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Affordable Housing Special Assessment Program Application

Frequently Asked Questions

- 1. Before You Apply: Is This Program for You?**
- 2. Completing the Application**
- 3. After You Apply: Follow Through to Approval**

1. Before You Apply: Is This Program for You

Q: How do properties prove eligibility for the new program?

A: Owners must show that they have engaged in new construction or substantial rehabilitation to the existing residential real property, that they are maintaining the property, and that affordable units are rented to households with qualifying household income of at or below 60% of the area median income (“AMI”) and paying an affordable rent as published annually by the Illinois Housing Development Authority (“IHDA”), among other criteria.

Q: What are the dates/deadlines?

A: Applicants should submit Part 1 of the application prior to the newly constructed residential real property or improvements to existing residential real property being put in service. Part 2 of the application can be submitted only after the building is put in service, meaning that the building is leased up and occupied with qualifying tenants paying qualifying rent.

Applications completed before June 30 of a calendar year will be reviewed before the CCAO begins to close townships. Applications completed after June 30 will be reviewed as expeditiously as possible, but to receive the reduction on that year’s tax bill it may be necessary to appeal to the Board of Review if the CCAO has already closed that township. The final deadline for filing an Application is June 30. Part 2 of the Application would be due after the building has been placed in service.

Q: What are the filing fees?

A: Same as Class 9. The application is in two parts and the fee is \$500 for Part 1 and \$100 for Part 2. Currently, the applications are not tied to a pay wall, but taxpayers who

submit applications will receive an invoice as applications are processed. The Assessor's Office must receive payment in order for the application to be processed.

Q: What is the income limit for tenants?

A: The law requires affordable units to be occupied by households with incomes at or below 60% of the area median income (AMI). The income limit, as of April 2022, is about \$62,520 for a four-person household. However, a property may satisfy the maximum rent and income limits with a weighted average of no more than 60% of the AMI, or below, where federal, state, municipal or other ordinance, rule or regulation requires use of a weighted average.

Q: Do units paid for with Housing Choice vouchers (formerly called Section 8 vouchers) count as "affordable" units?

A: Yes, so long as total household income remains within the household income limits and the rents are within maximum rental limits as published by IHDA.

Q: What happens if a property owner sells the property?

A: The program runs with the property. It is not based on ownership. New owners will be required to maintain the existing affordable housing participating in the special assessment program.

Q: Where can we find a map of low affordability communities?

A: These communities are designated by the IHDA or the City of Chicago. The statutory definition of "low affordability community" includes: (1) municipalities or jurisdictions with less than 1,000,000 inhabitants in which 40% or less of its total year-round housing units are affordable, as determined by IHDA during the exemption process under the Affordable Housing Planning and Appeal Act; (2) "D" zoning districts according to Chicago Zoning Ordinances; and, (3) jurisdictions located in the City that are designated as a low affordability community by local ordinance.

<https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=003502000K15-178>

<https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2477&ChapterID=29>

For a map of the City's downtown "D" zoning district visit:

[City of Chicago::Zoning Website](#)

Q: If there are 2 buildings on one lot- and we own both, but one building has the affordable units and the other does not- will the reduction apply to both buildings?

A: No. Both buildings must contain affordable units.

Q: Does the reduction apply to the value of the land?

A: Yes. For the 15% and 35% tiers, the reduction applies to the post-construction or rehabilitation assessed value, as determined by the Assessor, of the building/improvement and the land upon which the buildings/improvement is located. The reduction may apply to adjacent land being used as a parking lot or other area used exclusively for the enjoyment of the residents.

With respect to the 20% low affordability community properties, the reduction applies to the **difference** between the assessed value of the property in the base year and the post-construction or rehabilitation value.

Q: Does the AV reduction apply to the commercial portion of a mixed-use property?

A: In order for the property to qualify for the preferential assessment on the entire property, the primary use, or at least 65% of the net rentable area (NRA) of the entire parcel must be used for residential purposes. No more than 35% of the NRA may be used for non-residential purposes. If the non-residential use accounts for more than 35% of the property's NRA, then only the residential portion of the parcel will receive the assessment reduction.

For example, a newly constructed parcel includes 100,000 square feet of gross building area (GBA), but 10,000 square feet are dedicated to stairways, hallways, and other common-areas. Of the remaining 90,000 square feet or NRA, a maximum of 31,500 square feet may be used for retail, office space, or other non-residential use, and the entire parcel could be eligible for a preferential level of assessment provided the other criteria are met.

Q: Please define "in service date".

A: "In service date" means the date on which the affordable units are occupied by tenants within maximum income limits paying affordable rents *and* the required new construction or rehabilitation has been completed.

Example 1: Owner A completes the new construction of Project X, a 10-story residential building, and receives a certificate of occupancy on June 1, 2015. On November 1, 2015, 35% of the units are initially occupied by households that are within maximum income limits and the rent charged is within maximum rent levels and therefore the affordable units are in place and in service. The in service date is November 1, 2015.

Example 2: Owner B installs new HVAC units, new elevators, solar panels, and renovates the roof of Project Y, a 10-story residential building, and thereby engages in a qualifying rehabilitation. During the rehabilitation, 35% of the units within the property remain occupied by tenants within maximum income limits and these tenants are charged affordable rents. The rehabilitation is completed on June 1, 2016. The in service date is June 1, 2016, because the occupancy condition was previously met, and the qualifying rehabilitation is completed on that day.

Q: What should people keep in mind as they consider applying for this program? Do you have any best practices you could share?

A1: Review the [webinar](#) that is most related to your project and this FAQ, and ensure you meet the income/rent thresholds and the requirements for qualifying expenditures. Also, be sure to use unique project names for each application.

A2: Always round up in determining the number of affordable units to needed to meet the minimum % requirement.

A3: Remember that a project labor agreement must be fully executed and tendered to the CCAO prior to the commencement of construction, building, renovation, demolition or any material change to the structure or land if you are applying on the basis of a Low Affordable Community.

Q: How does this program work for a 100+ unit in-service coop? If doing significant rehab in phases (multi-year project), how will the Assessor calculate the reduction in assessed value?

A: Hypothetically, your project consists of 100 units and you opt for the 15 percent tier of affordability. You must commit to putting at least 15 units in service at affordable rent levels to households within the required income limits. We understand there are situations where the building stays occupied during a rehab. In this case, we turn to our definition of the “in service date”. “In service date” means the date on which the affordable units are occupied by tenants within maximum income limits paying affordable rents and the required new construction or rehabilitation has been completed. So in this case, once the phases of rehab meet the expenditure requirements (dollar per square foot threshold and rehabilitation of the required amount of primary building systems), and the required threshold of affordable units are put in service, the project would be eligible for entry in the program.

Q: Will the class 9 program continue to be available if owners are not otherwise interested in participating in the AHSAP?

A: Properties cannot be in both the AHSAP and Class 9, but there are no current plans to discontinue the Class 9 program.

Q: In order to be in the program, does the property have to be renovated in some way?

A: Yes, either major rehabilitation or new construction (occurring on or after Jan 1, 2015, or as part of qualifying Class 9 participation) that meets the thresholds in terms of cost per square foot and addresses the required number of primary building systems if it's a qualifying rehabilitation.

Q: Are portfolios of single-family homes or 2-flats eligible for this program?

A: No - 7 units or more is the threshold set by the statute. However, in certain circumstances, buildings of less than 7 units may be considered if part of a project in an income-based subsidy program through another government agency.

Q: If my tenants have housing choice vouchers does that meet the affordability requirement?

A: Properties with tenants who satisfy the maximum rent and the maximum income tests of the AHSAP are eligible for the AHSAP. It does not matter how tenants satisfy the maximum rent test; subsidies like the Housing Choice Voucher reduce rent to the tenant and that can qualify the property for the program. To the extent HCV programs typically require that affordable units are provided to households at 50% of AMI, given that our program requires that affordable units are provided to households at 60% of AMI, those units will tend to meet rent thresholds.

Q: I have further questions about the particular aspects of a building.

A: The Assessor's Office held a series of webinars to help guide interested housing providers through the application process, which are listed on the [Affordable Housing webpage](#). If questions remain, please contact the Assessor's office at assessor.ahsap@cookcountyil.gov regarding your specific project.

2. Completing the Application

Q: What are the filing fees?

A: Same as Class 9. The application is in two parts and the fee is \$500 for Part 1 and \$100 for Part 2. Currently, the applications are not tied to a pay wall, but property owners who submit applications will receive an invoice as applications are processed. The Assessor's Office must receive payment in order for the application to be processed.

Q: Do I have to receive an approval of Part 1 of the application for the program, in advance of filing my Part 2 application?

A: No. You will not receive a formal approval of Part 1. However, upon review, we may reach out to you with questions or concerns regarding your application.

Q. If a property owner recently made improvements to their residential real property, but before the law took effect, can that count towards this new program?

A. Yes. Projects put in service on or after January 1, 2015, are eligible. Additionally, properties that received a reduced assessment through the Cook County Class 9 program during the 2021 assessment year, or that qualify for Class 9 after a recent revocation, are not required to perform additional renovations. Buildings currently in the

Class 9 program shall be deemed automatically eligible for the reduced valuation in terms of meeting the criteria for new construction or qualifying rehabilitation regardless of when the newly constructed residential real property or improvements thereto were put in service.

Q: My project is a current class 9, and/or is applying on the basis of our recent class 9 status, what documents do I have to submit in order to apply to the program?

A: AHSAP application Parts 1 and 2, an up-to-date Rental Information Tenant Household Income Report form, Certification of Tenant Household Income for each affordable unit in service, and a copy of the deed for the property. Unless requested, there is no requirement to provide information regarding construction or qualifying rehabilitation expenses.

Q: I have a property that previously had Class 9 status until 2017 but I did not renew it because Class 9 was not providing a clear value. Is that property eligible to transfer into the new special incentive program without doing new rehab?

A: Yes, provided that you file a Part 1 and Part 2 application, pay associated filing fees, and demonstrate that the property is in service and meets maximum rent/income thresholds for the affordable units.

Q: My property was revoked from the Class 9 program on or after January 1, 2017, but I can provide documents to show the revocation was in error or any deficiencies have been cured. Can my project be eligible for the AHSAP based on my class 9 participation?

A: Yes, provided that you filed a Part 1 and Part 2 application, pay associated filing fees, and demonstrate that the property is currently in service and meets maximum rent/income thresholds for the affordable units.

Q: My building and/or tenants are part of an income-based subsidy program that already requires us to file the TIC form, 50059 form, or a form that essentially contains the same information. These forms seem to contain all the information your Certification of Tenant Household Income form seeks to collect. Can we send these forms in lieu of the Certification of Tenant Household Income form?

A: Yes, provided the forms are correct, complete, and compliant. The CCAO strongly suggests that you remit any and all agreements and other paperwork associated with the income-based subsidy program you are currently participating in. These documents may suffice in supplying the necessary information to be considered in approving your application.

Q: On the Rental Information spreadsheet, do I need to list the information for all units or just the affordable units?

A: Please list all units. You are not required to list household income for the units other than affordable units, but you are required to list rental income for all units including those not in the program.

Q: How is square footage of the building determined/affirmed?

A: The owner reports the square footage of all habitable space in the building (or, if there has been a subdivision, within the portion of a building that is participating in the program) on the application forms. Failure to report square footage of all habitable space is a basis for rejecting the application. All projects are subject to field checks from CCAO staff to verify the applicant's representations in their filings.

Q: The Part 2 application form specifies it will not be accepted unless Part 1 has been filed and a control number has been issued. But your FAQ says I do not have to receive an approval of Part 1 in advance of filing Part 2, can you clarify?

A: We will not accept a Part 2 AHSAP application if we have not received a Part 1 application for the same project. However, we are not currently issuing control numbers upon receipt of Part 1. A control number will only be issued when the Application has been approved.

Q: What documentation will be accepted as evidence that my property meets building code?

A: The Affordable Housing Program state statute requires an Applicant to provide "written evidence that the residential real property meets local building codes." The CCAO has accepted the following as "written evidence" of compliance with local building codes: A Certificate of occupancy issued by the municipality after construction/substantial rehabilitation has been completed; A Certificate of Inspection from the municipality that the property meets local building codes; A report from a licensed building inspector who has inspected the property and represents the property complies with local building codes; If the Applicant is participating in an income-based subsidy program, evidence that the residential real property was required to undergo an inspection from the agency and passed the required inspection. If an Applicant is unable to provide any of the above, the Applicant must request the municipality to perform an inspection after construction has been completed. If the municipality will not conduct such an inspection, the Applicant must retain a licensed inspector to conduct an inspection of the residential real property and submit a report. The minimum criteria to be considered during such inspection and the signed inspection report to be submitted to the CCAO can be found here.

[Download Inspection Report](#)

Q: If we have already submitted Part 1, are we able to make changes? Specifically, for amount spent and the % of units to be affordable.

A. Once the application is filed, the DocuSign program freezes what you submitted, so you cannot amend the application using DocuSign. However, we recommend that you send an e-mail to the affordable housing inbox (assessor.AHSAP@cookcountyil.gov) to identify the changes and request to amend the Application.

Part 1 of the application is to lay out your plans for satisfying the requirements of statute. We understand, however, that once rehab begins, you may discover that the plans need to change. What is most important is that the work you actually completed be accurately listed on Part 2 of the application and that what you list on Part 2 satisfies the statutory requirements.

Q: I'm having technical difficulties with the applications.

A: Please send notice of any technical difficulties to the affordable housing program email inbox: assessor.AHSAP@cookcountyil.gov

3. After You Apply: Follow Through to Approval

Q: I received communications from your office from an email address that seems new. Is there a new inbox for this program?

A: Yes! Our email address for the Affordable Housing Special Assessment Program is Assessor.AHSAP@CookCountyIL.gov.

If you have questions about other affordable housing issues, such as deed restricted owner occupied housing or the LIHTC program, please contact us through Assessor.AHSAP@cookcountyil.gov

Q: What's the best phone number to reach someone regarding this program?

A: While the quickest way to get a response is to [email our inbox](#), you can also reach us at (312) 603-7821, although you will likely have to leave a voicemail and we will return your call as soon as possible.

Q: I have received an email saying my application has been voided and/or expired. Should I be concerned?

A: No. These are automated alerts as a byproduct of the DocuSign platform. If you have submitted your application using DocuSign, we received it. However, feel free to reach us directly if you have any questions or concerns about a particular application.

Q: Where do I send the check or money order for the fees, and what paperwork needs to be included?

A: Submit a copy of your invoice letter with your check. Instructions for payment will be on your invoice letter.

Q: Can I pay multiple fees (such as Part 1 and Part 2 fees, or multiple Part 1 and/or Part 2 fees for multiple projects) with a single check, or does each fee require a separate check?

A: If you wish to send one check for multiple invoices you may do so but please enclose one copy of each invoice letter with the check and list identifying the information for all projects (i.e. project names and primary PINs) on the check, if possible.

Q: Can I change which units in my building are designated affordable from year to year?

A: Yes, provided that (1) the means of doing so doesn't violate any income-based subsidy program you may be participating in, and (2) as long as you remain within the required threshold of affordable units (so if you've committed to 15% affordable units, and you have an affordable unit tenant that exceeds income thresholds, but another unit is put in service and meets thresholds, you remain within the 15% unit requirement.), and (3) the affordable units that are in the program are comparable with market-rate units in the program.

Q: If my property is in the AHSAP and I appeal its estimated fair market value at the Board of Review, is the reduction applied to the post-appeal assessed value?

A: The reduction applies to the assessed value as determined by the Assessor in the current assessment/taxable year. 35 ILCS 200/15-178(d)(1) and (d)(2). In other words, the Assessor will apply any reduction to the value it certifies to the Board of Review. If an owner appeals the Assessor's valuation to the Board of Review, the owner will have to ensure that the Board is aware of the property's participation in the AHSAP, and it will be up to the Board to apply the reduction to its determined valuation. The CCAO will confirm with the Board of Review the Applicant's admission into the AHSAP.

Q: Is there/can there be a retroactive aspect to the application of the reduced assessment?

A: No, in the sense that no one can get the benefit of this program on their 2021 tax bill or any prior tax bill. The earliest point in time one can receive the reduced assessment is on the 2022 tax bill, issued and payable in 2023, provided that the required elements are met and the application is timely filed and approved.

Q: How can (taxpayer/developer/owner) see the "mechanics" of how the preferential assessment is applied so that I know I'm getting the reduction that I'm entitled to?

A: The Assessor's records will reflect the assessed value initially set by the Assessor based on the property's fair market value, as well as the final assessed value that reflects the applicable statutory reduction. Only the final assessed value that includes the reduction will appear on the property tax bill. The CCAO will provide the applicant with a letter identifying the value of the incentive.

Q: What if the residential real property is currently participating in an income-based subsidy program through a government agency such as IHDA, CHA, HUD or similar program.

A: The CCAO strongly recommends that an applicant submit any and all documents pertaining to the applicant's participation in an income-based subsidy program. The CCAO may rely upon this information to satisfy the inspection requirements, maximum rents and other requirements under the Affordable Housing Act.

Q: What if I receive notification from the CCAO that my application is missing information or is deficient in any way?

A: Pursuant to the Affordable Housing law, an applicant must cure any deficiency within thirty (30) days of the notice of deficiency unless a longer time is agreed upon by the CCAO. The CCAO urges applicants to contact the CCAO if he/she has questions or requests additional time to cure the identified deficiency.

Q: Will there be a requirement to submit an Annual Affidavit for the Affordable Housing Program similar to the affidavit requirement in the Class 9 program.

A: Yes; The CCAO is currently drafting an Annual Affidavit to be completed and electronically transmitted to the CCAO. The Annual Affidavits will be due by August 30.

Q: If I intend to apply based on the residential real property being in a Low Affordable Community, are there any special requirements not found in the other tiers?

A: Yes; The Affordable Housing law requires an applicant to provide evidence of a fully executed project labor agreement with the applicable local building trades council, prior to commencement of any and all construction, building, renovation, demolition, or any material change to the structure or land.

Q: Is there a time limit in which to apply after the residential real property is put in service?

A: The owner may apply for the reduced valuation if the newly constructed residential real property or improvements to existing residential real property are put in service on or after January 1, 2015.

