



Inclusionary Housing in Chicago: **the 2007 Affordable Requirements Ordinance (ARO)**

The ARO was created in 2003 and revised in 2007 to create affordable units in private-market developments. Developments subject to ARO (see below) must set aside 10% of residential units as affordable housing OR donate \$100,000 per required unit to the City's Affordable Housing Opportunity Fund. For projects receiving financial assistance from the City, 20% of the units must be affordable. *The ARO was revised again in 2015: Projects submitted to the City after October 13, 2013 will be subject to the 2015 ARO.*

Projects are generally subject to the ARO if they include ten or more residential units AND:

- Receive a zoning change that:
 - permits a higher floor area ratio (FAR);
 - changes from a non-residential to a residential use;
 - permits residential uses on ground floor, where that use was not allowed;
- Include land purchased from the City (even if purchase was at the appraised value);
- Receive financial assistance from the City; **OR**
- Are part of a Planned Development (PD) in a downtown zoning district.

Generally, **Projects are exempt from the ordinance** if

- Land was purchased between May 13, 2005 and May 13, 2007; **OR**
- Zoning Changes or PDs filed with the Zoning Administrator before August 21, 2007.

For-sale housing must be **affordable** to households earning 100% of the area median income (AMI) as defined by the US Department of Housing and Urban Development (HUD). Using these income guidelines, the City's uses a formula, based on the market price, assessments, and projected property taxes specific to each development to determine the unit's maximum affordable price. Rental housing must be affordable to households earning 60% of the AMI. If Financial assistance is provided to a project, income limits are reduced.

2015 Maximum Household Income to lease or purchase affordable units				
Number of household members	50% of Median (Rental – TIF)	60% of Median (Rental)	80% of Median (For Sale - TIF)	100% of Median (For Sale)
1	\$26,600	\$31,920	\$42,600	\$53,200
2	\$30,400	\$36,480	\$48,650	\$60,800
3	\$34,200	\$41,040	\$54,750	\$68,400
4	\$38,000	\$45,600	\$60,800	\$76,000
5	\$41,050	\$49,260	\$65,700	\$82,100

Affordable units are typically placed in the **Chicago Community Land Trust (CCLT)**, which ensures the unit's long-term affordability. The Department of Planning & Development income-qualifies purchasers/renters, and may provide marketing assistance. **For more information**, contact Kara Breems (312.744.6746 or Kara.Breems@cityofchicago.org).