

# Support Investment in Affordable Rental Homes

Property Tax Assessment Policy Encourages Investment by Owners in High and Low Cost Markets  
(SB 3529: Feigenholtz and HB 5275: Welch)

- Establishes new property tax assessment policy for multi-family apartment buildings.
- Keeps rents affordable in higher cost markets. Promotes investment in lower cost markets.
- Both market rate and affordable developers can participate.
- Enacts the policy in Cook County. Other counties can opt-out by a vote of the county board.

## Promoting Investment in Affordable Rental Housing

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In lower cost markets, property owners struggle to maintain their buildings in good condition. Affordable rental housing is lost when buildings fall into disrepair. In higher cost markets, soaring rents are making it impossible for low-income families to remain.

In the past, the Cook County Class 9 Program worked much like our proposed incentive. However, changes to Cook County's assessment structure reduced the program's transparency and value. The number of Class 9 properties has fallen from 1,792 in 2015 to only 389 in 2017.

## Key Provisions

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Provides for a reduced assessed value for 10 years or more for buildings with seven or more residential rental units that:

- Are new construction or undertake qualifying rehabilitation to improve health and safety, energy efficiency, accessibility and/or other physical conditions, and
- Keep a portion of units affordable to households at or below 60% of Area Median Income (AMI)

Establishes two tiers of affordability and reductions in assessed value:

- 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

## Benefits

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- **Increases Assessed Values:** New construction and required rehab will increase will increase assessed values. The reduction will be applied to the higher, post-rehab assessed value.
- **Cost Effective:** \$2,000 to \$4,000 subsidy per unit per year through reduced assessed value.
- **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.

**Supporters:** Chicagoland Apartment Association, City of Chicago, Elevate Energy, Enterprise Community Partners, Housing Action Illinois, Illinois Housing Council, Illinois REALTORS, Illinois Rental Property Owners Association, Metropolitan Planning Council, National Multiple Sclerosis Society and others.

## How can I learn more?

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Contact Bob Palmer, Policy Director, Housing Action Illinois, at [bob@housingactionil.org](mailto:bob@housingactionil.org) or (312) 939-6075 for case studies and additional information.