



**FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Okpara Limited Partnership
DOCKET NO.: 07-00543.001-C-2 through 07-00543.080-C-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Okpara Limited Partnership, the appellant, by attorney Ellen M. Edmonds of Edmonds Law Office, in Edwardsville; and the Peoria County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Peoria County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-00543.001-C-2	18-08-186-006	970	6,565	\$7,535
07-00543.002-C-2	18-08-207-024	930	6,605	\$7,535
07-00543.003-C-2	18-08-207-026	890	6,645	\$7,535
07-00543.004-C-2	18-08-207-027	930	6,605	\$7,535
07-00543.005-C-2	18-08-207-029	810	6,725	\$7,535
07-00543.006-C-2	18-08-207-030	810	6,725	\$7,535
07-00543.007-C-2	18-08-207-032	780	6,755	\$7,535
07-00543.008-C-2	18-08-207-033	780	6,755	\$7,535
07-00543.009-C-2	18-08-253-007	830	6,705	\$7,535
07-00543.010-C-2	18-08-255-002	980	6,555	\$7,535
07-00543.011-C-2	18-08-256-005	660	6,875	\$7,535
07-00543.012-C-2	18-08-256-007	610	6,925	\$7,535
07-00543.013-C-2	18-08-256-010	610	6,925	\$7,535
07-00543.014-C-2	18-08-256-012	890	6,645	\$7,535
07-00543.015-C-2	18-08-258-001	640	6,895	\$7,535
07-00543.016-C-2	18-08-258-003	720	6,815	\$7,535
07-00543.017-C-2	18-08-260-001	740	6,795	\$7,535
07-00543.018-C-2	18-08-263-011	870	6,665	\$7,535
07-00543.019-C-2	18-08-263-012	870	6,665	\$7,535
07-00543.020-C-2	18-08-264-012	870	6,665	\$7,535
07-00543.021-C-2	18-08-264-013	870	6,665	\$7,535
07-00543.022-C-2	18-08-307-012	880	6,655	\$7,535
07-00543.023-C-2	18-08-307-013	880	6,655	\$7,535
07-00543.024-C-2	18-08-328-014	870	6,665	\$7,535

07-00543.025-C-2	18-08-328-015	730	6,805	\$7,535
07-00543.026-C-2	18-08-330-019	940	6,595	\$7,535
07-00543.027-C-2	18-08-332-044	940	6,595	\$7,535
07-00543.028-C-2	18-08-351-029	900	6,635	\$7,535
07-00543.029-C-2	18-08-351-030	900	6,635	\$7,535
07-00543.030-C-2	18-08-351-031	840	6,695	\$7,535
07-00543.031-C-2	18-08-351-060	930	6,605	\$7,535
07-00543.032-C-2	18-08-357-014	860	6,675	\$7,535
07-00543.033-C-2	18-08-376-014	430	7,105	\$7,535
07-00543.034-C-2	18-08-377-007	960	6,575	\$7,535
07-00543.035-C-2	18-08-377-008	890	6,645	\$7,535
07-00543.036-C-2	18-08-381-001	690	6,845	\$7,535
07-00543.037-C-2	18-08-384-005	860	6,675	\$7,535
07-00543.038-C-2	18-08-384-006	890	6,645	\$7,535
07-00543.039-C-2	18-08-386-022	820	6,715	\$7,535
07-00543.040-C-2	18-08-402-004	900	6,635	\$7,535
07-00543.041-C-2	18-08-405-002	850	6,685	\$7,535
07-00543.042-C-2	18-08-407-004	970	6,565	\$7,535
07-00543.043-C-2	18-08-410-008	930	6,605	\$7,535
07-00543.044-C-2	18-08-410-016	930	6,605	\$7,535
07-00543.045-C-2	18-08-410-017	930	6,605	\$7,535
07-00543.046-C-2	18-08-411-002	970	6,565	\$7,535
07-00543.047-C-2	18-08-453-005	860	6,675	\$7,535
07-00543.048-C-2	18-08-454-010	780	6,755	\$7,535
07-00543.049-C-2	18-08-454-011	890	6,645	\$7,535
07-00543.050-C-2	18-08-456-001	900	6,635	\$7,535
07-00543.051-C-2	18-08-459-001	900	6,635	\$7,535
07-00543.052-C-2	18-17-106-025	900	6,635	\$7,535
07-00543.053-C-2	18-17-126-038	880	6,655	\$7,535
07-00543.054-C-2	18-17-130-002	770	6,765	\$7,535
07-00543.055-C-2	18-17-152-038	780	6,755	\$7,535
07-00543.056-C-2	18-17-152-039	800	6,735	\$7,535
07-00543.057-C-2	18-17-176-037	810	6,725	\$7,535
07-00543.058-C-2	18-17-202-007	910	6,625	\$7,535
07-00543.059-C-2	18-17-202-008	1,030	6,505	\$7,535
07-00543.060-C-2	18-17-202-009	970	6,565	\$7,535
07-00543.061-C-2	18-17-302-010	880	6,655	\$7,535
07-00543.062-C-2	18-17-303-005	920	6,615	\$7,535
07-00543.063-C-2	18-17-308-002	900	6,635	\$7,535
07-00543.064-C-2	18-17-309-011	970	6,565	\$7,535
07-00543.065-C-2	18-18-226-035	900	6,635	\$7,535
07-00543.066-C-2	18-18-229-034	980	6,555	\$7,535
07-00543.067-C-2	18-18-232-030	900	6,635	\$7,535
07-00543.068-C-2	18-18-254-002	910	6,625	\$7,535
07-00543.069-C-2	18-18-330-014	910	6,625	\$7,535
07-00543.070-C-2	18-18-353-011	880	6,655	\$7,535

07-00543.071-C-2	18-18-377-019	930	6,605	\$7,535
07-00543.072-C-2	18-18-407-027	910	6,625	\$7,535
07-00543.073-C-2	18-18-407-029	890	6,645	\$7,535
07-00543.074-C-2	18-18-407-030	890	6,645	\$7,535
07-00543.075-C-2	18-18-430-024	870	6,665	\$7,535
07-00543.076-C-2	18-18-457-011	920	6,615	\$7,535
07-00543.077-C-2	18-18-476-001	820	6,715	\$7,535
07-00543.078-C-2	18-18-476-002	950	6,585	\$7,535
07-00543.079-C-2	18-18-480-022	930	6,605	\$7,535
07-00543.080-C-2	18-18-480-023	820	6,715	\$7,535

Subject only to the State multiplier as applicable.

ANALYSIS

The subject appeal consists of 80 single-family low-income housing dwellings. The dwellings were constructed and operated as a Section 42 low-income housing tax credit project (LIHTC) under the United States Department of Housing and Urban Development. A minimum of twenty percent of the dwellings must be rented to "very low income" tenants and the balance of the homes must be rented to "low income" tenants, which are leased at rental rates that may not exceed specified maximum amounts.

The appellant contends the market value of the subject properties are not accurately reflected in their assessments. In support of the overvaluation claim, the appellant submitted a consulting report prepared by a state licensed appraiser. The report conveyed an estimated market value for the subject properties of \$1,808,491 or \$22,606 per dwelling as of January 1, 2007. The consulting report was prepared in accordance with sections 10-235, 10-245 and 10-250 of the Property Tax Code (35 ILCS 200/10-235, 10-245, 10-250), which governs the methodology used to value and assess Section 42 low-income housing tax credit projects.

The appellant also submitted copies of the final decisions issued by the Peoria County Board of Review disclosing that each improved parcel had an assessment of \$9,030 or a total of \$722,400, which reflects an estimated market value of \$2,174,594 using Peoria County's 2007 three-year median level of assessments of 33.22%. Based on this evidence the appellant requested that each of the subject properties' assessments be reduced to reflect the appraised value or \$7,535 per parcel.

The board of review submitted its "Board of Review Notes on Appeal". After being granted multiple extensions to submit evidence in support of the subject parcels' assessments, the board of review did not submit any evidence.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds the evidence in the record support a reduction in the subject properties' assessments.

The appellant contends the market value of the subject properties are not accurately reflected in their assessments. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). The Board finds the appellant has overcome this burden of proof and reductions in the subject properties' assessments are warranted.

Section 10-235 of the Property Tax Code provides that it is the policy of the State of Illinois that low-income housing projects that qualify for low-income housing tax credits under Section 42 of the Internal Revenue Code shall be valued based on their economic productivity to their owners to insure that high taxes do not result in rent levels that cause excess vacancies, loan defaults, and loss of rental housing facilities to those that are in most need. (35 ILCS 200/10-235). Sections 10-245 and 10-260 of the Property Tax Code establish the method of valuing Section 42 low-income housing projects in accordance with this policy. Section 10-245 of the Property Tax Code provides in part:

. . . to determine 33 and one-third percent of the fair cash value of any low-income housing project that qualifies for low-income housing tax credit under Section 42 of the Internal Revenue Code, in assessing the project, local assessment officers must consider the actual or probable net operating income attributable to the project, using a vacancy rate of not more than 5%, capitalized at normal market rates. The interest rate to be used in developing the normal market value capitalization rate shall be one that reflects the prevailing cost of cash for other types of commercial real estate in the geographic market in which the low-income housing project is located. (35 ILCS 200/10-245).

Section 10-250(b) of the Property Tax Code provides the method that Section 42 property is to be assessed stating:

Beginning with taxable year 2004, all low-income housing projects that qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code shall be assessed in accordance with Section 10-245 if the owner or owners of the low-income housing project certify to the appropriate local assessment officer that the owner or owners qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code for the property. (35 ILCS 200/10-250(b)).

Section 10-260 of the Property Tax Code clarifies that the income approach is to be given greatest weight in valuing Section 42 housing, providing:

In determining the fair cash value of property receiving benefits from Low-Income Housing Tax Credit authorized by Section 42 of the Internal Revenue Code, 26 U.S.C. 42, emphasis shall be given to the income approach, except in those circumstances where another method is clearly more appropriate. (35 ILCS 200/10-260).

The Board finds the valuation report submitted by the appellant used the income approach to value in accordance with the controlling statutes enumerated in the Property Tax Code for valuing Section 42 low-income housing projects for ad valorem taxation purposes.

The Board finds the subject properties are entitled to be assessed according to the dictates provided by Article 10, Division 11 of the Property Tax Code. (35 ILCS 200/10-235 through 10-260). The Board further finds the appellant submitted a consulting report valuing the subject properties as a Section 42 low-income housing project in accordance with Section 10-245 and 10-260 of the Property Tax Code. (35 ILCS 200/10-245 and 10-260). The report conveyed an estimated market value for the subject properties of \$1,808,491 or \$22,606 per dwelling as of January 1, 2007. The board of review did not submit any evidence in support of its assessment of the subject properties or to refute the appellant's argument as required by section 1910.40(a) of the rules of the Property Tax Appeal Board.

The Board finds the best and only evidence of the subject properties fair market value is the appraisal submitted by the appellant estimating the subject properties had a market value of \$1,808,491 or \$22,606 per dwelling as of January 1, 2007. The Board finds the subject properties' total assessment of \$722,400 reflects an estimated market of \$2,174,594 or \$27,183 per dwelling, which is considerably higher than the appraised value presented by the appellant. Therefore, reductions in the subject parcels' assessments are warranted.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

Shawn R. Lerbis

Member

DISSENTING:

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: June 18, 2010

Allen Castrovillari

Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing

complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.