



Sen. Sara Feigenholtz

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1 AMENDMENT TO SENATE BILL 330

2 AMENDMENT NO. _____. Amend Senate Bill 330 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Housing Development Act is
5 amended by adding Section 13.1 as follows:

6 (20 ILCS 3805/13.1 new)

7 Sec. 13.1. Form for local agencies. The Authority shall
8 develop a form and include it with the final financing
9 agreement that summarizes the terms of the financing
10 agreement, which should include the following: the length of
11 the affordability period guaranteed under the financing
12 agreement; a legal description; if then available, the address
13 and property index numbers for all applicable property
14 contemplated by the agreement; and any other information that
15 may be relevant for a local county assessor's office and local
16 county and municipal housing development authority to qualify

1 or evidence eligibility for an applicable reduction in the
2 assessed value of an affordable rental housing. This form may
3 vary by county only if the Authority deems necessary. The
4 nonprofit corporation, housing corporation, limited-profit
5 entity, developer, or other entity receiving financing or
6 other assistance under this Act shall file the form with the
7 local county assessor's office and, where applicable, the
8 local county and municipal housing authority for the county in
9 which the property is located. No fees shall be levied against
10 the nonprofit corporation, housing corporation, limited-profit
11 entity, developer, or other entity for filing the form with
12 the county assessor's office of local housing authority.

13 Section 10. The Property Tax Code is amended by adding
14 Section 15-178 as follows:

15 (35 ILCS 200/15-178 new)

16 Sec. 15-178. Reduction in assessed value for affordable
17 rental housing construction or rehabilitation.

18 (a) The General Assembly finds that there is a shortage of
19 high quality affordable rental homes for low-income and
20 very-low-income households throughout Illinois; that owners
21 and developers of rental housing face significant challenges
22 building newly constructed apartments or undertaking
23 rehabilitation of existing properties that result in rents
24 that are affordable for low-income and very-low-income

1 households; and that it will help Cook County and other parts
2 of Illinois address the extreme shortage of affordable rental
3 housing by developing a Statewide policy to determine the
4 assessed value for newly constructed and rehabilitated
5 affordable rental housing that both encourages investment and
6 incentivizes property owners to keep rents affordable.

7 (b) Any county with 3,000,000 or more inhabitants shall
8 implement a special assessment program to reduce the assessed
9 value of all eligible newly-constructed residential real
10 property or qualifying rehabilitation to all eligible existing
11 residential real property in accordance with subsection (c)
12 for 10 taxable years after the newly constructed residential
13 real property or improvements to existing residential real
14 property are put in service. Any county with less than
15 3,000,000 inhabitants may decide not to implement this special
16 assessment program upon passage of an ordinance by a majority
17 vote of the county board. Subsequent to a vote to opt-out of
18 this special assessment program, any county with less than
19 3,000,000 inhabitants may decide to implement this special
20 assessment program upon passage of an ordinance by a majority
21 vote of the county board. Property is eligible for the special
22 assessment program if and only if all of the following factors
23 have been met:

24 (1) the property consists of a newly-constructed
25 multifamily building containing 7 or more rental dwelling
26 units or an existing multifamily building that has

1 undergone qualifying rehabilitation resulting in 7 or more
2 rental dwelling units;

3 (2) except as defined in subparagraphs (E), (F), and
4 (G) of paragraph (6) of subsection (d) of this Section,
5 prior to the newly-constructed residential real property
6 or improvements to existing residential real property
7 being put in service, the owner of the residential real
8 property commits that, for a period of 10 years, at least
9 15% of the multifamily building's units will have rents as
10 defined in this Section that are at or below maximum rents
11 and are occupied by households with household incomes at
12 or below maximum income limits; and

13 (3) the property meets the application requirements
14 defined in subsection (d).

15 (c) The amount of the reduction shall be calculated as
16 follows:

17 (1) if the owner of the residential real property
18 commits for a period of at least 10 years that at least 15%
19 but fewer than 35% of the multifamily building's units
20 have rents at or below maximum rents and are occupied by
21 households with household incomes at or below maximum
22 income limits, the assessed value of the property used to
23 calculate the tax bill shall be reduced by an amount equal
24 to 25% of the assessed value of the property as initially
25 determined by the assessor for the property in the current
26 taxable year for the newly-constructed residential real

1 property or based on the improvements to an existing
2 residential real property; and

3 (2) if the owner of the residential real property
4 commits for a period of at least 10 years that at least 35%
5 of the multifamily building's units have rents at or below
6 maximum rents and are occupied by households with
7 household incomes at or below maximum income limits, the
8 assessed value of the property used to calculate the tax
9 bill shall be reduced by an amount equal to 35% of the
10 assessed value of the property as initially determined by
11 the assessor for the property in the current assessment
12 year for the newly constructed residential real property
13 or based on the improvements to an existing residential
14 real property.

15 (d) Application requirements.

16 (1) In order to receive the reduced valuation under
17 this Section, the owner must submit an application
18 containing the following information to the chief county
19 assessment officer for review in the form required by the
20 chief county assessment officer:

21 (A) the owner's name;

22 (B) the postal address and permanent index number
23 or numbers of the parcel or parcels for which the owner
24 is applying to receive reduced valuation under this
25 Section;

26 (C) a deed or other instrument conveying the

1 parcel or parcels to the current owner;

2 (D) written evidence that the new construction or
3 qualifying rehabilitation has been completed with
4 respect to the residential real property, including,
5 but not limited to, copies of building permits, a
6 notarized contractor's sworn affidavit, and
7 photographs of the interior and exterior of the
8 building after new construction or rehabilitation is
9 completed;

10 (E) written evidence that the residential real
11 property meets local building codes, or if there are
12 no local building codes, Housing Quality Standards, as
13 determined by the United States Department of Housing
14 and Urban Development;

15 (F) a list identifying the affordable units in
16 residential real property and a written statement that
17 the affordable units are comparable to the market rate
18 units in terms of unit type, number of bedrooms per
19 unit, quality of exterior appearance, energy
20 efficiency, and overall quality of construction;

21 (G) a written schedule certifying the rents in
22 each affordable unit and a written statement that
23 these rents do not exceed the maximum rents allowable
24 for the area in which the residential real property is
25 located;

26 (H) documentation from the administering agency

1 verifying the owner's participation in a qualifying
2 income-based rental subsidy program as defined in
3 subsection (e) of this Section if units receiving
4 rental subsidies are to be counted among the
5 affordable units in order to meet the thresholds
6 defined in this Section;

7 (I) a written statement identifying the household
8 income for every household occupying an affordable
9 unit and certifying that the household income does not
10 exceed the maximum income limits allowable for the
11 area in which the residential real property is
12 located;

13 (J) a written statement that the owner has
14 verified and retained documentation of household
15 income for every household occupying an affordable
16 unit; and

17 (K) any additional information consistent with
18 this Section as reasonably required by the chief
19 county assessment officer, including, but not limited
20 to, any information necessary to ensure compliance
21 with applicable local ordinances and to ensure the
22 owner is complying with the provisions of subparagraph
23 (F) of paragraph (4) of subsection (d) of this
24 Section.

25 (2) The application requirements contained in
26 subparagraphs (A), (B), (C), (F), (G), (H), (I), (J), and

1 (K) of paragraph (1) of this subsection (d) are continuing
2 requirements for the duration of the reduction in assessed
3 value and may be annually or periodically verified by the
4 chief county assessment officer for the county in which
5 the reduced valuation is being issued.

6 (3) In lieu of submitting an application containing
7 the information prescribed in paragraph (1) of this
8 subsection (d), the chief county assessment officer may
9 allow for the submission of a substantially similar
10 certification granted by the Illinois Housing Development
11 Authority or a comparable local authority provided that
12 the chief county assessment officer independently verifies
13 the veracity of the certification with the Illinois
14 Housing Development Authority or comparable local
15 authority.

16 (4) The chief county assessment officer shall notify
17 the owner as to whether or not the property meets the
18 requirements of this Section. If the property does not
19 meet the requirements of this Section, the chief county
20 assessment officer shall provide written notice of any
21 deficiencies to the owner, who shall then have 30 days
22 from the date of notification to provide supplemental
23 information showing compliance with this Section. If the
24 owner does not exercise this right to cure the deficiency,
25 or if the information submitted, in the sole judgment of
26 the chief county assessment officer, is insufficient to

1 meet the requirements of this Section, the chief county
2 assessment officer shall provide a written explanation of
3 the reasons for denial.

4 (5) The chief county assessment officer may charge a
5 reasonable application fee to offset the administrative
6 expenses associated with the program.

7 (6) The reduced valuation conferred by this Section is
8 limited as follows:

9 (A) The owner is eligible to apply for the reduced
10 valuation conferred by this Section beginning in the
11 first assessment cycle after the effective date of
12 this amendatory Act of the 102nd General Assembly
13 through December 31, 2031. If approved, the reduction
14 will be effective for the current assessment year,
15 which will be reflected in the tax bill issued in the
16 following calendar year. Owners that are approved for
17 the reduced valuation under this Section before
18 December 31, 2031 shall, at minimum, be eligible for
19 annual renewal of the reduced valuation during an
20 initial 10-year period if annual certification
21 requirements are met for each of the 10 years, as
22 described in subparagraph (B) of this paragraph (6) of
23 this Section until December 31, 2041.

24 (B) Property receiving a reduction outlined in
25 this Section shall continue to be eligible for an
26 initial period of up to 10 years if annual

1 certification requirements are met for each of the 10
2 years, but shall be extended for up to 2 additional
3 10-year periods with annual renewals if the owner
4 continues to meet the requirements of this Section,
5 including annual certifications, and excluding the
6 requirements regarding new construction or qualifying
7 rehabilitation defined in subparagraph (D) of
8 paragraph (1) of this subsection.

9 (C) The annual certification materials in the year
10 prior to final year of eligibility for the reduction
11 in assessed value must include a dated copy of the
12 written notice provided to tenants informing them of
13 the date of the termination if the owner is not seeking
14 a renewal.

15 (D) If the property is sold or transferred, the
16 purchaser or transferee must comply with all
17 requirements of this Section, excluding the
18 requirements regarding new construction or qualifying
19 rehabilitation defined in subparagraph (D) of
20 paragraph (1) of this subsection, in order to continue
21 receiving the reduction in assessed value. Purchasers
22 and transferees who comply with all requirements of
23 this Section excluding the requirements regarding new
24 construction or qualifying rehabilitation defined in
25 subparagraph (D) of paragraph (1) of this subsection
26 are eligible to apply for renewal on the schedule set

1 by the initial application.

2 (E) The owner may apply for the reduced valuation
3 if the residential real property meets all
4 requirements of this Section and the newly-constructed
5 residential real property or improvements to existing
6 residential real property were put in service on or
7 after January 1, 2015. However, the initial 10-year
8 eligibility period shall be reduced by the number of
9 years between the placed in service date and the date
10 the owner first receives this reduced valuation.

11 (F) The owner may apply for the reduced valuation
12 within 2 years after the newly-constructed residential
13 real property or improvements to existing residential
14 real property are put in service. However, the initial
15 10 year eligibility period shall be reduced for the
16 number of years between the placed in service date and
17 the date the owner first receives this reduced
18 valuation.

19 (G) Owners of a multifamily building receiving a
20 reduced valuation through the Cook County Class 9
21 program during the year in which this amendatory Act
22 of the 102nd General Assembly takes effect shall be
23 deemed automatically eligible for the reduced
24 valuation defined in this Section in terms of meeting
25 the criteria for new construction or substantial
26 rehabilitation for a specific multifamily building

1 regardless of when the newly-constructed residential
2 real property or improvements to existing residential
3 real property were put in service. If a Cook County
4 Class 9 owner had Class 9 status revoked on or after
5 January 1, 2017 but can provide documents sufficient
6 to prove that the revocation was in error or any
7 deficiencies leading to the revocation have been
8 cured, the chief county assessment officer may deem
9 the owner to be eligible. However, owners may not
10 receive the both the reduced valuation under this
11 Section and the reduced valuation under the Cook
12 County Class 9 program in any single assessment year.
13 In addition, the number of years during which an owner
14 has participated in the Class 9 program shall count
15 against the number of remaining years eligible for the
16 reduced valuation as defined in this Section.

17 (H) At the completion of the assessment reduction
18 period described in this Section, the entire parcel
19 will be assessed as otherwise provided in State law.

20 (e) For the purposes of this Section,

21 "Affordable units" means units that have rents that do not
22 exceed the maximum rents as defined in this Section.

23 "Household income" includes the annual income for all the
24 people who occupy a housing unit that is anticipated to be
25 received from a source outside of the family during the
26 12-month period following admission or the annual

1 recertification, including related family members and all the
2 unrelated people who share the housing unit. Household income
3 includes the sum total of the following income sources: wages,
4 salaries and tips before any payroll deductions; net business
5 income; interest and dividends; payments in lieu of earnings,
6 such as unemployment and disability compensation, worker's
7 compensation and severance pay; Social Security income,
8 including lump sum payments; payments from insurance policies,
9 annuities, pensions, disability benefits and other types of
10 periodic payments, alimony, child support, and other regular
11 monetary contributions; and public assistance, except for
12 assistance from the Supplemental Nutrition Assistance Program
13 (SNAP). "Household income" does not include: earnings of
14 children under age 18; temporary income such as cash gifts;
15 reimbursement for medical expenses; lump sums from
16 inheritance, insurance payments, settlements for personal or
17 property losses; student financial assistance paid directly to
18 the student or to an educational institution; foster child
19 care payments; receipts from government-funded training
20 programs; assistance from the Supplemental Nutrition
21 Assistance Program (SNAP).

22 "Maximum income limits" means the maximum regular income
23 limits for 60% of area median income for the geographic area in
24 which the multifamily building is located for multifamily
25 programs as determined by the United States Department of
26 Housing and Urban Development and published annually by the

1 Illinois Housing Development Authority.

2 "Maximum rent" means the maximum regular rent for 60% of
3 the area median income for the geographic area in which the
4 multifamily building is located for multifamily programs as
5 determined by the United States Department of Housing and
6 Urban Development and published annually by the Illinois
7 Housing Development Authority. To be eligible for the reduced
8 valuation defined in this Section, maximum rents are to be
9 consistent with the Illinois Housing Development Authority's
10 rules; or if the owner is leasing an affordable unit to a
11 household with an income at or below the maximum income limit
12 who is participating in qualifying income-based rental subsidy
13 program, "maximum rent" means the maximum rents allowable
14 under the guidelines of the qualifying income-based rental
15 subsidy program.

16 "Qualifying income-based rental subsidy program" means a
17 Housing Choice Voucher issued by a housing authority under
18 Section 8 of the United States Housing Act of 1937, a tenant
19 voucher converted to a project-based voucher by a housing
20 authority or any other program administered or funded by a
21 housing authority, the Illinois Housing Development Authority,
22 another State agency, a federal agency, or a unit of local
23 government where participation is limited to households with
24 incomes at or below the maximum income limits as defined in
25 this Section and the tenants' portion of the rent payment is
26 based on a percentage of their income or a flat amount that

1 does not exceed the maximum rent as defined in this Section.

2 "Qualifying rehabilitation" means, at a minimum,
3 compliance with local building codes and the replacement or
4 renovation of at least 2 primary building systems. Although
5 the cost of each primary building system may vary, to be
6 approved for the reduced valuation under paragraph (1) of
7 subsection (c) of this Section, the combined expenditure for
8 making the building compliant with local codes and replacing
9 primary building systems must be at least \$8 per square foot
10 for work completed between January 1 of the year in which this
11 amendatory Act of the 102nd General Assembly takes effect and
12 December 31 of the year in which this amendatory Act of the
13 102nd General Assembly takes effect and in subsequent years,
14 \$8 adjusted by the Consumer Price Index for All Urban
15 Consumers, as published annually by the U.S. Department of
16 Labor. To be approved for the reduced valuation under
17 paragraph (2) of subsection (c) of this Section, the combined
18 expenditure for making the building compliant with local codes
19 and replacing primary building systems must be at least \$12.50
20 per square foot for work completed between January 1 of the
21 year in which this amendatory Act of the 102nd General
22 Assembly takes effect and December 31 of the year in which this
23 amendatory Act of the 102nd General Assembly takes effect, and
24 in subsequent years, \$12.50 adjusted by the Consumer Price
25 Index for All Urban Consumers, as published annually by the
26 U.S. Department of Labor. Primary building systems, together

1 with their related rehabilitations, specifically approved for
2 this program are:

3 (1) Electrical. All electrical work must comply with
4 applicable codes; it may consist of a combination of any
5 of the following alternatives:

6 (A) installing individual equipment and appliance
7 branch circuits as required by code (the minimum being
8 a kitchen appliance branch circuit);

9 (B) installing a new emergency service, including
10 emergency lighting with all associated conduits and
11 wiring;

12 (C) rewiring all existing feeder conduits ("home
13 runs") from the main switchgear to apartment area
14 distribution panels;

15 (D) installing new in-wall conduits for
16 receptacles, switches, appliances, equipment, and
17 fixtures;

18 (E) replacing power wiring for receptacles,
19 switches, appliances, equipment, and fixtures;

20 (F) installing new light fixtures throughout the
21 building including closets and central areas;

22 (G) replacing, adding, or doing work as necessary
23 to bring all receptacles, switches, and other
24 electrical devices into code compliance;

25 (H) installing a new main service, including
26 conduit, cables into the building, and main disconnect

1 switch; and

2 (I) installing new distribution panels, including
3 all panel wiring, terminals, circuit breakers, and all
4 other panel devices.

5 (2) Heating. All heating work must comply with
6 applicable codes; it may consist of a combination of any
7 of the following alternatives:

8 (A) installing a new system to replace one of the
9 following heat distribution systems:

10 (i) piping and heat radiating units, including
11 new main line venting and radiator venting; or

12 (ii) duct work, diffusers, and cold air
13 returns; or

14 (iii) any other type of existing heat
15 distribution and radiation/diffusion components;

16 or

17 (B) installing a new system to replace one of the
18 following heat generating units:

19 (i) hot water/steam boiler;

20 (ii) gas furnace; or

21 (iii) any other type of existing heat
22 generating unit.

23 (3) Plumbing. All plumbing work must comply with
24 applicable codes. Replace all or a part of the in-wall
25 supply and waste plumbing; however, main supply risers,
26 waste stacks and vents, and code-conforming waste lines

1 need not be replaced.

2 (4) Roofing. All roofing work must comply with
3 applicable codes; it may consist of either of the
4 following alternatives, separately or in combination:

5 (A) replacing all rotted roof decks and
6 insulation; or

7 (B) replacing or repairing leaking roof membranes
8 (10% is the suggested minimum replacement of
9 membrane); restoration of the entire roof is an
10 acceptable substitute for membrane replacement.

11 (5) Exterior doors and windows. Replace the exterior
12 doors and windows. Renovation of ornate entry doors is an
13 acceptable substitute for replacement.

14 (6) Floors, walls, and ceilings. Finishes must be
15 replaced or covered over with new material. Acceptable
16 replacement or covering materials are as follows:

17 (A) floors must have new carpeting, vinyl tile,
18 ceramic, refurbished wood finish, or a similar
19 substitute;

20 (B) walls must have new drywall, including joint
21 taping and painting; or

22 (C) new ceilings must be either drywall, suspended
23 type, or a similar

24 (7) Exterior walls.

25 (A) replace loose or crumbling mortar and masonry
26 with new material;

1 (B) replace or paint wall siding and trim as
2 needed;

3 (C) bring porches and balconies to a sound
4 condition; or

5 (D) any combination of (A), (B), and (C).

6 (8) Elevators. Where applicable, at least 4 of the
7 following 7 alternatives must be accomplished:

8 (A) replace or rebuild the machine room controls
9 and refurbish the elevator machine (or equivalent
10 mechanisms in the case of hydraulic elevators);

11 (B) replace hoistway electro-mechanical items
12 including: ropes, switches, limits, buffers, levelers,
13 and deflector sheaves (or equivalent mechanisms in the
14 case of hydraulic elevators);

15 (C) replace hoistway wiring;

16 (D) replace door operators and linkage;

17 (E) replace door panels at each opening;

18 (F) replace hall stations, car stations, and
19 signal fixtures; or

20 (G) rebuild the car shell and refinish the
21 interior.

22 (9) Health and safety.

23 (A) install or replace fire suppression systems;

24 (B) install or replace security systems; or

25 (C) environmental remediation of lead-based paint,
26 asbestos, leaking underground storage tanks, or radon.

1 (10) Energy conservation improvements undertaken to
2 limit the amount of solar energy absorbed by a building's
3 roof or to reduce energy use for the property, including,
4 but not limited to, any of the following activities:

5 (A) installing or replacing reflective roof
6 coatings (flat roofs);

7 (B) installing or replacing R-49 roof insulation;

8 (C) installing or replacing R-19 perimeter wall
9 insulation;

10 (D) installing or replacing insulated entry doors;

11 (E) installing or replacing Low E, insulated
12 windows;

13 (F) installing or replacing WaterSense labeled
14 plumbing fixtures;

15 (G) installing or replacing 90% or better sealed
16 combustion heating systems;

17 (H) installing Energy Star hot water heaters;

18 (I) installing or replacing mechanical ventilation
19 to exterior for kitchens and baths;

20 (J) installing or replacing Energy Star
21 appliances;

22 (K) installing or replacing Energy Star certified
23 lighting in common areas; or

24 (L) installing or replacing grading and
25 landscaping to promote on-site water retention if the
26 retained water is used to replace water that is

1 provided from a municipal source.

2 (11) Accessibility improvements. All accessibility
3 improvements must comply with applicable codes. An owner
4 may make accessibility improvements to residential real
5 property to increase access for people with disabilities.
6 As used in this paragraph (11), "disability" has the
7 meaning given to that term in the Illinois Human Rights
8 Act. As used in this paragraph (11), "accessibility
9 improvements" means a home modification listed under the
10 Home Services Program administered by the Department of
11 Human Services (Part 686 of Title 89 of the Illinois
12 Administrative Code) including, but not limited to:
13 installation of ramps, grab bars, or wheelchair lifts;
14 widening doorways or hallways; re-configuring rooms and
15 closets; and any other changes to enhance the independence
16 of people with disabilities.

17 (12) Any applicant who has purchased the property in
18 an arm's length transaction not more than 90 days before
19 applying for this reduced valuation may use the cost of
20 rehabilitation or repairs required by documented code
21 violations, up to a maximum of \$2 per square foot, to meet
22 the qualifying rehabilitation requirements.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."