



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

APPELLANT: Princeton Senior Housing LP II
DOCKET NO.: 11-03990.001-R-1
PARCEL NO.: 16-21-176-004

The parties of record before the Property Tax Appeal Board are Princeton Senior Housing LP II, the appellant, by attorney Jason A. Racine of The Stough Group, Inc., Burr Ridge; and the Bureau 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 Bureau County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$1,327
IMPR: \$174,503
TOTAL: \$175,830

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a low-income housing project that qualifies for a tax credit under Section 42 of the Internal Revenue Code. The subject property is located in Princeton Township, Bureau County, Illinois.

The appellant submitted evidence before the Property Tax Appeal Board claiming the subject's assessment is not reflective of fair market value in accordance with Section 10-245 of the Property Tax Code. (35 ILCS 200/10-245). In support of this argument, the appellant formulated an income approach to value estimating a fair market value for the subject property of \$527,491. The income approach was calculated in accordance with Sections 10-245 and 10-260 of the Property Tax Code. (35 ILCS 200/10-245 and 10-260).

The appellant also submitted the Bureau County Board of Review's final decision pertaining to the subject property. The subject property had a final assessment of \$226,174, which reflects an estimated market value of approximately \$678,590 when applying the statutory level of assessment of 33.33%. Based on this evidence, the appellant requested a reduction in the subject's assessed valuation.

The board of review did not timely submit its "Board of Review Notes on Appeal" or any evidence in support of its assessed valuation of the subject property as required by section 1910.40(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.40(a)). Therefore, the Bureau County Board of Review was found to be in default pursuant to section 1910.69(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.69(a)).

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 a reduction in the subject's assessment is warranted.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the subject property consists of a low-income housing project that qualifies for a tax credit under Section 42 of the Internal Revenue Code. The appellant in this appeal formulated an income approach to value estimating a fair market value for the subject property of \$527,491. The income approach to value was calculated in accordance with Sections 10-235, 10-245 and 10-260 of the Property Tax Code. (35 ILCS 200/10-235, 10-245 and 10-260). The subject property's assessment of \$226,174 reflects an estimated market value of approximately \$678,590, which is considerably greater than the valuation evidence submitted by the appellant.

Section 10-235 of the Property Tax Code provides that it is the policy of the State of Illinois that low-income housing projects

are to 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). Section 10-245 establishes the method of valuing Section 42 low-income housing projects in accordance with this policy. Section 10-245 of the Property Tax Code states:

Notwithstanding Section 1-55 and except in counties with a population of more than 200,000 that classify property for the purposes of taxation, to determine 33 and one-third percent of the fair cash value of any Section 515 low-income housing project or that qualifies for the 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 values. 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 10-260 also sets forth the methodology in determining the fair cash value for property receiving benefits from low-income housing tax credits. Section 10-260 of the Property Tax Code provides:

In determining the fair cash value of property receiving benefits from the 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).

Here, the record established the subject property is a low-income housing project authorized and constructed in accordance the Federal Housing Act and the Farmers Home Administration (now United States Department of Agriculture, Rural Development Office). The Board finds the subject property shall be assessed according to sections 10-235, 10-245 and 10-260 of the Property Tax Code (35 ILCS 200/10-235, 10-245 and 10-260) in order to meet the objectives and intent of the legislature as set forth

in section 10-235 of the Code. (35 ILCS 200/10-235). The Board finds the appellant submitted an income approach to value in which the subject's actual income and expense history were utilized in calculating the subject's net operating income. The appellant also appeared to use a normal market capitalization rate. The Board finds the valuation methodology employed by the appellant conforms to the requirements of sections 10-235, 10-245 and 10-260 of the Property Tax Code. (35 ILCS 200/10-235, 10-245 and 10-260).

The board of review did not timely submit any evidence in support of the assessment of the subject property or refute the valuation evidence submitted by the appellant as required by section 1910.40(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.40(a)). Therefore, the board of review was found to be in default pursuant to section 1910.69(a) of the rules of the Property Tax Appeal Board. (86 Ill.Admin.Code §1910.69(a)).

Based on the aforementioned analysis of the record, the Property Tax Appeal Board finds the evidence supports a reduction in the assessed valuation of the subject property commensurate with the appellant's request.

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.



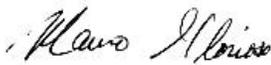
Chairman



Member



Member



Member



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: February 21, 2014



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.