

Detroit PILOT Program Guide to Tenant Authorization and Income Verification

As a Fast-Track Housing Project in the City of Detroit's expanded Payment In Lieu of Taxes (PILOT) program, you must income-qualify all tenants of restricted units to remain in compliance.

Income-verification takes place once per household, and involves:

- Collection tenant's proof of income
- Confirming household size
- Collecting a signed Tenant Authorization Form from each household

Proof Of Income

Tenant income may be demonstrated by:

1. Paystubs (at least two)
2. Social security statements
3. Retirement/pension statements
4. Child support payments
5. Proof of receipt of scholarship grants/student verification form
6. Other income as approved by NCS and HRD Director, such as bank statements

Future Tenants

Before leasing a restricted unit, you must income-qualify prospective tenants by collecting income documentation, household size, and a signed Tenant Authorization Form. You will then confirm that their household AMI is within the unit restriction.

Example A: A prospective tenant has a 3-person household, and annual income of \$70,000, which equates to an 80% AMI household. They are eligible to rent any unit restricted at 80% AMI or greater.

Example B: A vacant one-bedroom unit is restricted to 60% AMI. The maximum allowable rent for this unit is \$1,136 less utility allowances of \$116 (based on tenant paid electricity for heating, cooking, hot water, other). Any prospective tenant with household income less than or equal to 60% AMI may rent this unit, their rent cannot exceed \$1,021.

Current Tenants (If Applicable)

All Current Tenants in restricted units are considered compliant through the length of their current lease, regardless of income. However, they will be required to income-qualify in order to remain in a restricted unit after the term of their current lease. Income qualification for Current Tenants is similar to the process for future tenants, but can happen at the end of the current lease, or prior. If tenant income information was collected in the past, that can be used as the basis of income-qualification. Tenants already past the term of their current lease (e.g. month-to-month) should income-qualify before the PILOT period begins.

Resources and further information for Income Verification is available at detroitmi.gov/PILOT