

## Cook will reduce tax burden on large apartment buildings

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Hoping to spur development of affordable rental housing, the Cook County Board Tuesday amended its property tax classifications to decrease assessments on large apartment buildings.

In a unanimous vote hailed by advocates for affordable housing, the board agreed to reduce over two years the assessment level on buildings with seven or more apartment units to 26 percent of market value from 33 percent.

The lower assessment on large apartments will in effect shift the tax burden to the owners of other properties such as small apartment buildings, single-family homes and businesses.

But proponents of the measure said Tuesday that the shift is so incremental--the large apartments total only 6.8 percent of the county's assessed value--that increased property values and new development should more than cover the lower assessment level.

"There is an economic impact that we expect will be picked up by growth and not shifted to businesses and homeowners," County Assessor James Houlihan said. "The reductions will be very small when compared to the total base."

County officials said the assessment change was needed because Cook County has lost thousands of rental units over the past 10 years, primarily to condominium conversions. Officials said this has created a shortage of moderately priced rental units.

"These classification changes will encourage rehabilitation and development of rental housing for working families," Cook County Board President John Stroger said.

The reduction will be phased in over two years, with the first portion being reflected on tax bills mailed out in 2004.

Single-family homes, including condominiums, will continue to be assessed at 16 percent of market value.

Bruce Wechsler, who owns eight apartment buildings and is an officer in the Chicagoland Apartment Association, welcomed the move, saying rental properties carry "an unfair burden" by being assessed at twice the rate as houses.

As part of the amendments, the board also approved a new classification for Section 8 rental units that county officials hope will be an incentive to keep building owners in the federal program.

The Chicago Rehab Network, a coalition of non-profit housing groups, estimates that more than 3,000 federally subsidized apartment units are at risk of being lost because they are in gentrifying neighborhoods and their federal contracts are set to expire in the next four years.

Under the new county classification, property owners can apply to have their assessments reduced from 33 percent to 16 percent for the portions of the building that are Section 8. To qualify, at least 20 percent of a building's units must be in the housing-subsidy program.