



Resources & Policies

Property Tax: New Class S Incentive

Eligibility

For-profit project-based Section 8 buildings that are eligible for HUD's Mark Up to Market Program (MUTM). Owners are required to submit a market study to HUD that shows high "street rents" in the neighborhood surrounding the building. Unlike standard Section 8 contract renewals which only last for one year, owners must commit to a 5-year period of affordability.

In the case of an acquisition of an eligible for-profit-owned Section 8 building, the new owner is eligible for Class S whether for-profit or non-profit.

What's New

On April 9, 2002, the County Board created a new Class S property tax incentive to preserve Section 8 housing at high risk of conversion to market rate rental or condominiums. For eligible properties, tax reductions can be applied to the current 2001 tax year.

Impact on Affordable Housing

This incentive targets over 3,000 units of Section 8 which face the highest economic risk of loss in the next five years. Since contracts began expiring in 1997 owners of over 1,000 Section 8 units have made the choice to opt-out in Illinois. While some tenants have been allowed to stay with vouchers others were displaced when their building converted to high-end condominiums.

Since this is a voluntary incentive, its final impact will depend on whether owners choose to use it. Community, city and state efforts to create awareness and resources for housing preservation will remain an important key to success.

How to apply

Application procedures are currently being developed for this incentive. For more information, contact David Miller in the Incentives Dept. of the Cook County Assessor's office, 312/603-3067.

Chicago Rehab Network is a citywide coalition of neighborhood-based nonprofit housing groups advocating for policy change at local, state and national levels. For over twenty years CRN has been the leading technical assistance provider in the Chicago region, working to create affordable housing and promote community development without displacement. For more information, please contact Chicago Rehab Network at 312/663-3936.