

# Affordable Housing Special Assessment Program

August 24, 2023



# Webinar Overview

## Agenda

1. Welcome & Introduction
2. Affordable Housing Special Assessment Program (AHSAP) Overview
3. Frequently Asked Questions
4. Audience Q&A

## Notes

- Presentation is being recorded
- Slides & contact info will be shared
- Please put questions into the Q&A box

# The Preservation Compact



## **The Preservation Compact is a policy collaborative**

- Diverse, multi-sector partnership focused on preserving **affordable rental housing**
- Housed at Community Investment Corporation



## **We coordinate with stakeholders to:**

- Intervene directly to save properties
- Develop tools to facilitate the preservation of affordable housing

# Affordable Housing Special Assessment Program

## New property tax incentive for multifamily

- Developed by partners over many years
- Administered by the Cook County Assessor's Office in Cook County
- Reduces assessed value for up to 30 years



# Community Investment Corporation

## Erica Myles

- **Training and Technical Assistance Manager,**  
Community Investment Corporation



# Cook County Assessor's Office

## John McDonnell

- **Director of Multifamily Development, Cook County Assessor's Office**



# Affordable Housing Special Assessment Program

- Created by state statute, **the Affordable Housing Special Assessment Program provides property tax relief** to incentivize the creation, rehabilitation, and maintenance of affordable housing units in Cook County.
- Property owners can receive **yearly reductions in assessed value** beginning with the 2022 assessment year.
- Similar to the existing Class 9 Program but
  - is **more expansive** *and*
  - provides a **significant reduction** of the assessed value.
- Every applicant must prove same elements of application, but current/recent Class 9 participants may rely on the prior rehabilitation of the property while in Class 9.

# Tiers of Affordability

- There are **three tiers** of reduction to the assessed value:
  - **“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



# 15% Tier

- Tax Benefit: **25% reduction** of Assessed Value
- 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)
- Minimum building size: **7 units**

# 35% Tier

- Tax Benefit: **35% reduction** of Assessed Value
- 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)
- Minimum building size: **7 units**

# Low Affordability Communities

- Only available in **limited geographic areas**
- Tax Benefit: Initial reduction is the difference between the assessed value prior to the commencement of construction and the post-construction assessed value which will decline to 20% of the difference in Year 13 through Year 30
- Qualifying Activity: new construction or rehabilitation is in a **“Low Affordability Community”** (a geographically defined area)

# Frequently Asked Questions

## Approximately how long does it take to process an application?

- You should expect an **email communication from our office within 2 weeks** of submitting an application. If you do not receive an email within that timeframe please email [assessor.AHSAP@cookcountyil.gov](mailto:assessor.AHSAP@cookcountyil.gov)
- The email will include one of two things:
  1. A determination letter detailing what additional information is needed in order for us to finish processing the application.
  2. An acceptance letter into the program.

# Frequently Asked Questions

**What type of documentation is required to confirm that the new construction or qualifying rehabilitation has been completed with respect to the residential real property?**

- Examples **include, but are not limited to**, the following:
  1. copies of signed and dated building permits
  2. notarized contractor's affidavit
  3. final lien waivers
  4. certificate of occupancy

# Frequently Asked Questions

## What documentation will be accepted as evidence that my property meets building code/Housing Quality Standards?

The CCAO has accepted the following as written evidence of compliance:

- **Certificate of Inspection from the municipality** that the property meets building codes
- **Certificate of Occupancy from the municipality** upon completion of renovation/construction
- A **recent report from a licensed building inspector** who has inspected the property and determines the property meets housing quality standards and local building codes

# Frequently Asked Questions

## What are the rent and income limits for tenants?

- The law requires affordable units to be occupied by households with **incomes at or below 60% of the area median income** (AMI) and rents charged not to exceed 60% AMI and consistent with the Illinois Housing Development Authority's rules.
- Cook County 2023 60% AMI Rents

Studio	1-Bed	2-Bed	3-Bed	4-Bed	5-Bed
\$1,159	\$1,242	\$1,489	\$1,721	\$1,920	\$2,118

- Cook County 2023 60% AMI Tenant Incomes

1 Person	2 People	3 People	4 People	5 People	6 People
\$46,380	\$52,980	\$59,580	\$66,180	\$71,520	\$76,800

# Frequently Asked Questions

## Can the improvement have a commercial component and still be eligible?

- **Yes, a property can include commercial units and still qualify.**
- **If the commercial portion of the improvement is LESS THAN or EQUAL to 35% of the gross building area the entire building receives the reduction in assessed value.**
- **If the commercial portion of the improvement is MORE THAN 35% of the gross building area, only the residential portion of the building receives the reduction in assessed value.**



# Questions About Your Application

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

- [assessor.AHSAP@cookcountyil.gov](mailto:assessor.AHSAP@cookcountyil.gov) and make sure to:
  - include the Project Name **and**
  - 14 digit PIN(s) associated with your application.



# Audience Q&A



# Thank you!

## Next Steps

- Presentation was recorded
- Slides, link to the webinar recording & additional resources **will be shared** via email

## Resources

- **Links** to the AHSAP application website and other resources are in the chat and Q&A
- Questions about your AHSAP application?
  - Email: [assessor.ahsap@cookcountyil.gov](mailto:assessor.ahsap@cookcountyil.gov)
- Other questions?
  - Email: [emily.bloom-carlin@cicchicago.com](mailto:emily.bloom-carlin@cicchicago.com)