The Affordable Requirements Ordinance (ARO) is an inclusionary zoning tool designed to harness market activity to provide resources for affordable housing in Chicago. If a developer decides to build a multifamily building (rental or for sale) with 10 or more units and the project receives certain benefits from the City of Chicago, he or she will be required to contribute to affordable housing in Chicago. This requirement will be in proportion to the total new market rate units planned. Most benefits developers receive from the City trigger a 10% requirement; however, receiving City money (like TIF) triggers a 20% requirement.

**Benefits Received by Developers that Trigger the ARO:**

<table>
<thead>
<tr>
<th>Benefits Triggered</th>
<th>In-Lieu Fee Option (up to 3/4 of required units)</th>
<th>Build Requirement (no less than 1/4 required units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zoning Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permitted to Build</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permitted to Build Downtown</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ARO Zone Options for Meeting the Requirement:**

- **Build 100% of Affordable Units On Site and Pay No Fee**
- **Build Some Units + Pay Fees for Remaining Obligation**
  - Build: 1/4 of required units
  - Pay In-Lieu: 3/4 of required units

All developers can satisfy their ARO requirements by building units on site. Should they choose not to do so, minimum requirements for building units and paying in-lieu fees vary by ARO ZONE:

<table>
<thead>
<tr>
<th>ARO Zone</th>
<th>In-Lieu Fee Option</th>
<th>Build Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown for rent</td>
<td>$175,000</td>
<td>may build within 2 miles inside a high-income area</td>
</tr>
<tr>
<td>Downtown for sale</td>
<td>$175,000</td>
<td>may build anywhere in city OR pay super-fee of $225,000 per required unit</td>
</tr>
<tr>
<td>Higher-income areas</td>
<td>$125,000</td>
<td>may build within 2 miles inside a higher-income area</td>
</tr>
<tr>
<td>Low/moderate-income areas</td>
<td>$50,000</td>
<td>required to build on site</td>
</tr>
</tbody>
</table>

© 2015 Chicago Rehab Network