



Affordable Housing Frequently Asked Questions

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

A: Owners must show that they have made substantial improvements to the rental units, that they are maintaining the property, and that affordable units are rented to households with qualifying household income paying *an affordable portion* of their income for housing, among other criteria.

Q: What are the dates/deadlines?

A: To be assured of receiving the special assessment on the 2022 tax bill (payable in 2023), eligible applicants must submit parts 1 and 2 of the application no later than March 31, 2022, so that we can apply the reduction on eligible properties during our regular township calendar. Applications received after March 31 will be processed as speedily as possible. In subsequent years, applications must be received January 31st to ensure applications are timely processed and that properties receive the statutory benefit.

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 a bill 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. However, we may reach out to you with questions or concerns regarding an application that does not provide all required information.

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

A. New construction and substantial renovations made since 2015 can count towards this program. Additionally, properties that received a reduced valuation through the Cook County Class 9 program during the 2021 assessment year, or that qualify for Class 9 after a recent revocation may count renovations made in connection with the Class 9 towards the new affordable housing program. The property can be in the new

program for up to 30 years following the qualifying improvements, so properties relying on improvements made in the past will not have the full 30 years in the program.

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. As a Class 9 property, you've already submitted information on qualifying rehabilitation or construction and you do not need to resubmit that but you will need to submit the rest of the required information.

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.

Q: What is the income limit for tenants?

A: The law currently limits tenant income to 60% of area median income, which means that the income limit is currently about \$56,000 for a four-person household. The legislature is now considering a proposal to mirror the standard adopted last year by the City of Chicago, to allow for units affordable at a weighted average of 60% of area median income, which would encourage creation of more housing options for lower-income households.

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 household income limits and the rent level stays within maximum rental limits.

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

A: The program runs with the property, it's not based on ownership. New owners will be required to provide affordable housing in order to receive the assessment reduction.

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>

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: If there's 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, all units in the program have to be in the same building.

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

A: No, just the assessed value (AV) of the building.

Q: Is the AV reduction applied to the initial assessment value or the final Board certified value of a property?

A: The reduction to the AV will be applied to the assessment set by the CCAO, if the Assessor timely receives all necessary documentation. The assessed value of the property that is used to calculate a tax bill will include an assessment reduction of 25%, or 35%, depending on the portion of the property that is used for affordable housing. It may also be a variable amount, depending on the year in which a property is in service, for a low affordability community applicant. In accordance with Section 15-178 of the property tax code, the assessed value reduction applies to the Assessor's final assessed value, meaning the value that the Assessor certifies to the Cook County Board of Review.

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

would be on the 2022 tax bill which will be issued 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 all 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.

Q: Is the AV reduction applied to the commercial portion of a mixed-use property?

A: Like any good legal question, it depends. In order for the property to qualify for the preferential assessment on the entire property, the primary use, or at least 70% of the net rentable area (NRA) of the entire parcel must be used for residential purposes. 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 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 27,000 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: 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.AffordableHousing@cookcountyil.gov.

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.AffordableHousing@cookcountyil.gov.