	<b>2</b>			
<b>3</b>	Subtract line 2 from line 1	<b>3</b>			
<b>4</b>	Cost of goods sold (from line 42)	<b>4</b>			
<b>5</b>	<b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b>			
<b>6</b>	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>			
<b>7</b>	<b>Gross income.</b> Add lines 5 and 6	<b>7</b>			
<b>Part II Expenses.</b> Enter expenses for business use of your home <b>only</b> on line 30.					
<b>8</b>	Advertising	<b>8</b>		<b>18</b>	Office expense (see instructions)
<b>9</b>	Car and truck expenses (see instructions)	<b>9</b>		<b>19</b>	Pension and profit-sharing plans
<b>10</b>	Commissions and fees	<b>10</b>		<b>20</b>	Rent or lease (see instructions):
<b>11</b>	Contract labor (see instructions)	<b>11</b>		<b>20a</b>	a Vehicles, machinery, and equipment
<b>12</b>	Depreciation	<b>12</b>		<b>20b</b>	b Other business property
<b>13</b>	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b>	Repairs and maintenance
<b>14</b>	Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b>	Supplies (not included in Part III)
<b>15</b>	Insurance (other than health)	<b>15</b>		<b>23</b>	Taxes and licenses
<b>16</b>	Interest (see instructions):			<b>24</b>	Travel and meals:
<b>16a</b>	a Mortgage (paid to banks, etc.)	<b>16a</b>		<b>24a</b>	a Travel
<b>16b</b>	b Other	<b>16b</b>		<b>24b</b>	b Deductible meals (see instructions)
<b>17</b>	Legal and professional services	<b>17</b>		<b>25</b>	Utilities
<b>18</b>	<b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a	<b>18</b>		<b>26</b>	Wages (less employment credits)
<b>19</b>	Tentative profit or (loss). Subtract line 28 from line 7	<b>19</b>		<b>27a</b>	Other expenses (from line 48)
<b>20</b>	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.	<b>20</b>		<b>27b</b>	<b>Reserved for future use</b>
<b>Simplified method filers only:</b> Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30		<b>21</b>		<b>28</b>	
<b>22</b>	<b>Net profit or (loss).</b> Subtract line 30 from line 29.	<b>22</b>		<b>29</b>	
<ul style="list-style-type: none"> <li>If a profit, enter on both <b>Schedule 1 (Form 1040), line 3</b>, and on <b>Schedule SE, line 2</b>. (If you checked the box on line 1, see instructions.) Estates and trusts, enter on <b>Form 1041, line 3</b>.</li> <li>If a loss, you <b>must</b> go to line 32.</li> </ul>		<b>23</b>		<b>30</b>	
<b>32</b> If you have a loss, check the box that describes your investment in this activity. See instructions.		<b>24</b>		<b>31</b>	
<ul style="list-style-type: none"> <li>If you checked 32a, enter the loss on both <b>Schedule 1 (Form 1040), line 3</b>, and on <b>Schedule SE, line 2</b>. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on <b>Form 1041, line 3</b>.</li> <li>If you checked 32b, you <b>must</b> attach <b>Form 6198</b>. Your loss may be limited.</li> </ul>		<b>25</b>			
		<b>26</b>			
		<b>27</b>			
		<b>28</b>			
		<b>29</b>			
		<b>30</b>			
		<b>31</b>			
		<b>32a</b>	<input type="checkbox"/>	All investment is at risk.	
		<b>32b</b>	<input type="checkbox"/>	Some investment is not at risk.	

## Self-Employed Applicants:

- Unlike calculating employment, self-employment is calculated by using the net profit/income, instead of gross.

- Please use amount on the "Anticipated Annual Profit" when completing the TIC.

- The "Previous Year Profit (of Loss)" should be taken directly from the "Net Profit or (loss)" line on the Schedule C.

- Note: The previous year and anticipated year vary greatly, please reach out to LTM for guidance as applicant will need to provide additional proof.

4/27/2023



Applicant/Tenant: \_\_\_\_\_

Name of Business: \_\_\_\_\_

Business Address: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Position Held: \_\_\_\_\_

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

Anticipated Gross Annual Income: \$ \_\_\_\_\_

Anticipated Annual Business Expenses: \$ \_\_\_\_\_

Anticipated Annual Profit: \$ \_\_\_\_\_

Previous Year Profit (or Loss): \$ \_\_\_\_\_

Cash Withdrawals from Business: \$ \_\_\_\_\_

Do you file tax returns?  YES Taxpayer ID# \_\_\_\_\_  NO

If YES please submit tax returns with the most recent schedule Cr

If NO please state why: \_\_\_\_\_

- If tax returns were not filed, please submit a profit/loss report for each month since the business started
- Please include documents such as invoices, receipts, written business plan, or accountant statement of business income.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand that providing false representation herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_



# **Module 4 – TIC (Tenant Income Certification)**



ANNUAL INCOME CERTIFICATION/RECERTIFICATION  
(TO BE COMPLETED BY OWNER/MANAGEMENT)



TENANT INCOME CERTIFICATION

Initial Certification  Recertification  Other

Effective Date: 12/15/2022  
Move-in Date: 12/15/2022  
(MM/DD/YYYY)

PART I. - DEVELOPMENT DATA

Property Name: ABC Property TC #: (does not apply)  
Property Address: 12345 Main Street City: Chicago State: IL Zip: 60602  
BIN #: (does not apply) County: Cook Unit Number: 202 # Bedrooms: 2BR

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Gender M/F	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 Digits of Social Security or Alien Reg. No.
1	Doe	John	HEAD	M	05/01/1983	N	1234
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1	\$ 41,158.00			
TOTALS	\$ 41,158.00	\$ 0.00	\$ 0.00	\$ 0.00

Add totals from (A) through (D), above TOTAL INCOME (E): \$ 41,158.00

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1	Checking		\$ 6,856.27	\$ 0.00
1	Savings		\$ 1,000.00	\$ 20.00
TOTALS:			\$ 7,856.27	\$ 20.00

Enter Column (H) Total If over \$5000 \$ 7,856.27 Passbook Rate X Currently 0.06% = (J) Imputed Income \$ 4.71  
Enter the greater of the total of column I, or J: imputed income TOTAL INCOME FROM ASSETS (K) \$ 20.00  
(L) Total Annual Household Income from all Sources [Add (E) + (K)] \$ 41,178.00



PART V. DETERMINATION OF INCOME ELIGIBILITY																																																							
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	<b>\$ 41,178.00</b>	Household Meets Income Restriction at: <input checked="" type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> Other _____%	<b>RECERTIFICATION ONLY:</b> Current Income Limit x 140%: _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No																																																				
Current Income Limit per Family Size:	\$ 1.00																																																						
Household Income at Move-in:	\$ 41,178.00	Household Size at Move-in: _____																																																					
PART VI. RENT																																																							
Tenant Paid Rent	\$ 1,200.00	Rent Assistance:	_____																																																				
Utility Allowance	\$ 35.00	Other non-optional charges:	_____																																																				
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	<b>\$ 1,235.00</b>	Unit Meets Rent Restriction at:	<input checked="" type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%																																																				
Maximum Rent Limit for this unit: (as of recertification effective date)	\$ 1,497.00																																																						
PART VII. STUDENT STATUS																																																							
ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, Enter student explanation* (also attach documentation)	*Student Explanation: 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Former Foster Child																																																					
Enter 1-5																																																							
PART VIII. PROGRAM TYPE																																																							
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.																																																							
a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> Income Status <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> Income Status <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> Income Status <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**																																																				
		e. Other <u>ARO</u> <input checked="" type="checkbox"/> (Name of Program) Income Status <input checked="" type="checkbox"/> 60 <input type="checkbox"/> _____ <input type="checkbox"/> OI**																																																					
** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.																																																							
PART IX. HOUSEHOLD DEMOGRAPHIC																																																							
<table border="1" style="width:100%; border-collapse: collapse;"><thead><tr><th>HH Mbr #</th><th>Race Code</th><th>Ethnicity Code</th><th>Disabled? (Y/N)</th></tr></thead><tbody><tr><td>1</td><td>1</td><td>1</td><td>N</td></tr><tr><td>2</td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td></tr><tr><td>5</td><td></td><td></td><td></td></tr><tr><td>6</td><td></td><td></td><td></td></tr><tr><td>7</td><td></td><td></td><td></td></tr></tbody></table>	HH Mbr #	Race Code	Ethnicity Code	Disabled? (Y/N)	1	1	1	N	2				3				4				5				6				7				<table border="1" style="width:100%; border-collapse: collapse;"><thead><tr><th colspan="2">Race Code</th></tr></thead><tbody><tr><td>1</td><td>White</td></tr><tr><td>2</td><td>Black/African American</td></tr><tr><td>3</td><td>American Indian/Alaska Native</td></tr><tr><td>4</td><td>Asian</td></tr><tr><td>5</td><td>Native Hawaiian/other Pacific Island</td></tr><tr><td>6</td><td>Other</td></tr></tbody></table>	Race Code		1	White	2	Black/African American	3	American Indian/Alaska Native	4	Asian	5	Native Hawaiian/other Pacific Island	6	Other	<table border="1" style="width:100%; border-collapse: collapse;"><thead><tr><th colspan="2">Ethnicity Code</th></tr></thead><tbody><tr><td>1</td><td>Hispanic or Latino</td></tr><tr><td>2</td><td>Not Hispanic or Latino</td></tr></tbody></table>	Ethnicity Code		1	Hispanic or Latino	2	Not Hispanic or Latino	
HH Mbr #	Race Code	Ethnicity Code	Disabled? (Y/N)																																																				
1	1	1	N																																																				
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1	Hispanic or Latino																																																						
2	Not Hispanic or Latino																																																						





**HOUSEHOLD CERTIFICATION & SIGNATURES**

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student. I/we agree to provide upon request source documents evidencing the income and other information disclosed above. I/we consent and authorize the disclosure of such information and any such source documents to the City, County or IHDA and HUD and any agent acting on their behalf. I/we understand that the submission of this information is one of the requirements for tenancy and does not constitute an approval of my application, or my acceptance as a tenant.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

SIGNATURE  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 (Date)

SIGNATURE  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 (Date)

SIGNATURE  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 (Date)

SIGNATURE  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 (Date)

**SIGNATURE OF OWNER/REPRESENTATIVE**

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, the Land Use Restriction Agreement (if applicable), and Section 1602 Program requirements (if applicable) to live in a unit in this Project.

SIGNATURE  
 \_\_\_\_\_  
 SIGNATURE OF OWNER/REPRESENTATIVE

\_\_\_\_\_  
 DATE



# **Module 5 – ARO Affordability Ratio**

ARO Owner/Property Management must ensure that the future tenant's rent is at/or below the 40% rent-to-income ratio requirement. Do not send your completed application package without first checking this ratio.



# AFFORDABILITY (RENT TO INCOME RATIO)

Applicant Name:

Move In/Recert Date:

<b>Total Annual Household Income from All Sources</b>	
<b>Monthly Household Income</b>	\$ -
<b>Monthly Tenant Paid Rent</b>	
<b>Affordability Ratio</b>	#DIV/0!
<b>Does Unit Meet 40% Affordability Requirement (Pass=True/ Fail=False)</b>	#DIV/0!
<b>ENTER DATA</b>	
<b>FORMULATED CELL (DO NOT ENTER DATA)</b>	

## DOH Income/Asset/Affordability Excel Worksheet

- This is a DOH-created form to assist with income/asset calculations and also to perform rent-to-income ratio. Other versions of this form do exist, however will not be accepted. Only approved DOH form must be used.
- ARO Owner/Property Management staff must ensure all worksheets are complete prior to submission. Applicant is not to complete worksheet.
- Please be sure to include exact figures listed in worksheet on the TIC. Tip: Always include cents and do not round.





# Rent-to-Income Ratio

Tenant-paid rent should not exceed 40% of the applicant's income. (Monthly Affordable Rent  $\leq$  40% of Gross Monthly Income)

Example 1a:

Rent for the unit being applied to is \$1,024.  
Household gross monthly income is \$3,072.

$$\$1,024 \div \$3,072 = 33\% \checkmark$$

The monthly income is below the "rent-to-income" ratio. This household can afford the rent.

Example 1b:

Rent for the unit being applied to is \$1,024.  
Household gross annual income is \$41,000.

$$\$41,000 \times 40\% \div 12 = \$1,366.67 \checkmark$$

The monthly unit rent is at or below the "rent-to-income" ratio. This household can afford the rent.

Example 2:

Rent for the unit being applied to is \$1,024.  
Household monthly income is \$2,225.

$$\$1,024 \div \$2,225 = 46\% \times$$

This household **CANNOT** afford the rent. Unless Owner/Property Management Staff is willing to lower unit rent, do **NOT** submit application to DOH/LTM for review as applicant is ineligible for program.

# **Module 6 – Rent/Income/Utility Allowance Limits**







## TABLE OF INCOME LIMITS

### Effective April 18, 2022

Household Size	10% Area Median Income	15% Area Median Income	20% Area Median Income	30% Area Median Income	Extremely Low Income Limit	40% Area Median Income	Very Low Income Limit (50% Area Median Income)	60% Area Median Income	65% Area Median Income	70% Area Median Income	Low Income Limit (80% Area Median Income)	90% Area Median Income	95% Area Median Income	100% Area Median Income	115% Area Median Income	120% Area Median Income	140% Area Median Income	150% Area Median Income
1 person	\$7,300	\$10,950	\$14,600	\$21,900	\$21,900	\$29,200	\$36,500	\$43,800	\$47,450	\$51,100	\$58,350	\$65,700	\$69,350	\$73,000	\$83,950	\$87,600	\$102,200	\$109,500
2 persons	\$8,340	\$12,510	\$16,680	\$25,000	\$25,000	\$33,360	\$41,700	\$50,040	\$54,210	\$58,380	\$66,700	\$75,060	\$79,230	\$83,400	\$95,910	\$100,080	\$116,760	\$125,100
3 persons	\$9,380	\$14,070	\$18,760	\$28,150	\$28,150	\$37,520	\$46,900	\$56,280	\$60,970	\$65,660	\$75,050	\$84,420	\$89,110	\$93,800	\$107,870	\$112,560	\$131,320	\$140,700
4 persons	\$10,420	\$15,630	\$20,840	\$31,250	\$31,250	\$41,680	\$52,100	\$62,520	\$67,730	\$72,940	\$83,350	\$93,780	\$98,990	\$104,200	\$119,830	\$125,040	\$145,880	\$156,300
5 persons	\$11,260	\$16,890	\$22,520	\$33,750	\$33,750	\$45,040	\$56,300	\$67,560	\$73,190	\$78,820	\$90,050	\$101,340	\$106,970	\$112,600	\$129,490	\$135,120	\$157,640	\$168,900
6 persons	\$12,090	\$18,135	\$24,180	\$36,250	\$37,190	\$48,360	\$60,450	\$72,540	\$78,585	\$84,630	\$96,700	\$108,810	\$114,855	\$120,900	\$139,035	\$145,080	\$169,260	\$181,350
7 persons	\$12,930	\$19,395	\$25,860	\$38,750	\$41,910	\$51,720	\$64,650	\$77,580	\$84,045	\$90,510	\$103,400	\$116,370	\$122,835	\$129,300	\$148,695	\$155,160	\$181,020	\$193,950
8 persons	\$13,760	\$20,640	\$27,520	\$41,250	\$46,630	\$55,040	\$68,800	\$82,560	\$89,440	\$96,320	\$110,050	\$123,840	\$130,720	\$137,600	\$158,240	\$165,120	\$192,640	\$206,400
9 persons	\$14,590	\$21,885	\$29,180	\$43,750	\$51,170	\$58,360	\$72,950	\$87,540	\$94,835	\$102,130	\$116,700	\$131,310	\$138,605	\$145,900	\$167,785	\$175,080	\$204,260	\$218,850
10 persons	\$15,430	\$23,145	\$30,860	\$46,250	\$55,710	\$61,720	\$77,150	\$92,580	\$100,295	\$108,010	\$123,400	\$138,870	\$146,585	\$154,300	\$177,445	\$185,160	\$216,020	\$231,450

**NOTES:**

- Income limits are for the Chicago-Naperville-Joliet, IL HUD Metro FMR Area.
- Effective until superseded.
- Low, Very Low, Extremely Low Income and 30% AMI limits are as published by HUD.
- Income limits at all other income levels are calculated per HUD methodology, based on Very Low Income (50% AMI) limit.





## CITY OF CHICAGO MAXIMUM AFFORDABLE MONTHLY RENTS 2022

**GROSS RENTS:** Maximum monthly rents when tenants pay no utilities (landlord pays all utilities)

<u>Number of Bedrooms</u>	<u>10% AMI</u>	<u>15% AMI</u>	<u>20% AMI</u>	<u>30% AMI</u>	<u>40% AMI</u>	<u>50% AMI (Low HOME Rent Limit)*</u>	<u>60% AMI</u>	<u>High HOME Rent Limit*</u>	<u>65% AMI</u>	<u>70% AMI</u>	<u>80% AMI</u>	<u>100% AMI</u>	<u>120% AMI</u>	<u>HUD Fair Market Rent*</u>
0	\$182	\$273	\$365	\$547	\$730	\$912	\$1,095	\$1,059	\$1,166	\$1,277	\$1,458	\$1,825	\$2,190	\$1,059
1	\$195	\$293	\$391	\$586	\$782	\$977	\$1,173	\$1,161	\$1,251	\$1,368	\$1,563	\$1,955	\$2,346	\$1,161
2	\$234	\$351	\$469	\$703	\$938	\$1,172	\$1,407	\$1,340	\$1,503	\$1,641	\$1,876	\$2,345	\$2,814	\$1,340
3	\$271	\$406	\$542	\$812	\$1,084	\$1,355	\$1,626	\$1,697	\$1,728	\$1,897	\$2,167	\$2,710	\$3,252	\$1,697
4	\$302	\$453	\$604	\$929	\$1,209	\$1,511	\$1,813	\$1,908	\$1,908	\$2,115	\$2,417	\$3,022	\$3,627	\$2,018
5	\$333	\$500	\$667	\$1,106	\$1,334	\$1,668	\$2,001	\$2,087	\$2,087	\$2,335	\$2,668	\$3,336	\$4,003	\$2,321

# CITY OF CHICAGO

## MAXIMUM AFFORDABLE MONTHLY RENTS 2022

### Utility allowances per CHA schedule for:

	Number of Bedrooms	Cooking gas & other electric (not heat)	Electric heat, cooking gas & other electric	Gas heat, cooking gas & other electric	Electric cooking & other electric (not heat)	Other electric only (not cooking or heat)
Single-family	0	\$44	\$88	\$78	\$47	\$41
	1	\$56	\$109	\$97	\$61	\$53
	2	\$69	\$132	\$116	\$75	\$65
	3	\$82	\$154	\$135	\$89	\$77
	4	\$95	\$176	\$154	\$103	\$89
	5	\$108	\$198	\$174	\$117	\$101
Low-rise/Duplex/ Row House	0	\$32	\$72	\$63	\$35	\$29
	1	\$44	\$92	\$80	\$49	\$41
	2	\$56	\$112	\$98	\$62	\$52
	3	\$69	\$133	\$117	\$76	\$64
	4	\$82	\$154	\$135	\$90	\$76
	5	\$94	\$174	\$153	\$103	\$87
High-rise	0	\$33	\$56	\$51	\$36	\$30
	1	\$41	\$68	\$62	\$46	\$38
	2	\$51	\$83	\$75	\$57	\$47
	3	\$60	\$97	\$87	\$67	\$55
	4	\$70	\$111	\$100	\$78	\$64
	5	\$80	\$126	\$113	\$89	\$73



# **Module 7 – Official Correspondence**



# Determination Notice

Once the secondary eligibility review by DOH/LTM has been completed, you will receive this signed determination letter if applicant is eligible.



CITY OF CHICAGO

DEPARTMENT OF HOUSING

November 28, 2022

Property Manager Name  
Property Manager Address  
Property Manager Address

Sent via email: [propertymanager@aroproject.com](mailto:propertymanager@aroproject.com)

**Re: RENTAL UNIT - DETERMINATION OF ELIGIBILITY**

**Project Name:** ARO Legal Project Name / Property Site Name  
**Project Address:** Property Address or Off-Site Location Address  
**Applicant Name:** Applicant Name / Unit # \_\_\_ / # of Bedrooms: \_\_\_  
**Program Type:** Affordable Requirements Ordinance (ARO)

Dear Property Manager:

The Department of Housing has reviewed the application for the above-referenced applicant. Based on our eligibility review, the application meets ARO program requirements. Upon move-in, the signed lease must be provided to your assigned Program Auditor within 10 business days.

Per the Affordable Housing Agreement (AHA), you are required to provide \_\_\_ affordable units. Additionally, all ARO units must be leased within the specified timeframe. Failure to do so could result in a violation of your AHA. If you have any questions regarding this determination, please contact your assigned Program Auditor at (312) 74x-xxxx or via email at ([auditor@cityofchicago.org](mailto:auditor@cityofchicago.org)).

Sincerely,

Danielle Stringfellow  
Assistant Commissioner

# Determination Notice

Once the secondary eligibility review by DOH/LTM and we are still awaiting corrections from ARO on-site staff, you may receive this signed letter .

December 27, 2022

Prope  
Prope  
Property Manager Address

Sent via email: propertymanager @aroproject.com

Re: RENTAL UNIT - INCOMPLETE ARO APPLICATION

**Project Name:** ARO Legal Project Name / Property Site Name  
**Project Address:** Property Address or Off-Site Location Address  
**Applicant Name:** Applicant Name / Unit # \_\_\_ / # of Bedrooms: \_\_\_  
**Program Type:** Affordable Requirements Ordinance (ARO)

Dear Property Manager

This notice is to advise you that the Department of Housing has reviewed the application for \_\_\_\_\_, Unit #: \_\_\_\_\_. As a result of our findings, we are unable to determine the applicant's eligibility for the following reason(s):

Incomplete ARO submission

- Proof of documented income required via bank direct deposit.

Upon submission of the above-mentioned documentation, due by \_\_\_\_\_, we will continue to process the ARO application as submitted and determine eligibility status. If you have any questions, you may reach out via email to your assigned Program Auditor, \_\_\_\_\_, auditorname@cityofchicago.org

Sincerely,  
**Important Note: Please submit all corrections to ARO application at once. Failure to submit documentation by the due date will result in automatic denial.**

Danielle Stringfellow  
Assistant Commissioner

# Determination Notice

Once the secondary eligibility review by DOH/LTM has been completed, you will receive this signed determination letter if applicant is denied.

Both forms will be issued to ARO on-site staff form. The appeal form on the right must be completed by the applicant. The Owner/Property Management staff must obtain additional supporting documentation from applicant before submitting appeal form to DOH/LTM staff. Appeal must be submitted by ARO on-site staff within 10 business days.



Lori Lightfoot, Mayor

Marisa Novara - Commissioner

**AFFORDABLE REQUIREMENTS ORDINANCE (ARO)**  
**ELIGIBILITY DETERMINATION NOTICE**

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

Applicant Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Address/Unit Number: \_\_\_\_\_

Dear Applicant,

Upon review of your application, the Department of Housing has determined that your application does not meet the Affordable Requirements Ordinance (ARO) eligibility requirements for the following reason(s):

1. \_\_\_\_ Household Income Exceeds ARO Income Limits
2. \_\_\_\_ Unit Rent is Over 40% of Household Income
3. \_\_\_\_ Failure to Respond to Application Correction Requests
4. \_\_\_\_ Other(s) (see below)

\_\_\_\_\_  
\_\_\_\_\_

You may appeal this decision in writing by completing and submitting the attached Appeal Form for Tenant Eligibility to the Property Manager (PM). The PM must be in receipt of the attached Appeal Form and supporting documentation within **10 business days** from the date of this notice. The PM will notify you regarding the final eligibility decision. Failure to submit the appeal by the deadline will result in automatic denial.

Please contact the property management office with any questions regarding this matter.

Sincerely,

Danielle Stringfellow  
Assistant Commissioner

Lori Lightfoot, Mayor

Marisa Novara - Commissioner

**AFFORDABLE REQUIREMENTS ORDINANCE (ARO)**  
**APPEAL FORM FOR TENANT ELIGIBILITY**

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

Applicant Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Address/Unit Number: \_\_\_\_\_

**Applicant(s):** Provide an explanation below outlining why you disagree with the Eligibility Determination Notice.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOTE:** Please submit the Appeal Form along with supporting documentation to the Property Manager (PM) within **10 business days** from the date of the Eligibility Determination Notice. The PM will notify you regarding the final eligibility decision. Failure to submit by the deadline will result in automatic denial.

CITY OF CHICAGO  
DEPARTMENT OF HOUSING  
**FY 2021 ANNUAL OWNER'S CERTIFICATION**

FOR PROJECTS SUBJECT TO AFFORDABLE REQUIREMENTS ORDINANCE (ARO)  
UNDER THE MUNICIPAL CODE OF CHICAGO

Owner Name: \_\_\_\_\_  
 Management Company: \_\_\_\_\_  
 Management Company Information: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone #: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Project Name: \_\_\_\_\_  
 Project Address(s): \_\_\_\_\_  
 Date: \_\_\_\_\_

This Annual Owner's Certification for Projects subject to the Affordable Requirements Ordinance ("Compliance Certificate") must be completed in its entirety and must be executed by the Owner, notarized and returned to the Department of Housing ("Department") by June 30 of each year until the expiration of the term of the Agreement. The report period is calendar year, January 1 through December 31. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the same meanings given to such terms in the Agreement.

All forms, including updates to this Compliance Certificate, department contacts, income limits, maximum allowable rents, and guidance for calculating household income are available on the Department's website, or by contacting the Department directly at 312-744-4190 and requesting to speak with someone regarding ARO Compliance.

**A. OWNER INFORMATION**

Has any change occurred, either directly or indirectly, (a) in the identity of the Owner, (b) in the identity of any shareholder, partner, member, trustee or other entity holding an ownership interest in the Owner, or (c) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Owner since the date of the Agreement or the most recent Annual Owner's Certification?

Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, provide all the appropriate documents.

1. Have the Owner's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, provide all amendments and modifications of the Owner's organizational documents.

**B. AFFORDABLE UNITS AND NEW TENANT INFORMATION**

1. Tenants pay for the following utilities (check as applicable):

- 1.  electric heat
- 2.  cooking gas
- 3.  other electric
- 4.  gas heat
- 5.  electric cooking

2. For existing tenants please list the tenant information in the format below. Attach copies of the first and last pages of the lease that verifies the unit #, rent charged, tenant name and date of lease for each of the affordable units for this project.

	Unit #	Number of bedrooms	Sq. Ft.	Rent charged	Household Name(s)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

**C. INDEMNIFICATION**

The Owner hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Owner's responses or documents provided pursuant to the terms of this Compliance Certificate and the Agreement, including breaches of the representations and warranties herein and therein contained.

IN WITNESS WHEREOF, the Owner has executed this Annual Owner's Certification on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Owner: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Its: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Notary Public (SEAL)



# Annual Owner's Certification (AOC)

30-year affordability period begins once project has been fully leased.





# Department of Housing: Long-Term Monitoring ARO Intake & Compliance Training



Thank you for participating in this compliance training. Should you have any questions regarding any information contained within, please reach out Assistant Commissioner Danielle Stringfellow.