

Department of Housing:

Long-Term Monitoring ARO Application Compliance Training



April 2025

DOH

Long-Term Monitoring

ARO Application Compliance Training for ARO Owner and Property Management Staff

This PowerPoint presentation is provided by DOH's Long-Term Monitoring Division for all ARO Owners, Property Managers, and Leasing staff that manage ARO rental units.

****Disclaimer:**** The division's sole function is to audit and monitor program and compliance requirements. While this training is provided, it is limited in scope and does not cover all aspects. ARO site staff are responsible for fully understanding and consistently meeting all program and compliance requirements. **It is the sole responsibility of the owners to ensure that property managers or management companies are adequately trained in affordable housing, fair housing and given detailed instructions on ARO requirements.**



Overview of ARO Compliance Training

- Module 1 – ARO Overview
- Module 2 – ARO Application Process
 - 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

- 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 for more information.
- As of 2021, the revised ARO expanded off-site options that aid in targeting those most in need. Additionally, ARO units currently target households earning between 40% - 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.

Module 2 – ARO Application Process

General Guidelines

Updated ARO Application Package Submission Process

Application Package Submission Requirements

General Guidelines:

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

Owner/Property Management staff may evaluate prospective tenants based on the criteria they typically use to do so and may NOT evaluate prospective ARO 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; *Fees – Leasing agents may not charge application fees to applicants for affordable units other than a reasonable credit report or background check fee.*

Administrative and/or move in fees charged during the application process must be a) refunded to the applicant within 30 days of application denial or b) credited to the approved applicant/tenant's first month rent. Administrative or move in fees, may not amount to more than 30% of the monthly rent of the unit.

One-time voluntary fees, including but not limited to, short term lease fees, early lease termination fees, and pet fees are allowed to be charged to ARO tenants, but must not be greater than fees charged to market rate tenants units.

The ARO program is an affordable housing initiative, we adhere to HUD guidelines, which require the disclosure of all income and asset sources. All new applicants must provide supporting documentation for their income and assets. If the applicant is unwilling to provide their paystubs, bank statements, tax transcripts, other documents as requested, or sign the verification documents, we are unable to process their application for the ARO program.

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

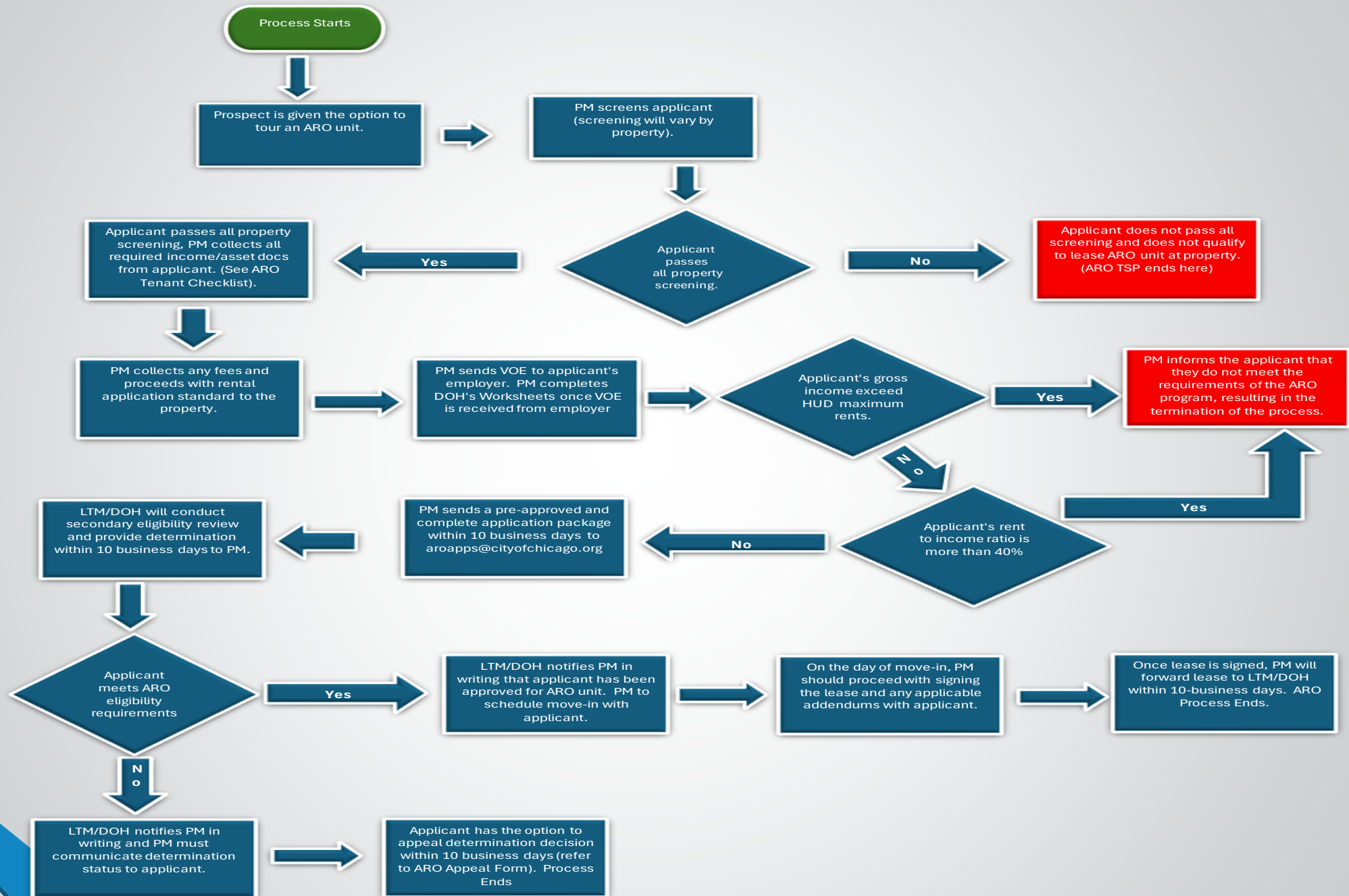
Self Certification of income and assets is not allowed.

- Offer letters alone as proof of anticipated income are not acceptable. Applicants starting a new job must submit in addition to the offer letter and VOE at least two (2) paystub with their application.
- Paychecks or copies of checks as proof of income are not allowed because deductions are not shown of the paycheck.



General *Guidelines (continued):*

- Owner/Property Management must ensure the rent being charged does not exceed 40% of applicants monthly gross income.
- **Note: If application is deemed ineligible upon initial review by the property, do not submit the application to DOH/LTM for secondary review**
- DOH/LTM should only receive pre-approved applications.
- - Income and asset documentation must be the most current at the time of application submission.
- - The applicant's move-in date must be within 90 days of the application submission date.
- Applications submitted to ARO Apps will be reviewed within two business days in the order they are received. If an application is incomplete, it will be returned with a list of required corrections. **The 10-business day determination period will not begin until all corrections are addressed and the application is assigned to an auditor for further review. Once you receive an email confirming that the application has been assigned and the 10-business day review period has started, please notify the applicant of the expected timeframe for a determination decision.**
- Approval for an ARO apartment is not guaranteed until the application has been finalized and approved by our department. Please be aware of this clarification to manage applicant expectations accurately.
- DOH/LTM is not affiliated with property management staff; therefore, all communication with applicants and tenants must be managed directly by the on-site property management. DOH/LTM will not interact with applicants or tenants in any capacity. Please refrain from sharing DOH staff phone numbers or email addresses with applicants or tenants.





Module 2 – ARO Application Process

Application Package Requirements

The ARO Application Package requires the following:


- Completed/signed ARO Tenant Checklist
- Completed/signed DOH-approved TIC
- Income/Asset/Affordability Calculation Worksheets
- Four (4) to six (6) current **and** consecutive paystubs
- Three (3) current bank statements for checking accounts
- One (1) current bank statement for savings account (if applicable)
 - All accounts including, Apple Cash, Cash App, Venmo, or similar non-traditional bank accounts.
 - **Note; Verification of retirement accounts are no longer required.**
- Verification of Employment (VOE) – This third-party verification must be sent by the property manager directly to the applicant's employer.
- Verification of Deposit (VOD)-This third-party verification must be sent by the property manager directly to the applicant's financial institution.
 - *Third-party verification is defined as the process of obtaining an independent party (i.e., employer) to confirm the applicants' employment and income information. VOE's and VODs should never (under any circumstance) be completed by ARO Property Management staff and/or the applicant*
- Student Status Affidavit must be completed by **all** ARO applicants.
 - If the applicant is a full-time student, they must provide supporting documentation that meets the qualified exemption listed on form.
- All applicants and any household members over the age of 18 who claim **zero income** must provide a current tax year 4506-T; wage and income transcript from the IRS website; 4506-T, An IRS Wage and Income Transcript include most of the information reported on IRS Form W-2, which contains information from all employers who reported income to the IRS during a specific tax year. An applicant can request tax transcripts via <https://www.irs.gov/individuals/get-transcript>.

Important Note: Tax return transcript

- Tax Returns are no longer required as it does not meet the definition of anticipated income.
- Tax returns transcripts will be required if an applicant is self-employed (see instructions listed on the Self employment Affidavit).

Tenant Application Checklist

All relevant boxes must be marked. The Property Manager must provide a handwritten signature along with the date.

Office Use Only: Tenant Eligibility Determination		Affordable Requirements Ordinance (ARO) Tenant Application Checklist
Approved	Denied	Rejected
Date of Application Package: _____		
ARO Property Name: _____		
Property Address: _____		
Property Management (PM) Contact Name: _____		
PM Phone #: (_____) _____ PM Email: _____		
Applicant Name (s): _____		
ARO Unit Number: _____ of Bedroom(s): _____		
<p>I. <u>Owner/Property Management Acknowledgments:</u></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>II. <u>Required Documentation for Tenant Eligibility Determination:</u></p> <p><input type="checkbox"/> Fully completed Tenant Income Certification form (TIC) with handwritten OR DocuSign signatures.</p> <p><input type="checkbox"/> Fully completed DOH Income/Assets/Affordability Excel Worksheet.</p> <p><input type="checkbox"/> Four to six current/consecutive paycheck stubs for ALL household members 18 years old and older.</p> <p><input type="checkbox"/> Three (3) current bank statements for each account.</p> <p><input type="checkbox"/> One (1) current bank statement for each savings account.</p> <p><input type="checkbox"/> Copy of Verification of Employment (VOE) form completed by the employer.</p> <p><input type="checkbox"/> Copy of Verification of Deposit (VOD) form signed by the applicant.</p> <p><input type="checkbox"/> Copy of Student Status Certification.</p> <p><input type="checkbox"/> Zero Income affidavit completed by HH members over the age of 18, who claim zero income.</p> <p><input type="checkbox"/> Zero income affidavits must be accompanied with a 4506-T, a IRS Wage and Income Transcript for most current year. https://www.irs.gov/individuals/get-transcript</p> <p><input type="checkbox"/> Is the applicant a U.S. military veteran? Yes, ___ No ___</p> <p><input type="checkbox"/> Any other supplemental income documentation (please describe): _____</p>		
<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.</p>		
_____ Signature of Owner/Property Management Representative		_____ Date
<div>Form eff. 1/2025</div>		 AFFORDABLE REQUIREMENTS ORDINANCE



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 interest earned 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:
- For self employed applicants, the NET income is counted as the annual income.

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
Nonmembers		
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.



Module 3 – Calculating Income & Assets

Defining and Calculating Income - The ARO application package requires the completed Calculation Worksheet.

- The income listed on the TIC must be the higher calculated amount from the paystub average or the YTD calculation. This amount will be listed at the bottom of the paystub worksheet.
- Four (4) to six (6) current **and** consecutive paystubs.
 - Packets that have less than 4 paystubs will not be accepted.
- 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.
 - **Note: The Verification Worksheet has been discontinued. All paystub data must be entered exclusively in the Paystub Worksheet.**



Module 3 – Calculating Income & Assets

One time bonus; If an applicants employer indicates on the VOE that the applicant receives a one-time bonus, their Year-to-Date (YTD) income should first be calculated without the bonus. The bonus should then be added separately at the end on the Paystub Worksheet. This prevents an overestimation of the applicant's annual income. If the bonus is included in the annualized YTD income calculation, it inflates the projected earnings by treating the bonus as recurring rather than as a one-time payment. **Note; before entering the YTD in the worksheet, subtract the one-time bonus amount and then add the bonus to the final calculation.**

An applicant earns a **salary of \$4,000 per month** and received a **\$5,000 one-time bonus** in June. By the end of **September (9 months of income)**, their YTD earnings on the paystub show **\$41,000** (which includes both regular salary and the bonus).

Incorrect Calculation (Including Bonus in Annualization):

If we include the full YTD amount in the calculation:

• **YTD earnings:** \$41,000 (January–September, including the bonus)

• **Annualized income:** $\$41,000 \div 9 \times 12 = \$54,667$

This overestimates the income by treating the bonus as part of the applicant's regular earnings.

Correct Calculation (Excluding Bonus First):

1. Calculate YTD earnings without the bonus:

1. Regular salary for 9 months = $\$4,000 \times 9 = \$36,000$

2. Annualize only regular earnings:

1. $\$36,000 \div 9 \times 12 = \$48,000$ (projected base income)

3. Add the one-time bonus separately:

1. $\$48,000 + \$5,000 = \$53,000$ (correct projected annual income)

By handling the calculation this way, we accurately reflect the applicant's recurring earnings and account for the bonus separately, preventing an inflated income projection.

Verification of Employment (VOE)

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

In lieu of VOE form, applicants can provide a copy of their Work # report or similar. (they can obtain report free of charge)

<https://employees.theworknumber.com/employment-data-report>

EMPLOYMENT VERIFICATION					
(The use of white out, black out, or alteration of original information will void this document)					
Project Name:		Unit ID:		Date:	
Applicant/Tenant:		SSN:			
Employer Contact:					
Business Name:		Contact Person:			
Address:		Phone:		Fax:	
City:		State:		Zip:	
				Email:	
My Signature Authorizes Verification of My Employment Income Information:					
Applicant/Tenant Signature		Date			
The individual named directly above is an applicant/tenant of the Affordable Rental Ordinance Housing Program (ARO) The information provided will be used to determine eligibility for the program and remains confidential to the satisfaction of that stated purpose only. Your prompt response is crucial and would be greatly appreciated.					
Sincerely,		RETURN THIS FORM TO:			
Project Owner/Management Agent					
THIS SECTION TO BE COMPLETED BY EMPLOYER					
Please provide an employee pay history report when returning this completed form. Please do not leave blanks.					
Employee Name:		Job Title:			
Presently Employed: Yes <input type="checkbox"/> Date First Employed: / /		No <input type="checkbox"/> Last Date of Employment: / /			
Current Wages (check one) <input type="checkbox"/> Hourly <input type="checkbox"/> Salary \$		Pay Frequency <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Yearly			
		Pay Method <input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Direct Deposit <input type="checkbox"/> Other			
Number of regular hours scheduled per week: (If hours vary please list maximum anticipated)		Gross Year to Date Pay: \$			
		From / / Through / /			
Overtime Rate: \$ per hour		Number of pay periods included in the YTD earnings above:			
Average number of OT hours per week:		Gross pay from prior year: \$			
Shift Differential Rate: \$ per hour		Average number of shift differential hours per week:			
COMMISSION \$ <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly		BONUS: \$ <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly			
TIPS: \$ <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly		OTHER: \$ <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Yearly			
List any anticipated change in the employee's rate of pay/hours within the next 12 months: \$ Hours Effective date: / /					
If the employee's work is seasonal or sporadic, please indicate the number of weeks worked: / /					
Is employee eligible for unemployment during the layoff? <input type="checkbox"/> No <input type="checkbox"/> Yes					
Employer Signature		Employer Printed Name & Title		Date	
Phone #		Fax #		E-Mail	
NOTE: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.					
© SPECTRUM ENTERPRISES 2025					
Page 1 of 1					

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 ($\600×12 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.

Applicant: LTM Move-In/Recert Date: 3/17/2025

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).

4

How is the applicant paid?

semi-monthly

Is employment seasonal, sporadic, or ending in the next 12 months? (C)

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

Enter the gross earnings from each of the pay stubs.

(1) \$2,307.00
+ (2) \$2,307.00
+ (3) \$2,307.00

\$2,307.00

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

\$9,228.00 ÷ 4 × 24 = \$55,368.00

Enter the start date for Year-to-Date (YTD) as the first day of the current year. 1/1/2025
(If an employee started a job after the beginning of the year, you must enter their employment start date).

Enter the pay date listed on the most recent pay stub.

1/31/2025

Enter the gross year to date earnings from the most recent stub.

\$4,614.00

31 days = 4.429 weekly periods

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

\$4,614.00 ÷ 4.429 × 52 = \$54,172.05

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

\$55,368.00

Clear

Paystubs Tips:

- Only use four (4) to six (6) paystubs, no exceptions. Make sure you use the exact gross amounts listed on paystubs (include cents).
- Ensure to select the correct periodic wage conversion.
- When completing the TIC, use the highest calculated annual income listed (including cents). Paystub average or paystub 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.



Module 3 – Calculating Income & Assets

Defining and Calculating Assets

The ARO application package requires the following:

- Applicant must sign Verification of Deposit Form
 - Applicant must provide full account # and full SSN #
 - Submit signed form with application packet and DOH staff will submit verification request to bank.
- Completion of Asset Calculation Worksheet.
- Three (3) current checking account (or similar) bank statements.
- One (1) current savings account (or similar) bank statement
 - 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.

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.)

Assets

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 thru #4. #5 is no longer applicable.

https://www.hud.gov/sites/documents/DOC_35701.PDF

Verification of Deposit (VOD)

Note: This is a new form. Other versions of the form will not be accepted. Form must be signed by the applicant and returned with packet.

ASSET VERIFICATION FORM			
Checking, Savings, Certificate of Deposit, and Money Market Accounts			
Name of Financial Organization: _____		PLEASE RETURN FORM TO:	
Address: _____		Chicago Department of Housing (DOH)	
SUBJECT: Verification of Information Supplied by an Applicant/Tenant for Housing Assistance		AroApps@cityofchicago.org	
NAME: _____		Phone: 312-744-1432 / Fax: 312-742-3169	
ADDRESS: _____			
This person has applied for housing assistance under a program of the City of Chicago Department of Housing Affordable Housing Ordinance Program (ARO). The ARO Program requires the owner to verify all information that is used in determining this person's eligibility or level of benefits.			
We ask your cooperation in providing the following information and returning it to the person listed at the top of the page. Your prompt return of this information will help to ensure timely processing of the application for assistance. The applicant/tenant has consented to this release of information as shown below.			
Area to be completed by Financial Organization (Please answer all questions. Answer N/A if the question doesn't apply.)			
Checking Account			
Average Balance for			
Account # _____	Previous Six (6) Months: \$ _____	Interest Rate: _____	Date Account Opened: _____ Date Account Closed: _____
Average Balance for			
Account # _____	Previous Six (6) Months: \$ _____	Interest Rate: _____	Date Account Opened: _____ Date Account Closed: _____
Savings Account			
Account # _____	Current Balance: \$ _____	Interest Rate: _____	Date Account Opened: _____ Date Account Closed: _____
Account # _____	Current Balance: \$ _____	Interest Rate: _____	Date Account Opened: _____ Date Account Closed: _____
Certificates of Deposit			
Account # _____	Current Value _____	Rate of Interest: _____	Cash Value* _____
*Cash value is the current value minus penalties for early withdrawal or cost to convert to cash (broker fees, etc.)			
Account # _____	Current Value _____	Rate of Interest: _____	Cash Value* _____
*Cash value is the current value minus penalties for early withdrawal or cost to convert to cash (broker fees, etc.)			
Account # _____	Current Value _____	Rate of Interest: _____	Cash Value* _____
*Cash value is the current value minus penalties for early withdrawal or cost to convert to cash (broker fees, etc.)			
Money Market			
Account # _____	Current Value _____	Rate of Interest: _____	Cash Value* _____
*Cash value is the current value minus penalties for early withdrawal or cost to convert to cash (broker fees, etc.)			
Name and Title of Person Supplying the Information _____		Firm/Organization Name _____	Signature _____ Date _____
RELEASE: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances that would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent attached to a copy of this consent.			
Signature _____		Date _____	Full SSN # _____
NOTE TO APPLICANT/TENANT: You do not have to sign this form if either the requesting organization or the organization supplying the information is left blank.			
<small>PENALTIES FOR MISUSING THIS CONSENT: 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. HUD and any owner (or any employee of HUD or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person who knowingly or willingly requests, obtains, or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages and seek other relief, as may be appropriate, against the officer or employee of HUD or the owner responsible for the unauthorized disclosure or improper use. Penalty provisions for misusing the social security number are contained in the Social Security Act at 208(a) (6), (7) and (8). Violations of these provisions are cited as violations of 42 U.S.C. 408 (a) (6), (7) and (8).</small>			
Please return the form to the address listed above. Thank You.			

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, CD’s, stocks, prepaid cards.
- Additionally, any asset (i.e., savings, money market accounts, CD’s, etc.) that earns interest must be calculated and the current balance and interest earned must be 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

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
	Checking		\$ 658.33	\$ 0.00
	Savings		\$ 200.00	\$ 0.40
	Stocks		\$ 50,000.00	
	Cash on hand		\$ 100.00	
TOTALS:			\$ 50,958.33	\$ 0.40
Enter Column (H) Total if over \$50,000		Passbook Rate X Currently 0.45 %	= (J) Imputed Income	\$ 229.31
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	
			\$ 229.31	
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 54,401.36

While most checking accounts DO NOT earn interest, ALL savings or similar accounts do! If a TIC without the savings account interest listed (i.e. "Annual Income from Asset") it will be dingd as a finding. Regardless of the type of account, all interest-bearing assets must have the interest calculation listed on TIC.

IF THERE ARE MULTIPLE CHECKING OR SAVINGS ACCOUNTS, COMPLETE A SEPARATE WORKSHEET				
Household Member Name:				**NUMERICAL DATA ENTRY ONLY**
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Bank Statement 1	\$1,000.00	1	\$ 1,000.00	0
Bank Statement 2	\$475.00	1	\$ 475.00	
Bank Statement 3	\$500.00	1	\$ 500.00	
Bank Statement Checking Totals			\$ 1,975.00	
Cash Value of Checking (H)			\$658.33	
Annual Income from Checking (I)				0
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate
Current Bank Statement Cash Value (H)	\$ 200.00	1	\$ 200.00	0.200
Annual Income from Savings (I)				\$0.40
Stocks/Bonds Current Value (H)	\$ 50,000.00	1	\$ 50,000.00	
Cash on Hand (H)	\$ 100.00	1	\$ 100.00	
Whole Life Insurance Cash/Surrender Value (H)			FALSE	
Type of Asset: Property				
Appraised Value				
Outstanding Mortgage/ Loans/ Lien				
Settlement Costs/ Fees			\$ -	
Cash Value Property (H)			\$ -	
Income from Asset Totals				
Total Cash Value of Asset (Column H Total)			\$ 50,958.33	
Annual Income from Asset (Column I Total)			\$ 0.40	
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$50,000, Passbook rate: 0.45%			\$ 229.31	
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			\$ 229.31	

Asset Calculation Worksheet

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

- Always enter most current (3) statements; Make sure you use the ending balance (include cents).
- Don't forget to add interest rate, if applicable.
- **If the total of all assets are over \$50k**, the worksheet and TIC 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: The new updated TIC, will automatically update for you.)
- Complete a separate worksheet for each individual bank account (i.e., two checking accounts, two savings accounts).
- When completing the TIC, use the exact "Total Cash Value of Assets" listed (including cents), in column H. And interest earned in column I.
- Follow example on next page.

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

Household Member Name:					**NUMERICAL DATA ENTRY ONLY**
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate	**DO NOT ENTER DATA**
Bank Statement 1	\$1,000.00	1	\$ 1,000.00	0	**ENTER THIS DATA ON THE TIC**
Bank Statement 2	\$475.00	1	\$ 475.00		
Bank Statement 3	\$500.00	1	\$ 500.00		
Bank Statement Checking Totals			\$ 1,975.00		For the interest rate, enter the rate exactly as shown on the bank statement (do not convert to a percentage).
Cash Value of Checking (H)			\$658.33		
Annual Income from Checking (I)				0	
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate	
Current Bank Statement Cash Value (H)	\$ 200.00	1	\$ 200.00	0.200	
Annual Income from Savings (I)				\$0.40	
Stocks/Bonds Current Value (H)		1	\$ -		
Cash on Hand (H)	\$ 100.00	1	\$ 100.00		
Whole Life Insurance Cash/Surrender Value (H)			FALSE		
Type of Asset: Property					
Appraised Value					
Outstanding Mortgage/ Loans/ Lien					
Settlement Costs/ Fees			\$ -		
Cash Value Property (H)			\$ -		
Income from Asset Totals					
Total Cash Value of Asset (Column H Total)			\$ 958.33		
Annual Income from Asset (Column I Total)			\$ 0.40		
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$50,000. Passbook rate: 0.45%			\$ -		
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			\$ 0.40		

Under \$50,000 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
	Checking		\$ 658.33	\$ 0.00
	Savings		\$ 200.00	\$ 0.40
	Cash on hand		\$ 100.00	
TOTALS:			\$ 958.33	\$ 0.40
Enter Column (H) Total if over \$50,000		Passbook Rate X Currently 0.45 %	= (J) Imputed Income	\$ 0.00
\$ 0.00				
Enter the greater of the total of column I, or J: imputed income TOTAL INCOME FROM ASSETS (K)				\$ 0.40
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 54,172.45

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

Household Member Name:					**NUMERICAL DATA ENTRY ONLY**
Type of Asset: Checking	End Balance	# Acct. Owners	Member End Bal.	Interest Rate	**DO NOT ENTER DATA**
Bank Statement 1	\$1,000.00	1	\$ 1,000.00	0	**ENTER THIS DATA ON THE TIC**
Bank Statement 2	\$475.00	1	\$ 475.00		
Bank Statement 3	\$500.00	1	\$ 500.00		
Bank Statement Checking Totals			\$ 1,975.00		For the interest rate, enter the rate exactly as shown on the bank statement (do not convert to a percentage).
Cash Value of Checking (H)			\$658.33		
Annual Income from Checking (I)				0	
Type of Asset: Savings	End Balance	# Acct. Owners	Member End Bal.	Interest Rate	
Current Bank Statement Cash Value (H)	\$ 200.00	1	\$ 200.00	0.200	
Annual Income from Savings (I)				\$0.40	
Stocks/Bonds Current Value (H)	\$ 50,000.00	1	\$ 50,000.00		
Cash on Hand (H)	\$ 100.00	1	\$ 100.00		
Whole Life Insurance Cash/Surrender Value (H)			FALSE		
Type of Asset: Property					
Appraised Value					
Outstanding Mortgage/ Loans/ Lien					
Settlement Costs/ Fees			\$ -		
Cash Value Property (H)			\$ -		
Income from Asset Totals					
Total Cash Value of Asset (Column H Total)			\$ 50,958.33		
Annual Income from Asset (Column I Total)			\$ 0.40		
Imputed Income (J): Total Cash Value of Asset (Column H Total) exceeds \$50,000, Passbook rate: 0.45%			\$ 229.31		
Total Income from Assets (K) -The greater of either the Annual Income from Assets (Column I Total) or the Imputed Income (J)			\$ 229.31		

Over \$50,000 in Asset Tips:

- If the total of all assets are over \$50k, the worksheet will calculate the “Imputed Income” for you.
- When inputting “Total Income from Asset” always use the **higher** of the annual income from asset or the imputed Income. (Note: on the new updated fillable 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
	Checking		\$ 658.33	\$ 0.00
	Savings		\$ 200.00	\$ 0.40
	Stocks		\$ 50,000.00	
	Cash on hand		\$ 100.00	
TOTALS:			\$ 50,958.33	\$ 0.40
Enter Column (H) Total		Passbook Rate		
if over \$50,000		\$ 50,958.33 X Currently 0.45 %	= (J) Imputed Income	\$ 229.31
Enter the greater of the total of column I, or J, imputed income			TOTAL INCOME FROM ASSETS (K)	\$ 229.31
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ 54,401.36

Module 3 – Calculating Income for Special Circumstances

- **Self-Employed Applicants** - Applicant must complete Self-Employment (SE) Certification Form in its entirety, and provide the documents requested as listed on the form.
- Applicants can use the prior years business tax return, and the NET income figure can be used as income anticipated for the next 12 months. **OR** annualize income using business activity of the current year.
 - Applicant must provide the previous years Tax Transcript with Schedule C, from the IRS website. Income listed on the SE certification form must coincide with the previous years Schedule C. ([IRS Account Login] (<https://bit.ly/irsacctlogin>))
- **OR**
 - The applicant can annualize SE income by using the current years business activity based on the full # of current months in business.
 - **Formula; total YTD income divided number of months in business of the current year, multiplied by 12 months, minus annual expenses EQUALS NET income.**
- All supporting income documents used to calculate the anticipated gross annual Income as listed on the form must be provided.
- **Zero Income Household Members 18 and over** who claim zero income must submit a current 4506-T form (Wage and Income Transcript) obtained from the IRS website.
- **What is a 4506-T?** An IRS Wage and Income Transcript includes most of the information reported on an IRS Form W-2. It contains information from any employers who reported your income to the IRS during a particular tax year. <https://www.irs.gov/individuals/get-transcript>



Module 3 – Calculating Income for Special Circumstances (cont.)

- ***Retired and Veteran Applicants***

- Applicants who receive monthly Social Security, Pension, or VA benefits, must provide a current benefit award letter that indicates their current benefit monthly income. The monthly gross monthly amount listed on the letter must be annualized and entered in Part III of the TIC under column labeled; Social Security/Pension.

- ***Rental Assistance/Subsidy***

- If an applicant holds a CHA voucher you must send a Request for Tenancy Approval (RTA) packet directly to CHA. Please note that CHA operates independently from the Department of Housing. Therefore, it is essential to contact a housing voucher specialist to guide you through the RTA packet processing. When you submit the ARO application, include a copy of the approved RTA packet, along with the other necessary supporting application documents. The voucher amount should not be recorded as income but should instead be included in Part IV of the TIC under rent assistance. The affordability requirement (40% or below) evaluates the tenant's ability to afford the rent. However, when a tenant has a subsidy that covers all or part of their rent, the affordability requirement does not apply.
- If the applicant receives a different type of subsidy, you must submit a subsidy letter specifying the conditions and the amount provided.

- ***Students and Non-Students***

- Effective 12/15/2022, the ARO Affirmative Fair Housing Marketing and Tenant Screening Plan Procedures were 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), along with any applicable supporting documentation. *(reach out to ARO management staff for guidance, if needed).*
- Student financial aid exceeding the actual costs of tuition and required fees is considered income, except for those who are the head of household, co-head, or spouse and are 23 or older with dependent children.



Module 3 – Calculating Income for Special Circumstances (cont.)

- **Child Support**
 - *The actual amount received, rather than the court-ordered amount, will determine the amount counted as income for child support or alimony. Applicants must provide supporting documentation, such as records from the state agency responsible for collecting support payments or bank statements, to verify the received payments.*
- **Recurring Monetary Gifts.**
 - ***Regular** contributions and gifts from persons not living in the unit must be counted as income. These sources may include rent and utility payments paid on behalf of the applicant, and other cash or non-cash contributions provided on a regular basis.*

Self Employment Affidavit

****ARO SELF-EMPLOYMENT INCOME AFFIDAVIT****

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

****Applicant: **** _____

****Name of Business/DBA: **** _____

****Business Address: **** _____

****Type of Business: **** ☐ Individual/Sole-Proprietor ☐ LLC (S-Corp, C-Corp) ☐ Partnership

- ***If LLC or partnership, provide Illinois Secretary of State File #: *** _____

****Title: **** _____

****Start Date: **** _____

****Previous Year Gross Annual Income: ** \$** _____

(This amount must match the NET earnings listed on the previous year's Schedule C)

****Previous Year Annual Business Expenses: ** \$** _____

(This amount must match the NET earnings listed on the previous year's Schedule C)

****Previous Year Net Income/Profit (or Loss): ** \$** _____

(This amount must match the NET earnings listed on the previous year's Schedule C)

****Anticipated current year Gross Annual Income: ** \$** _____

****Anticipated current year Annual Business Expenses: ** \$** _____

****Anticipated current year Net Income/Profit (or Loss): ** \$** _____

- Per HUD guidelines the **NET income (gross income minus expenses)** from a business or profession including self-employment income is counted as the annual income.

***Note:** Applicant must provide most recent bank statements (per # of months in the current year at time of application) with a corresponding spreadsheet itemized by month that demonstrate the anticipated income using the following formula: $\text{Total YTD income/number of months in business of the current year} \times 12 \text{ months}$, equals the anticipated current Gross income. Minus annual expenses, equals anticipated **NET** income. The calculated **NET** amount must be listed on this form and the TIC.

Effective 3/1/2025

****Do you file tax returns? **** ☐ YES, Taxpayer ID# _____ ☐ NO

***If YES, please submit: ***

- Most recent tax return and all associated schedules.
- Most recent IRS Return Transcript from personal IRS account. ([IRS Account Login] (<https://bit.ly/irsacctlogin>))
- Most recent IRS Wage & Income Transcript. ([IRS Account Login] (<https://bit.ly/irsacctlogin>))

***If NO, please provide: ***

- IRS Verification of Non-filing Letter (VNF). This letter serves as confirmation from the IRS that there is no recorded filing of a tax form (1040, 1040A, or 1040EZ) for the current and prior year.
- Most recent bank statements (per # of months in the current year at the time of application) with a corresponding spreadsheet itemized by month that demonstrate the anticipated income using the following formula: $\text{Total YTD income/number of months in business of the current year} \times 12 \text{ months}$, equals the anticipated current Gross income. Minus annual expenses, equals anticipated **NET** income. The calculated **NET** amount must be listed on this form and the TIC.

****THIS DOCUMENT REQUIRES NOTORIZATION****

This document cannot be amended for the application process

***If all the requested items are not received as stated above, the application cannot be processed. ***

****Applicant Signature**** _____

****Date**** _____

****Notary Name, signature, and stamp** _____

****Date**** _____

****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. ****

Self-Employed Applicants:

- Unlike calculating employment, self-employment is calculated **by using the net profit/income, instead of gross.**
- The net income is defined as Gross Income minus expenses. Please enter this amount as the "Anticipated Annual Income" 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.

ARO SELF-EMPLOYMENT INCOME AFFIDAVIT

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

Applicant: _____

Name of Business/DBA: _____

Business Address: _____

Type of Business: ☐ Individual/Sole-Proprietor ☐ LLC (S-Corp, C-Corp) ☐ Partnership

• *If LLC or partnership, provide Illinois Secretary of State File #: * _____

Title: _____

Start Date: _____

Previous Year Gross Annual Income: \$ _____
(This amount must match the NET earnings listed on the previous year's Schedule C)

Previous Year Annual Business Expenses: \$ _____
(This amount must match the NET earnings listed on the previous year's Schedule C)

Previous Year Net Income/Profit (or Loss): \$ _____
(This amount must match the NET earnings listed on the previous year's Schedule C)

Anticipated current year Gross Annual Income: \$ _____

Anticipated current year Annual Business Expenses: \$ _____

Anticipated current year Net Income/Profit (or Loss): \$ _____

• Per HUD guidelines the **NET income** (gross income minus expenses) from a business or profession including self-employment income is counted as the annual income.

***Note:** Applicant must provide most recent bank statements (per # of months in the current year at time of application) with a corresponding spreadsheet itemized by month that demonstrate the anticipated income using the following formula: Total YTD income/number of months in business of the current year x 12 months, equals the anticipated current Gross income. Minus annual expenses, equals anticipated **NET** income. The calculated **NET** amount must be listed on this form and the TIC.

Effective 3/1/2025

Internal Revenue Service United States Department of the Treasury

This Product Contains Sensitive Taxpayer Data

Request Date: 03-08-2025
Response Date: 03-08-2025
Tracking Number: _____

Tax Return Transcript

SSN Provided: XXX-XX-_____
Tax Period Ending: Dec. 31, 2024

The following items reflect the amount as shown on the return (PR), and the amount as adjusted (PC), if applicable. They do not show subsequent activity on the account.

NAME(S) SHOWN ON RETURN: _____
ADDRESS: _____
SSN: XXX-XX-_____
SPOUSE SSN: _____

INCOME

GROSS RECEIPTS OR SALES:\$59,273.00
RETURNS AND ALLOWANCES:\$0.00
NET GROSS RECEIPTS:\$59,273.00
COST OF GOODS SOLD:\$0.00
SCHEDULE C FORM 1099 REQUIRED:YES
SCHEDULE C FORM 1099 FILED:YES
OTHER INCOME:\$0.00

EXPENSES

CAR AND TRUCK EXPENSES:\$1,345.00
DEPRECIATION:\$395.00
INSURANCE (OTHER THAN HEALTH):\$0.00

MORTGAGE INTEREST:\$0.00
LEGAL AND PROFESSIONAL SERVICES:\$300.00
REPAIRS AND MAINTENANCE:\$500.00
TRAVEL:\$500.00
MEALS AND ENTERTAINMENT:\$125.00
WAGES:\$0.00
OTHER EXPENSES:\$360.00
TOTAL EXPENSES:\$9,825.00
EXP FOR BUSINESS USE OF HOME:\$300.00
SCH C NET PROFIT OR LOSS PER COMPUTER:\$49,148.00
AT RISK CD:
OFFICE EXPENSE AMOUNT:\$2,500.00
UTILITIES EXPENSE AMOUNT:\$1,000.00
ENERGY EFFICIENT BUILDING DEDUCTION:\$0.00

Self Employment Affidavit

Self Employment Spreadsheet Calculation Example.

A spreadsheet must be included with the self-employment application affidavit along with supporting proof of payment (such as bank statement transactions, Zelle records, etc.) that align with the dates listed on the spreadsheet.

	Jan.		Feb.	March	
3-Jan	\$ 372.11	7-Feb	\$ 1,403.64	7-Mar	\$ 800.19
18-Jan	\$ 852.90	14-Feb	\$ 493.49	14-Mar	\$ 1,300.00
25-Jan	\$ 844.66	21-Feb	\$ 480.15	21-Mar	\$ 850.85
31-Jan	\$ 429.47	28-Feb	\$ 1,200.00		
	\$ 2,499.14		\$ 3,577.28		\$ 2,951.04
\$ 9,027.46	Total				
\$ 3,009.15	3 month avg.				
\$ 36,109.84	Anticipated annaul gross income.				
\$ (2,000.00)	Expenses				
\$ 34,109.84	Anticipated annaul NET income.				



Self Employment Affidavit

The amount specified in the Schedule C and the Calculation Spreadsheet is listed on the SE form.

****ARO SELF-EMPLOYMENT INCOME AFFIDAVIT****

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

****Applicant: **** LTM

****Name of Business/DBA: **** LTM Enterprise

****Business Address: **** 2 N. LaSalle St.

****Type of Business: **** ☐ Individual/Sole-Proprietor ☐ LLC (S-Corp, C-Corp) ☐ Partnership

- ☐ *If LLC or partnership, provide Illinois Secretary of State File #: *

****Title: **** Owner

****Start Date: **** 6/17/2024

****Previous Year Gross Annual Income: **** \$ 40,000
(This amount must match the NET earnings listed on the previous year's Schedule C)

****Previous Year Annual Business Expenses: **** \$ 1,000
(This amount must match the NET earnings listed on the previous year's Schedule C)

****Previous Year Net Income/Profit (or Loss): **** \$ 39,000
(This amount must match the NET earnings listed on the previous year's Schedule C)

****Anticipated current year Gross Annual Income: **** \$ 36,109.84

****Anticipated current year Annual Business Expenses: **** \$ 2,000

****Anticipated current year Net Income/Profit (or Loss): **** \$ 34,109.84

- Per HUD guidelines the **NET income** (gross income minus expenses) from a business or profession including self-employment income is counted as the annual income.

***Note:** Applicant must provide most recent bank statements (per # of months in the current year at time of application) with a corresponding spreadsheet itemized by month that demonstrate the anticipated income using the following formula: *Total YTD income/number of months in business of the current year x 12 months, equals the anticipated current Gross income. Minus annual expenses, equals anticipated NET income. The calculated NET amount must be listed on this form and the TIC.*

STUDENT SELF CERTIFICATION

This annual Student Self Certification is in connection with the undersigned's application/occupancy in the following apartment:

Head of Household Name: _____ Unit No. if assigned: _____

Development Name and Address: _____

Move-in Date if applicable: _____ Effective Date: _____

Check A, B, or C as applicable (note that students include those attending public or private elementary schools, middle or junior high schools, senior high schools, colleges, universities, technical, trade, online, or mechanical schools, but does not include those attending on-the-job training courses):

- A. ☐ Household contains at least one occupant who is not a student and has not been/will not be a student for five months or more out of the current and/or upcoming calendar year (months need not be consecutive). If this item is checked, no further information is needed (Do not answer questions 1-5). Sign and date below.
- B. ☐ Household contains all students, but is qualified because the following occupant(s) _____ is/are a PART-TIME student(s) who have not been/will not be a full time student for five months or more of the current and/or upcoming calendar year. Verification of part-time student status is required for at least one occupant. If this item is checked, no further information is needed (Do not answer questions 1-5). Sign and date below.
- C. ☐ Household contains all students who were, are, or will be FULL-TIME for five months or more out of the current and/or upcoming calendar year (months need not be consecutive). If this item is checked, questions 1-5 below must be completed:
1. Is any member married and entitled to file a joint tax return? (attach marriage certificate or tax return) ☐ YES ☐ NO
 2. Is at least one student a single parent with child(ren) and this parent is not a dependent of someone else, and the child(ren) is/are not dependent(s) of someone other than a parent? (attach student's most recent tax return and, if applicable, divorce/custody decree or other parent's most recent tax return) ☐ YES ☐ NO
 3. Is at least one student receiving Temporary Assistance to Needy Families (TANF)? (provide release of information for verification purposes) ☐ YES ☐ NO
 4. Does at least one student participate in a program receiving assistance under the Workforce Innovation and Opportunity Act or under other similar federal, state, or local laws? (attach verification of participation) ☐ YES ☐ NO
 5. Does the household consist of at least one student who has ever been under the care and placement responsibility of the state agency responsible for administering foster care? (provide verification of participation) ☐ YES ☐ NO

Full-time student households satisfy one of the above conditions are considered eligible. If C is checked and questions 1-5 are marked NO or verification does not support the exception indicated, the household is considered ineligible.

Under penalties of perjury, I/we certify that the information presented in this Annual Student Certification is true and accurate to the best of my/our knowledge and belief. I/we agree to notify management immediately of any changes in this household's student status. 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.

All household members age 18 or older must sign and date.

Printed Name	Signature	Date
_____	_____	_____
Printed Name	Signature	Date
_____	_____	_____
Printed Name	Signature	Date
_____	_____	_____
Printed Name	Signature	Date
_____	_____	_____

Student Self Certification (2019)

Required Student Status Certification

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: All applicants must 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.

If student **does** meet one or more of the listed criteria, please include with the application packet the supporting documentation supporting the selected exemptions.

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



Module 4 – TIC (Tenant Income Certification)

Every section of the TIC must be completed as shown in the following example.

The TIC, must be signed and dated by both the property representative and applicant with a wet (handwritten signature), OR with DocuSign.

Tenant Income Certification (TIC)

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

Page 1

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



TENANT INCOME CERTIFICATION

☒ Initial Certification ☐ Recertification ☐ Other

Effective Date: 03/17/2025

Move-in Date: 03/17/2025
(MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: LTM TC #: (does not apply)
Property Address: 2 N. LaSalle St. City: Chicago State: IL Zip: 60643
BIN #: (does not apply) County: Cook Unit Number: 620 # Bedrooms: 3

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	Cuthrell	Lynn	HEAD	F	08/17/1994	N	1432
2	Cuthrell	Sierra	Child	F	09/09/2020	N	3898
3	Cuthrell	Alexander	Child	M	07/08/2022	N	1234
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
	\$ 54,172.05			
TOTALS	\$ 54,172.05	\$ 0.00	\$ 0.00	\$ 0.00

Add totals from (A) through (D), above

TOTAL INCOME (E): \$ 54,172.05

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
	Checking		\$ 658.33	\$ 0.00
	Savings		\$ 200.00	\$ 0.40
	Stocks		\$ 50,000.00	
	Cash on hand		\$ 100.00	

TOTALS: \$ 50,958.33

Enter Column (H) Total if over \$50,000 \$ 50,958.33 Passbook Rate X Currently 0.45 % = (J) Imputed Income \$ 229.31

Enter the greater of the total of column I, or J: imputed income TOTAL INCOME FROM ASSETS (K) \$ 229.31

(L) Total Annual Household Income from all Sources [Add (E) + (K)] \$ 54,401.36

Tenant Income Certification

The total of tenant paid rent, rent assistance, UA and Non-optional charges can not exceed the max HUD rent limits.

Page 2

PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1		\$ 54,401.36	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 _____ %
Current Income Limit per Family Size:		\$ 60,640.00	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ 0.00 Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Household Income at Move-in:		\$ 54,401.36	Household Size at Move-in: 3
PART VI. RENT			
Tenant Paid Rent	\$ 1,610.00	Rent Assistance:	
Utility Allowance	\$ 39.00	Other non-optional charges:	\$ 100.00
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)		\$ 1,749.00	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)		\$ 1,749.00	
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) Enter 1-5	
		*Student Explanation: 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Former Foster Child	
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 ARO <input checked="" type="checkbox"/> (Name of Program) Income Status: <input type="checkbox"/> 80% <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			
HH Mbr #	Race Code	Ethnicity Code	Disabled? (Y/N)
1	6	2	n
2			
3			
4			
5			
6			
7			
Race Code		Ethnicity Code	
1	White	1	Hispanic or Latino
2	Black/African American	2	Not Hispanic or Latino
3	American Indian/Alaska Native		
4	Asian		
5	Native Hawaiian/other Pacific Island		
6	Other		

Tenant Income Certification

The TIC must be signed and dated by all applicants over the age of 18, as well as the owner's agent, using either a handwritten or DocuSign signature.

Page 3

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.

<div><div></div><div></div></div> <div>Signature</div>	<div><div></div><div></div></div> <div>(Date)</div>	<div><div></div><div></div></div> <div>Signature</div>	<div><div></div><div></div></div> <div>(Date)</div>
<div><div></div><div></div></div> <div>Signature</div>	<div><div></div><div></div></div> <div>(Date)</div>	<div><div></div><div></div></div> <div>Signature</div>	<div><div></div><div></div></div> <div>(Date)</div>

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.

<div><div></div><div></div></div>	<div><div></div><div></div></div>
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 submit your completed application without first checking this ratio. If the applicant does not meet this requirement, the application must be denied in writing indicating why the application was denied. No other steps are required.

Income/Asset/Affordability

Excel Worksheet

AFFORDABILITY (RENT TO INCOME RATIO)

Applicant Name: L. Cuthrell

Move In/Recert Date: 3/17/2025

Total Annual Household Income from All Sources	\$ 55,368.00
--	--------------

Monthly Household Income	\$ 4,614.00
--------------------------	-------------

Monthly Tenant Paid Rent	\$ 1,610.00
--------------------------	-------------

Other Non-Optional Charges	\$ 100.00
----------------------------	-----------

Total	\$ 1,710.00
-------	-------------

Affordability Ratio	37.1%
---------------------	-------

Does Unit Meet 40% Affordability Requirement (Pass=True/ Fail=False)	TRUE
--	------

ENTER DATA

FORMULATED CELL (DO NOT ENTER DATA)

- This is a DOH-created form to assist with income/asset calculations and to perform rent-to-income ratio calculations.
- Use this worksheet solely to determine whether an applicant's current income meets the rent-to-income affordability requirement of 40% or less. **Do not disclose the required income amount to applicants before completing this assessment. For example, avoid stating, "You must earn three times the rent to qualify," as this may be misleading.** Some applicants may receive rental assistance, in which case the rent-to-income ratio requirement would not apply.
- 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.

$$\text{\$1,024} \div \text{\$3,072} = 33\% \quad \checkmark$$

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.

$$\text{\$41,000} \times 40\% \div 12 = \text{\$1,366.67} \quad \checkmark$$

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.

$$\text{\$1,024} \div \text{\$2,225} = 46\% \quad \times$$

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



Typically, the income limits are published annually in April and the rent limits are published between the 1st and the 15th of June. Please be aware that per the ARO rules, property owners are not permitted to utilize the published income limits, until the new rent and utility allowance limits are released. Both sets of limits must be used together in accordance with the regulations.

Although the property may not necessarily be a “high rise” building in height, **you must use the limits listed in the High-Rise section of each table.**

Income Limits

TABLE OF INCOME LIMITS
Effective April 1, 2024

Household Size	10% Income Limit	15% Income Limit	20% Income Limit	30% Income Limit	Extremely Low Income Limit	40% Income Limit	Very Low Income Limit (50%)	60% Income Limit	65% Income Limit	70% Income Limit	Low Income Limit (80%)	90% Income Limit	95% Income Limit	100% Income Limit	115% Income Limit	120% Income Limit	140% Income Limit	150% Income Limit
1 person	\$7,850	\$11,775	\$15,700	\$23,550	\$23,600	\$31,400	\$39,250	\$47,100	\$51,025	\$54,950	\$62,800	\$70,650	\$74,575	\$78,500	\$90,275	\$94,200	\$109,900	\$117,750
2 persons	\$8,970	\$13,455	\$17,940	\$26,910	\$26,950	\$35,880	\$44,850	\$53,820	\$58,305	\$62,790	\$71,800	\$80,730	\$85,215	\$89,700	\$103,155	\$107,640	\$125,580	\$134,550
3 persons	\$10,090	\$15,135	\$20,180	\$30,270	\$30,300	\$40,360	\$50,450	\$60,540	\$65,585	\$70,630	\$80,750	\$90,810	\$95,855	\$100,900	\$116,035	\$121,080	\$141,260	\$151,350
4 persons	\$11,210	\$16,815	\$22,420	\$33,630	\$33,650	\$44,840	\$56,050	\$67,260	\$72,865	\$78,470	\$89,700	\$100,890	\$106,495	\$112,100	\$128,915	\$134,520	\$156,940	\$168,150
5 persons	\$12,110	\$18,165	\$24,220	\$36,330	\$36,580	\$48,440	\$60,550	\$72,660	\$78,715	\$84,770	\$96,900	\$108,990	\$115,045	\$121,100	\$139,265	\$145,320	\$169,540	\$181,650
6 persons	\$13,010	\$19,515	\$26,020	\$39,030	\$41,960	\$52,040	\$65,050	\$78,060	\$84,565	\$91,070	\$104,100	\$117,090	\$123,595	\$130,100	\$149,615	\$156,120	\$182,140	\$195,150
7 persons	\$13,910	\$20,865	\$27,820	\$41,730	\$47,340	\$55,640	\$69,550	\$83,460	\$90,415	\$97,370	\$111,250	\$125,190	\$132,145	\$139,100	\$159,965	\$166,920	\$194,740	\$208,650
8 persons	\$14,800	\$22,200	\$29,600	\$44,400	\$52,720	\$59,200	\$74,000	\$88,800	\$96,200	\$103,600	\$118,450	\$133,200	\$140,600	\$148,000	\$170,200	\$177,600	\$207,200	\$222,000
9 persons	\$15,700	\$23,550	\$31,400	\$47,100	\$58,100	\$62,800	\$78,500	\$94,200	\$102,050	\$109,900	\$125,600	\$141,300	\$149,150	\$157,000	\$180,550	\$188,400	\$219,800	\$235,500
10 persons	\$16,600	\$24,900	\$33,200	\$49,800	\$63,480	\$66,400	\$83,000	\$99,600	\$107,900	\$116,200	\$132,800	\$149,400	\$157,700	\$166,000	\$190,900	\$199,200	\$232,400	\$249,000

NOTES:

- Income limits are for the Chicago-Naperville-Joliet, IL HUD Metro FMR Area.
- Low, Very Low, and Extremely Low Income Limits are as published by HUD.
- Limits at other income levels are calculated per HUD methodology, based on Very Low Income Limit.
- Effective until superseded.

Rent Limits

CITY OF CHICAGO MAXIMUM AFFORDABLE MONTHLY RENTS 2024

NET RENTS: Maximum monthly rents when tenants pay for electric cooking and other electric (not heat)

	Number of Bedrooms	10% AMI	15% AMI	20% AMI	30% AMI	40% AMI	50% AMI (Low HOME Rent Limit)*	60% AMI	High HOME Rent Limit*	65% AMI	70% AMI	80% AMI	100% AMI	120% AMI	HUD Fair Market Rent*
Single-family	0	\$149	\$247	\$345	\$543	\$738	\$934	\$1,130	\$1,208	\$1,208	\$1,326	\$1,523	\$1,915	\$2,308	\$1,352
	1	\$148	\$253	\$358	\$569	\$779	\$989	\$1,199	\$1,284	\$1,284	\$1,409	\$1,620	\$2,040	\$2,461	\$1,445
	2	\$176	\$302	\$428	\$681	\$933	\$1,185	\$1,437	\$1,542	\$1,542	\$1,689	\$1,942	\$2,446	\$2,951	\$1,638
	3	\$201	\$347	\$493	\$787	\$1,076	\$1,367	\$1,659	\$1,770	\$1,770	\$1,950	\$2,242	\$2,825	\$3,408	\$2,092
	4	\$221	\$383	\$546	\$945	\$1,197	\$1,522	\$1,847	\$1,952	\$1,952	\$2,172	\$2,498	\$3,148	\$3,799	\$2,479
	5	\$240	\$420	\$599	\$1,132	\$1,317	\$1,676	\$2,035	\$2,132	\$2,132	\$2,394	\$2,753	\$3,470	\$4,188	\$2,852
Low-rise/Outer Row House	0	\$181	\$259	\$357	\$555	\$750	\$946	\$1,142	\$1,220	\$1,220	\$1,338	\$1,535	\$1,927	\$2,320	\$1,364
	1	\$181	\$266	\$371	\$582	\$792	\$1,002	\$1,212	\$1,297	\$1,297	\$1,422	\$1,633	\$2,063	\$2,474	\$1,458
	2	\$189	\$315	\$441	\$694	\$946	\$1,198	\$1,450	\$1,555	\$1,555	\$1,702	\$1,955	\$2,459	\$2,964	\$1,651
	3	\$214	\$360	\$508	\$800	\$1,089	\$1,380	\$1,672	\$1,783	\$1,783	\$1,963	\$2,255	\$2,838	\$3,421	\$2,105
	4	\$234	\$398	\$559	\$858	\$1,210	\$1,535	\$1,860	\$1,965	\$1,965	\$2,185	\$2,511	\$3,161	\$3,812	\$2,492
	5	\$254	\$434	\$613	\$1,146	\$1,331	\$1,690	\$2,049	\$2,146	\$2,146	\$2,408	\$2,767	\$3,484	\$4,202	\$2,866
High-rise	0	\$160	\$258	\$356	\$554	\$749	\$945	\$1,141	\$1,219	\$1,219	\$1,337	\$1,534	\$1,926	\$2,319	\$1,363
	1	\$163	\$268	\$373	\$584	\$794	\$1,004	\$1,214	\$1,299	\$1,299	\$1,424	\$1,635	\$2,065	\$2,476	\$1,460
	2	\$194	\$320	\$446	\$699	\$951	\$1,203	\$1,455	\$1,560	\$1,560	\$1,707	\$1,960	\$2,464	\$2,969	\$1,656
	3	\$223	\$389	\$515	\$808	\$1,098	\$1,389	\$1,681	\$1,792	\$1,792	\$1,972	\$2,264	\$2,847	\$3,430	\$2,114
	4	\$246	\$408	\$571	\$870	\$1,222	\$1,547	\$1,872	\$1,977	\$1,977	\$2,197	\$2,523	\$3,173	\$3,824	\$2,504
	5	\$268	\$448	\$627	\$1,160	\$1,345	\$1,704	\$2,063	\$2,160	\$2,160	\$2,422	\$2,781	\$3,498	\$4,216	\$2,880

NET RENTS: Maximum monthly rents when tenants pay only for other electric

	Number of Bedrooms	10% AMI	15% AMI	20% AMI	30% AMI	40% AMI	50% AMI (Low HOME Rent Limit)*	60% AMI	High HOME Rent Limit*	65% AMI	70% AMI	80% AMI	100% AMI	120% AMI	HUD Fair Market Rent*
Single-family	0	\$155	\$253	\$351	\$549	\$744	\$940	\$1,136	\$1,214	\$1,214	\$1,332	\$1,529	\$1,921	\$2,314	\$1,368
	1	\$156	\$261	\$366	\$577	\$787	\$997	\$1,207	\$1,292	\$1,292	\$1,417	\$1,628	\$2,048	\$2,469	\$1,453
	2	\$186	\$312	\$438	\$691	\$943	\$1,195	\$1,447	\$1,552	\$1,552	\$1,699	\$1,952	\$2,456	\$2,961	\$1,648
	3	\$213	\$359	\$505	\$799	\$1,088	\$1,379	\$1,671	\$1,782	\$1,782	\$1,962	\$2,254	\$2,837	\$3,420	\$2,104
	4	\$235	\$397	\$560	\$859	\$1,211	\$1,536	\$1,861	\$1,966	\$1,966	\$2,186	\$2,512	\$3,162	\$3,813	\$2,493
	5	\$256	\$436	\$615	\$1,148	\$1,333	\$1,692	\$2,051	\$2,148	\$2,148	\$2,410	\$2,769	\$3,486	\$4,204	\$2,868
Low-rise/Outer Row House	0	\$167	\$265	\$363	\$561	\$756	\$952	\$1,148	\$1,226	\$1,226	\$1,344	\$1,541	\$1,933	\$2,326	\$1,370
	1	\$169	\$274	\$379	\$590	\$800	\$1,010	\$1,220	\$1,305	\$1,305	\$1,430	\$1,641	\$2,061	\$2,482	\$1,466
	2	\$199	\$325	\$451	\$704	\$956	\$1,208	\$1,460	\$1,565	\$1,565	\$1,712	\$1,965	\$2,469	\$2,974	\$1,661
	3	\$226	\$372	\$518	\$812	\$1,101	\$1,392	\$1,684	\$1,795	\$1,795	\$1,975	\$2,267	\$2,850	\$3,433	\$2,117
	4	\$248	\$410	\$573	\$872	\$1,224	\$1,549	\$1,874	\$1,979	\$1,979	\$2,199	\$2,525	\$3,175	\$3,826	\$2,506
	5	\$270	\$450	\$629	\$1,162	\$1,347	\$1,706	\$2,065	\$2,162	\$2,162	\$2,424	\$2,783	\$3,500	\$4,218	\$2,882
High-rise	0	\$166	\$264	\$362	\$560	\$755	\$951	\$1,147	\$1,225	\$1,225	\$1,343	\$1,540	\$1,932	\$2,325	\$1,369
	1	\$171	\$276	\$381	\$592	\$802	\$1,012	\$1,222	\$1,307	\$1,307	\$1,432	\$1,643	\$2,063	\$2,484	\$1,468
	2	\$204	\$330	\$456	\$709	\$961	\$1,213	\$1,465	\$1,570	\$1,570	\$1,717	\$1,970	\$2,474	\$2,979	\$1,666
	3	\$235	\$381	\$527	\$821	\$1,110	\$1,401	\$1,693	\$1,804	\$1,804	\$1,984	\$2,276	\$2,859	\$3,442	\$2,126
	4	\$260	\$422	\$585	\$884	\$1,236	\$1,561	\$1,886	\$1,991	\$1,991	\$2,211	\$2,537	\$3,187	\$3,838	\$2,518
	5	\$284	\$464	\$643	\$1,176	\$1,361	\$1,720	\$2,079	\$2,176	\$2,176	\$2,438	\$2,797	\$3,514	\$4,232	\$2,896

Effective June 1, 2024

Page 3 of 4

Utility Allowances

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)	Electric heat, electric cooking & other electric
Single-family	0	\$43	\$87	\$76	\$47	\$41	\$91
	1	\$57	\$110	\$96	\$62	\$54	\$115
	2	\$70	\$132	\$115	\$76	\$66	\$138
	3	\$83	\$154	\$134	\$90	\$78	\$161
	4	\$96	\$176	\$153	\$104	\$90	\$184
	5	\$108	\$197	\$171	\$118	\$102	\$207
Low-rise Duplex/Row House	0	\$31	\$70	\$61	\$35	\$29	\$74
	1	\$44	\$91	\$79	\$49	\$41	\$96
	2	\$57	\$112	\$97	\$63	\$53	\$118
	3	\$70	\$134	\$116	\$77	\$65	\$141
	4	\$83	\$155	\$134	\$91	\$77	\$163
	5	\$94	\$187	\$151	\$104	\$88	\$197
High-rise	0	\$32	\$54	\$49	\$36	\$30	\$58
	1	\$42	\$69	\$62	\$47	\$39	\$74
	2	\$52	\$84	\$75	\$58	\$48	\$90
	3	\$61	\$97	\$87	\$68	\$56	\$104
	4	\$71	\$112	\$100	\$79	\$65	\$120
	5	\$80	\$125	\$112	\$90	\$74	\$135

Please note; In the context of the City of Chicago Income/Rent and UA tables, the utility allowance is **not an actual charge imposed on residents** but rather a deduction implemented by the Department of Housing and Urban Development (HUD). Its purpose is to alleviate the financial burden on tenants who are responsible for paying utilities directly to a service provider. **This allowance is in no way associated with any specific property and/or required utility bundles/non-optional charges.**

An example to clarify this concept. If the rent amount is \$1,500 and a resident is accountable for paying their electric bill directly to ComEd, and the current utility allowance (UA) for a one-bedroom is \$39.00 (specifically for electric only), HUD subtracts this allowance from the rent. Consequently, the tenant's portion of the rent is reduced to \$1,222.

Module 7 – Official Correspondence

Approval and Denial Determination Letters

Approved Determination Notice

Once the final eligibility review has been completed, you will receive a signed approval determination letter if applicant is eligible. Signed lease must be sent to the assigned auditor with 10 business days of receiving approval letter. This letter must remain in the file with the application packet



CITY OF CHICAGO

DEPARTMENT OF HOUSING

Date _____

Property Manager
Property Address
Chicago, IL _____

Sent via email: _____

Re: RENTAL UNIT - DETERMINATION OF ELIGIBILITY
Project Name:
Project Address:
Applicant Name: / Unit # / #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 me your assigned Program Auditor, Len St. _____@cityofchicago.org.

Sincerely,

Margarita Vega
Assistant Commissioner

Denied Determination Notice

Once the final eligibility review is complete and an applicant is denied, you will receive a denial determination letter. The denial notice includes an appeal form that the applicant must complete and sign if they choose to appeal the decision. Owner/Property Management staff must also obtain additional supporting documentation from the applicant for the appeal. The completed appeal must be submitted to the ARO on-site staff within 10 business days of the denial notice. The unit must remain on hold until the appeal period has ended.



Brandon Johnson, Mayor Lissette Castañeda, Commissioner

AFFORDABLE REQUIREMENTS ORDINANCE (ARO)
ELIGIBILITY DETERMINATION NOTICE

Date: _____
Applicant Name: _____
Project Name: _____
Project Address: _____

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 against 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 within 10 business days of the date appeal is submitted. 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,

Margarita Vega
Assistant Commissioner





Brandon Johnson, Mayor Lissette Castañeda, 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.

Signature of applicant _____ Date _____

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





Annual Owners Certification

30 Year Affordability Period



Annual Owner's Certification



ARO Compliance - 30-year affordability period begins once project has been fully leased. You must notify DOH management once you have leased up all designated ARO units per the Affordable Housing Agreement.



AOC Packet You will receive an Affordability Commencement letter, indicating that you must submit an ARO Annual Owner Certification (AOC) the following year. An assigned Senior Auditor will send a request to submit the annual packet. Once reviewed you will receive a compliance or non-compliant determination letter.

Annual Owner Certification

All designated ARO units must be listed in B2, occupied and vacant.

Page 1 and 2



DEPARTMENT OF HOUSING CONSTRUCTION AND COMPLIANCE LONG-TERM MONITORING DIVISION



ANNUAL OWNER'S CERTIFICATION (AOC) SUBMISSION CHECKLIST FOR ARO-ONLY PROJECTS (Must be completed by manager and/or owner)

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

2025 AOC SUBMISSION CHECKLIST

Coverage of Compliance Period: 1/1/2024 – 12/31/2024

DOH PROJECT NAME:	
PROJECT ADDRESS:	
OWNER/MANAGER NAME:	
PHONE NUMBER:	
EMAIL ADDRESS:	

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 July 3, 2025. The report period is calendar year, January 1, 2024, through December 31, 2024. 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 312-744-1432 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 to the Owner's organizational documents.

B. AFFORDABLE UNITS AND NEW TENANT INFORMATION

1. Please check the applicable boxes for the utilities the tenant is responsible for establishing an account and making payments directly to the utility provider, i.e., Peoples Gas or ComEd.

- ☐ cooking gas and other electric
- ☐ electric heat, cooking gas and other electric
- ☐ gas heat, cooking gas and other electric
- ☐ electric cooking and other electric (not heat)
- ☐ electric heat, electric cooking and other electric
- ☐ other electric only
- ☐ no utilities – landlord pays all utilities

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. (if more space is needed, please attach an additional sheet)

	Tenant(s) Name	Unit #	# of bedrooms	Unit AMI%	Monthly Rent	Non-Opt. Charges	
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							



AOC INDEMNIFICATION

Indemnification page must be signed
by the owner and notarized.

Page 3

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)

6 month lease up progress report

(New properties only)

Per the ARO Agreement Section 4

Section 4 of the agreement. Affordability Requirements, 4.13- "If on the date that is six (6) months following the Completion Date, the Affordable Units are not rented or available for rental by Eligible Households, the Developer shall be in breach of this Agreement and subject to the City's remedies set forth in Section 5. The Department may, in its sole discretion, extend such 6-month period based on the initial leasing of the Units in the Project."



DEPARTMENT OF HOUSING
CONSTRUCTION AND COMPLIANCE
LONG-TERM MONITORING DIVISION



Six months lease up status report
(Must be completed by manager and/or owner)

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

DOH PROJECT NAME:	
PROJECT ADDRESS:	
OWNER/MANAGER NAME:	
PHONE NUMBER:	
EMAIL ADDRESS:	

This six-month report for Projects subject to the Affordable Requirements Ordinance in accordance with Section 4 of the agreement. Affordability Requirements, 4.13. If on the date that is six (6) months following the Completion Date, the Affordable Units are not rented or available for rental by Eligible Households, the Developer shall be in breach of this Agreement and subject to the City's remedies set forth in Section 5. The Department may, in its sole discretion, extend such 6-month period based on the initial leasing of the Units in the Project.

	Tenant Name	Unit #	AMI %	Move In Date
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

Department of Housing:

Long-Term Monitoring ARO Application Compliance Training



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