

Affordable Housing Special Assessment Program

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For the Community Investment Corporation

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What is the Affordable Housing Special Assessment Program

- Established by the Affordable Housing Omnibus Bill, HB2621, which became law on July 29, 2021, this program provides property tax relief to incentivize the creation, rehabilitation, and maintenance of affordable housing units in Cook County. Property owners who apply timely can receive yearly reductions in assessed value beginning with the 2022 assessment year.
- Similar to the Class 9 Program but more expansive
- Every applicant must prove same elements of the application, but current/recent Class 9 participants may rely on prior submissions
- All other applicants must apply as a new applicant

Tiers of Affordability

There are three tiers of affordability

- **“15 Percent Tier”**. At least 15% and less than 35% of dwelling units maintained as affordable units.
- **“35 Percent Tier”**. At least 35% of dwelling units maintained as affordable units.
- **“Low Affordability Communities”**. 20% or greater of dwelling units maintained as affordable units in a Low Affordability Community

What is an Affordable Unit?

- A unit that satisfies the relevant share of affordability based on maximum rent and income limits.
- "Maximum rent" means the maximum regular rent for **60% of AMI**

Allowable Monthly Rents (subject to change)

<u>Size of Unit</u>	<u>Affordable Unit Rents</u>
0 Bedroom	\$ 979
1 Bedroom	\$1,049
2 Bedroom	\$1,258
3 Bedroom	\$1,454
4 Bedroom	\$1,623

Maximum Income Limits

"Maximum income limits" means the maximum regular income limits for 60% of area median income for the geographic area in which the multifamily building is located for multifamily programs as determined by the United States Department of Housing and Urban Development and published annually by the Illinois Housing Development Authority.

<u>Number in Household</u>	<u>Affordable Unit Income Limit</u>
1	\$ 39,180
2	\$ 44,760
3	\$ 50,340
4	\$ 55,920
5	\$ 60,420
6	\$ 64,920

15% Tier

- Tax Benefit: 25% of AV
- Qualifying Activity: new construction or rehabilitation on or after 2015
- Investment Threshold: \$8 per square foot and improvement of two primary building systems
- Term: 10 years with up to 2 renewals (time in Class 9 counts against remaining years of eligibility) and annual certification is required
- Minimum building size: 7 units

35% Tier

- Tax Benefit: 35% of AV
- Qualifying Activity: new construction or rehabilitation on or after 2015
- Investment Threshold: \$12.50 per square foot and improvement of two primary building systems
- Term: 10 years with up to 2 renewals (time in Class 9 counts against) and annual certification is required
- Minimum building size: 7 units

Low Affordability Communities

- Tax Benefit: Reduction in assessed value equal to a percentage of the difference between the value of the property one year before the affordable units are occupied and post-construction assessed value
- Qualifying Activity: new construction or rehabilitation in a “Low Affordability Community”
- Investment Threshold: \$60 per square foot and improvement of five primary building systems
- Term: 30 years and annual certification is required.
- Minimum building size: 7 units
- Project Labor Agreement required prior to start of construction

Property Tax Benefit of LAC Projects cont'd

- Reduction in AV is front loaded and tapers down over time

YEAR	REDUCTION OF DIFFERENCE
1-3	100%
4-6	80%
7-9	60%
10-12	40%
13-30	20%

Did You Already Complete Your Required Expenditure?

- If you've recently rehabbed or completed new construction, you may already meet the investment requirements!
- Must otherwise meet all requirements and have completed rehab or new construction on or after January 1, 2015
- Time under program is tolled however, by the date in which property placed in service

Benefit as applied to Mixed Use Properties cont'd

- In order for the property to qualify for the preferential assessment on the **entire parcel**, the primary use, or at least 70% of the net rentable area (“NRA”) of the entire parcel must be residential. No more than 30% of the NRA may be used for non-residential purposes. If the non-residential use accounts for more than 30% of the NRA, then **only the residential portion** of the parcel shall receive the preferential level of assessment.

Questions?

If you have comments, questions, or concerns about your application, please send a detailed email

to assessor.affordablehousing@cookcountyil.gov, and include the Project Name and 14 digit PIN(s) associated with your application.



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