

# Affordable Housing Special Assessment Program

## PROPERTY TAX INCENTIVE FOR MULTIFAMILY BUILDINGS IN COOK COUNTY

### Key Provisions

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Reduced 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)

Establishes tiers of affordability and reductions in assessed value (see table on page 2 for details):

- 35% or more affordable units results in a 35% reduction in assessed value
- 15% or more affordability results in a 25% decrease in assessed value
- See table for a 20% affordability tier – available on a more limited basis

### Background

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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. The policy is part of the landmark affordable housing omnibus that passed the Illinois General Assembly in 2021. Learn more at: [preservationcompact.org/innovation/property-tax-incentive](https://preservationcompact.org/innovation/property-tax-incentive)

The property tax legislation:

- Keeps rents affordable in higher cost markets.
- Promotes investment in lower cost markets.
- Applies to both market rate and affordable developers.
- Implemented in Cook County (other counties can opt-out by a vote of the county board).

### Benefits

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- **Addresses Affordable Housing Shortage:** Statewide the deficit of affordable and available rental homes for those with incomes at or below 60% of area median income (AMI) is 160K.
- **Strategy for Reducing Racial and Economic Segregation:** In high-cost areas, the program makes it easier to create and preserve affordable rental housing. In historically disinvested communities, owners can more easily qualify for financing to improve buildings and provide high-quality housing.
- **No Tax Burden Shift:** New construction and required rehab will increase assessed values. The reduction is applied to the higher, post-rehab assessed value, which helps prevent a decrease in property tax revenue.

 [www.preservationcompact.org](https://www.preservationcompact.org)

 [@prescompact](https://twitter.com/prescompact)

 [preservation-compact](https://www.linkedin.com/company/preservation-compact)

222 S Riverside Plaza, Suite 380

Chicago, IL 60606

312-258-0070

[www.preservationcompact.org](https://www.preservationcompact.org)



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	Tier 1	Tier 2	Tier 3 <i>(Limited Availability)</i>
<b>Required Affordability</b>	<b>15%</b> Requirement can be met through market rents, renting to tenants with vouchers, or participating in another affordable housing program.	<b>35%</b> Requirement can be met through market rents, renting to tenants with vouchers, or participating in another affordable housing program.	<b>20%</b> Requirement can be met through market rents, renting to tenants with vouchers, or participating in another affordable housing program.
<b>Affordability Level</b>	60% of Area Median Income (AMI).	60% of Area Median Income (AMI).	60% of Area Median Income (AMI).
<b>Tax Incentive</b>	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
<b>Qualifying Activity</b>	New construction and rehab costing <b>\$8/sq ft</b> and improvements of <b>two primary building systems</b>	New construction and rehab costing <b>\$12.50/sq ft</b> and improvements of <b>two primary building systems</b>	New construction and rehab costing <b>\$60/sq ft</b> and improvements of <b>five primary building systems</b>
<b>Minimum Building Size</b>	7 units	7 units	7 units
<b>Duration</b>	10 years, with two renewable 10 year periods for a total of 30 years	10 years, with two renewable 10 year periods for a total of 30 years	30 years
<b>Availability</b>	<b>By right anywhere in Cook County.</b> Apply via the Cook County Assessor's website.	<b>By right anywhere in Cook County.</b> Apply via the Cook County Assessor's website.	Only Downtown Chicago & suburban communities IHDA designates as "low-affordability." Apply via the Cook County Assessor's website.

Apply via the Cook County Assessor's website at

<https://www.cookcountyassessor.com/affordable-housing>