



# Board of Commissioners of Cook County

118 North Clark Street  
Chicago, IL

## Legislation Text

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**File #:** 23-0594, **Version:** 1

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### **PROPOSED ORDINANCE**

#### **COOK COUNTY HISTORIC DISTRICT PRESERVATION EXEMPTION**

**WHEREAS**, Cook County residents are experiencing substantial and unpredictable property tax increases; and

**WHEREAS**, Cook County residents residing in historic districts are experiencing even more substantial and unpredictable property tax increases due to the overlap of some historic districts with areas experiencing rapid displacement and gentrification; and

**WHEREAS**, in June 2017 a Tribune published an investigation entitled “The Tax Divide” that detailed widespread inconsistencies and inequities in Cook County home valuations; and

**WHEREAS**, between 2015 and 2016 more than 12,000 black residents left Cook County and since 2010 the greater Chicago areas has seen a loss of nearly 46,000 black residents; and

**WHEREAS**, between 2000 and 2017, the community area that includes Little Village saw its Latino population drop from about 75,500 to 62,500, according to Paral’s data; and

**WHEREAS**, due to COVID-19, many families faced displacement of homes in Chicago due to loss of jobs and missed payments; and

**WHEREAS**, the Southwest side neighborhood, Pilsen, known for its Latino culture and identity has seen a loss of 5,512 Latinos (about 19 percent) according to the 2020 Census; and

**WHEREAS**, certain areas designated as Historic Districts by the National Register of Historic Places overlap with areas experiencing rapid displacement, gentrification and loss of cultural heritage; and

**WHEREAS**, in recognition of the severe economic circumstances that many longtime homeowners face, the Illinois Legislature and the Cook County Board of Commissioners have historically created legislation to target impacted communities; and

**WHEREAS**, the Illinois Legislature passed Public Act 88-451, the Longtime Owner-Occupant Property Tax Relief Act (35 ILCS 250, et. seq.) with the purpose of providing property tax relief to longtime homeowners, whose property taxes rose sharply as a result of new construction or renovation of existing residences in long-established residential areas; and

**WHEREAS**, on June 5, 2001, the Cook County Longtime Homeowner Exemption Ordinance (Ord. No. 01-O-12) was enacted to provide relief to longtime homeowners who are experiencing unpredictable property tax increases due to upper -scale development or re-development; and

**WHEREAS**, the Illinois Legislature passed Public Act 90-0114, creating a Property Tax Assessment Freeze Program which provides tax incentives to owner-occupants of certified historic residences who rehabilitate their homes; and

**WHEREAS**, as a matter of public policy, the Cook County Board of Commissioners has the responsibility to enact property tax relief provisions that will enable eligible longtime property owners to remain in financially secure

possession of their homes.

**NOW, THEREFORE, BE IT ORDAINED**, by the President and the Board of Commissioners of Cook County the following:

**TITLE OF ORDINANCE:** Historic District Preservation Exemption Ordinance.

**PURPOSE:** An Ordinance creating the Historic District Preservation Exemption Program to provide property tax relief to property owners who have owned a property within a historic district and who have low- or middle-income tenants who have resided in a property within a historic district for a minimum of 5 years. The ordinance allows property owners to conserve the Historic District Preservation Exemption if they stay or move to another historic district. Property owners who have tenants who have stayed or moved to another historic district can also apply. The Cook County Assessor (“Assessor”) shall administer the Historic District Preservation Program. To be eligible, the property owner must own a Class 2 or Class up to 2-12 property located in Cook County. The property must have an assessment increase that exceeds one and one-half ( $1\frac{1}{2}$ ) times the percentage median assessment increase within the assessment district shall be exempted in the calculation of the property tax. Eligibility for the program terminates at the time the property owner no longer has any property in the historic district, however, new property owners can reapply for existing tenants, or the Assessor determines that the homeowner’s assessment increase no longer exceeds one and one-half ( $1\frac{1}{2}$ ) times the percentage median assessment increase within the assessment district.

**SECTION 1. SHORT TITLE.** This Ordinance shall be known and may be cited as the “Historic District Preservation Exemption Ordinance.”

**SECTION 2. PURPOSE.** The intent of this Ordinance is to stabilize the effects of soaring property taxes for longtime property owners who rent to low and middle-income tenants, who have resided in historic districts for a minimum of 5 years or more.

**SECTION 3. DEFINITIONS.** As used in this Ordinance:

**“Assessment District.”** Cook County has a triennial reassessment cycle wherein one of the three districts within the county is reassessed each year. The three assessment districts are defined in the Illinois Property Tax Code (35 ILCS 200/9-220(B)).

**“AV.” Assessed Value** as defined in the Cook County Real Property Assessment Classification Ordinance (Section 2, Class 2 and Section 3, Class 2).

**“Average Assessment Increase.”** A percentage calculated by taking the value of all potentially qualifying Class 2 properties within the assessment district and determining the percent difference between the current reassessment value and the prior year’s assessment value.

**“Certified Local Government.”** A unit of local government fulfilling the requirements of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470a (the ‘Act’) that has been certified by the Illinois State Historic Preservation Officer pursuant to the Act.

**“EAV.” Equalized Assessed Value.** The assessed value multiplied by the equalization factor calculated by the Illinois Department of Revenue.

**“H.E.L.P.” Homeowner Exemption for Long-term Properties** calculated as follows: that portion of the current EAV for an eligible property which exceeds the sum of the EAV for the year prior to reassessment; plus the prior year EAV multiplied by a factor equal to 150 percent of the average assessment increase for the most current reassessment of the assessment district.

**“Class 2 to 2-12 Properties.”** Residential properties as defined in the Cook County Real Property Assessment

Classification Ordinance (Section 2, Class 2).

**“Contributing Building.”** A building which is a historic structure within a specifically designated historic or landmark district pursuant to a local ordinance, approved by a Certified Local Government, which has been certified by the Illinois Historic Preservation Agency, and which meets the following criteria:

- A. The building was constructed within or present during the period of historical significance of the district; and
- B. The building relates to the significant features, qualities, and/or themes that give the district its historic, cultural and/or architectural significance; and
- C. The building substantially retains its design, materials and appearance from the period of historical significance of the district; or if substantially altered, the changes are reversible such that, through the Substantial Rehabilitation of the building, the building will be returned to a state that substantially retains its design, materials, and appearance from the period of historical significance of the district.

**“Historic District.”** A district which is specifically designated as a historic or landmark district pursuant to a local ordinance, approved by a Certified Local Government, pursuant to its criteria, which have been certified by the Illinois Historic Preservation Agency.

**“Longtime Property Owner.”** Persons who have owned and occupied a Cook County Class 2 or Class up to 2-12 property since 2008, or five years or more if the owner received assistance in the acquisition of the property as part of a government or nonprofit housing program. “Longtime homeowners” also means persons who inherited the property from a spouse who owned and occupied a Class 2 or Class up to 2-12 property since January 1, 2008 or five years or more if the owner received assistance in purchasing the residence from a governmental or non-profit housing program.

**“Period of Historical Significance.”** The period of development history for which the district is significant.

**“Preservation Commission.”** A commission or similar body established by a Certified Local Government pursuant to the ‘Act,’ generally for the purpose of identifying, preserving, protecting, recommending for designation and encouraging the continued use and the rehabilitation of areas, properties and structures having historic and/or architectural significance.

**“Substantial Rehabilitation.”** The extensive renovation or replacement of primary building systems of the landmark and/or the significant improvement of the condition of the landmark, as further prescribed by rule of the Assessor; which meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of Historic Properties; and which has been completed in accordance with plans approved by the Certified Local Government within which the landmark is located.

**“Triennial Reassessment.”** Any reassessment of an assessment district, which occurs every third year as set forth in the Illinois Property Tax Code (35 ILCS 200/9-220(B)).

#### **SECTION 4. ADMINISTRATION OF THE HISTORIC DISTRICT PRESERVATION EXEMPTION PROGRAM.**

(A) The Cook County Assessor shall have the authority to:

- (1) Administer the Historic District Preservation Exemption program as created by the enactment of this Ordinance and;
- (2) Create applications for and determine potential eligibility to the program based on the eligibility criteria set forth in this Ordinance and;

(B) The Cook County Clerk shall have the authority to compute tax rates and calculate tax bill amounts and to provide

this information to the Cook County Treasurer to implement the provisions of this Ordinance.

(C) The Cook County Treasurer shall state on the tax bill the amount of the tax saved by the exemption.

## SECTION 5. ELIGIBILITY CRITERIA.

The following nonexclusive criteria shall be used to verify a property owner's eligibility for program on an annual basis:

(1) Property owner owns a Cook County Class 2 up to Class 2-12 property in a historic district, and that owner has owned the property since January 1, 2008; or

(2) Property Owner owns a Cook County Class 2 up to Class 2-12 property in a historic district, and received assistance in the acquisition of the property as part of a government or nonprofit housing program under the following guidelines:

(a) The program is restricted to qualified homebuyers on the basis of the household income of the homebuyer; and

(b) The income restriction for the homebuyer did not exceed 140% of the area median income as defined by the U.S. Department of Housing and Urban Development; and

(c) The subsidy exceeds \$5,000 or 5% of the development cost of the property, whichever is greater; and

(d) The homebuyer is restricted from selling the house at full market price for at least ten years from the date of purchase. The Cook County Board shall determine whether a purchase assistance program is qualified under the provisions of this Ordinance; or

(3) Property owner owns a Cook County Class 2 up to Class 2-12 property in a historic district, and the tenants have lived in a historic district since January 1, 2008; or

(4) Property owner owns a Cook County Class 2 up to Class 2-12 property in a historic district; and

(5) Homeowner's property must have an AV increase that exceeds 150% of the current average AV increase for Class 2 and up to Class 2-12 properties in the assessment district where the property is located; and

(8) Annual household income of property occupants for the year of the property owner's triennial assessment does not exceed one hundred and fifteen percent (115%) of the Chicago Primary Metropolitan Statistical Area median income as defined by the United States Department of Housing and Urban Development; and

### Household Size

#### Area Median Income Limits 2021 (Effective April 1, 2021) 50% 60% 80% 100% 120% 140%

1. \$32,650, \$39,180, \$52,200, \$65,300, \$78,360, \$91,420
2. \$37,300, \$44,760, \$59,650, \$74,600, \$89,520, \$104,440
3. \$41,950, \$50,340, \$67,100, \$93,200, \$100,680, \$117,460
4. \$46,600, \$55,920, \$74,550, \$88,540, \$111,840, \$130,480
5. \$50,350, \$60,420, \$80,550, \$100,700, \$120,840, \$140,980
6. \$54,100, \$64,920, \$86,500, \$108,200, \$129,840, \$151,480
7. \$57,800, \$69,360, \$92,450, \$115,600, \$138,720, \$161,840
8. \$61,550, \$73,860, \$98,450, \$123,100, \$147,720, \$172,340
9. \$65,250, \$78,300, \$104,370, \$130,500, \$156,600, \$182,700
10. \$69,000, \$82,800, \$110,334, \$138,000, \$165,600, \$193,200

## SECTION 6. APPLYING THE EXEMPTION.

(A) The Cook County Assessor shall:

- (1) Annually verify potential eligible property owners; and
- (2) Provide to the Cook County Clerk the information necessary to calculate the exemption in accordance with the Ordinance.
- (B) The Cook County Clerk shall remove the exempt value from the calculation of the property tax.
- (C) The Cook County Treasurer shall state on the tax bill the amount of tax saved by the exemption.

**SECTION 7. ELIGIBILITY NOTIFICATION.**

The Assessor shall notify potentially eligible owners of record of Class 2 and up to Class 2-12 properties in Cook County of the existence of the Historic District Preservation Exemption Program for each triennial assessment cycle within sufficient time to apply.

**SECTION 8. TERMINATING ELIGIBILITY.**

Eligibility for the program terminates at the time the property owner no longer has any property in the historic district, however, new property owners can reapply for existing tenants, or the Assessor determines that the homeowner's assessment increase no longer exceeds one and one-half (1 ½) times the percentage median assessment increase within

assessment increase no longer exceeds one and one-half (1 ½) times the percentage median assessment increase within the assessment district.

**Effective date:** This ordinance shall be in effect immediately upon adoption on July 1, 2023