Affordable Housing Special Assessment Program

PROPERTY TAX INCENTIVE FOR MULTIFAMILY BUILDINGS IN COOK COUNTY

Program Overview

Program reduces assessed value for 10 years or more for rental buildings with 7+ units that:
- Are new construction or undertake qualifying rehab, and
- Keep a portion of units affordable to households at or below 60% of Area Median Income (AMI)
- Similar to Cook County Class 9 program in structure, application, and annual review process

Eligibility

Broad range of properties are eligible:
Applies to both market rate and affordable developers
- Mixed use qualifies as long as there are 7+ residential units (reduction applies to entire property)
- Anyone planning a rehab or new construction project should consider applying
- Class 9 properties are automatically eligible and benefit from a streamlined application process
- Long lookback period: properties can qualify based on rehab since January 1, 2015

Incentive Tiers

**TIER 1**
15% or more affordability results in a 25% decrease in assessed value

**TIER 2**
35% or more affordable units results in a 35% reduction in assessed value

**TIER 3**
See table for a 20% affordability tier – available on a more limited basis

Only Downtown Chicago & suburban communities IHDA designates as “low-affordability”

2023 Application Process

Applications are open now:
- Applications and instructions available at: [www.cookcountyassessor.com/affordable-housing](http://www.cookcountyassessor.com/affordable-housing)
- 2023 Deadline: Submit application by June 30, 2023 to receive benefit on tax bill next year

Questions?

Contact Emily Bloom-Carlin at Emily.Bloom-Carlin@cicchicago.com for more information!

Background

The Preservation Compact developed this statewide property tax incentive alongside partners including Housing Action Illinois, Illinois Housing Council, Metropolitan Planning Council, and Enterprise Community Partners. Learn more at: [www.preservationcompact.org/innovation/property-tax-incentive](http://www.preservationcompact.org/innovation/property-tax-incentive)

Preservation Compact
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Chicago, IL 60606
preservation-compact
@prescompact
# Affordable Housing Special Assessment Program

<table>
<thead>
<tr>
<th>Required Affordability</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3 (Limited Availability)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>15%</td>
<td>35%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Requirement can be met through market rents, renting to tenants with vouchers, or participating in another affordable housing program.</td>
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<tr>
<th>Affordability Level</th>
<th>60% of Area Median Income (AMI).</th>
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| Tax Incentive | 25% reduction in assessed value | 35% reduction in assessed value | Years 1-3: reduction equal to 100% of the difference between the value one year before the affordable units are occupied and post-construction assessed value Years 4-6: 80% of the difference Years 7-9: 60% of the difference Years 10-12: 40% of the difference Years 13-30: 20% of the difference |

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<tr>
<th>Qualifying Activity</th>
<th>New construction and rehab costing $8/sq ft and improvements of <strong>two primary building systems</strong></th>
<th>New construction and rehab costing $12.50/sq ft and improvements of <strong>two primary building systems</strong></th>
<th>New construction and rehab costing $60/sq ft and improvements of <strong>five primary building systems</strong></th>
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<th>Minimum Building Size</th>
<th>7 units</th>
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<th>Duration</th>
<th>10 years, with two renewable 10 year periods for a total of 30 years</th>
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<th>Availability</th>
<th>By right anywhere in Cook County. Apply via the Cook County Assessor’s website.</th>
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Apply via the Cook County Assessor’s website at [https://www.cookcountyassessor.com/affordable-housing](https://www.cookcountyassessor.com/affordable-housing)