



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

APPELLANT: New Eden Green Ventures, L.P.
DOCKET NO.: 21-43232.001-R-2
PARCEL NO.: 25-34-100-013-0000

The parties of record before the Property Tax Appeal Board are New Eden Green Ventures, L.P., the appellant(s), by attorney Chris D. Sarris, of Steven B. Pearlman & Associates in Chicago; the Cook County Board of Review; the Chicago B.O.E. intervenor, by attorney Ares G. Dalianis of Franczek P.C. in Chicago.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction** in the assessment of the property as established by the **Cook** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$256,764
IMPR.: \$563,236
TOTAL: \$820,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property consists of a 39-building, 258-unit, low-income apartment/townhouse complex with approximately 216,337 square feet of building area. The property has a 733,614 square foot site and is located in Hyde Park Township, Cook County. The property is a class 3-97 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by William Kovacs (Kovacs) estimating the subject property had a market value of \$8,200,000 as of January 1, 2021.

Appellant's first witness identified as Diane Roth. Roth testified that she is currently employed as vice president of finance of The Habitat Company. Roth testified that she oversees the finance

and asset management departments. She testified that their company is a full-service manager of all kinds of condominium units. Roth testified that The Habitat Company has significant experience with affordable housing with about 3,000 units that could be labeled low income or tax credit properties. Roth testified that she has been employed with The Habitat Company for about three and a half years and is familiar with the subject property.

Roth testified that the subject is a “Capital A” affordable property, where 256 of the units are fully affordable and two are used for management. Roth testified that all of the units are leased and rented to tenants with 60 percent or less of the median income. Roth testified that under Section 42 of the Low-Income Housing Tax Credit (LIHTC) the appellant is bound for 30 years to maintain capped rents. Roth testified that Appellant’s Hearing Exhibit #1 is the regulatory agreement dated May 3rd, 2005 between The Habitat Company and the City of Chicago. Roth testified that Section 2.10(a)(b) talks about the tax credit eligibility.

On cross, Roth testified that Section 42 properties can be sold in the open market as well, but The Habitat Company generally hold them long term. Roth testified that they own about eight Section 42 properties and manage another five for other developers.

Next the appellant called William Kovacs. Kovacs testified that he is currently employed by K&G Real Estate Appraisal, which was formerly Kelly Appraisal Consultants. Kovacs testified that in the last year he took ownership of K&G Real Estate Appraisal but has worked at Kelly Appraisal Consultants since 2010. Kovacs testified that he began in 2010 as a trainee and obtained his general real estate appraiser license from the Illinois Department of Finance and Professional Regulation in 2018.

Kovacs testified that as an appraiser he has appraised all sorts of properties ranging from commercial, retail, multifamily, to industrial, special purpose, and vacant land. In regard to multifamily residential buildings, Kovacs testified that in his career he has performed at least 100 appraisals. Kovacs also testified that he has previously been qualified as an expert in front of the Property Tax Appeal Board, Cook County Board of Review, Lake County, DuPage County, and Winnebago County. He also testified that he has been qualified as an expert witness at least ten times. Kovacs was offered as an expert in real estate theory and practice and with no objections by opposing counsels was accepted as such by the Board.

Appellant’s attorney submitted Kovacs appraisal report and after no objection was marked as Appellant’s Hearing Exhibit #2. Kovacs testified that the intended use of the report was ad valorem. Kovacs testified that he personally inspected the property. Kovacs described the property as a 39-building, two-story wood frame apartment and townhouse complex. Kovacs testified that the complex was built in 1973 and there are 34 one-bedroom, one-bathroom units. He also stated that there are 119 two-bedroom, one to one and a half bath units. Kovacs further stated that there are 84 three-bedroom units with one and a half to two baths. Finally, he stated that there are 21 four-bedroom, one and half to two baths.

Kovacs testified that the subject was renovated in 2005-2006 using the low-income housing tax credits. Kovacs stated that the units were rent controlled and in average condition. He testified that the subject is zoned as Planned Residential Development, by the City of Chicago. Finally,

Kovacs testified that his report was prepared consistent with the Uniform Standard of Professional Appraisal Practice (USPAP).

Kovacs testified that the highest and best use for the subject as vacant is residential use in accordance with the planned development guidelines. Kovacs testified that he developed a fee simple, market value for the subject as of January 1st, 2021. Kovacs testified that his primary emphasis on this report was the income approach to value. He testified that he utilized the cost and sales approach to “test the reasonableness of the value arrived at via the income approach.”

Kovacs testified that he placed primary reliance on the income approach based on Illinois Property Tax Code which states that “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.

Kovacs testified that he valued the site at \$3.50 per square foot of land, which was rounded to a value of \$2,600,000. Kovacs testified that under his income approach to value the total value of the subject was \$8,200,000. He also testified that under the sales comparison approach to value, his final conclusion of value was also \$8,200,000. Finally, under the cost approach to value, Kovacs’s final conclusion of value was \$8,800,000.

Kovacs testified that in preparing his report, he reviewed the subject’s actual 2021 rent roll and historical operating statements from 2018, 2019, and 2020. Kovacs concluded that a 7% capitalization rate is reasonable considering that the subject is income restricted.

For his sales comparison approach, Kovacs testified that he did not use properties that were specifically “affordable housing only,” but he found similar properties based on other physical characteristics, such as age, size, construction, condition, and sale date. He testified that his sales comparables have a similar highest and best use as the subject property. Kovacs testified that he found the comparables through CoStar and verified the sales as best as he could. After making adjustments on those comparables, Kovacs found the subject to be at \$38 per square foot of building area, and \$32,000 per unit which resulted in a final value of \$8,200,000.

On cross, Kovacs testified that his first sales comparison is in Riverdale and has an effective tax rate in 2021 of 31.093% while the subject has a tax rate of 6.697%. Upon questioning, he also testified that a potential investor would consider the tax rate. Kovacs further testified that his comparable #1 has 44 units versus the subject’s 258 units. Kovacs also testified that his sales comparable #2, located in Calumet City has 15 units versus the subject’s 258 units. Additionally, Calumet City’s tax rate is 25.809%. Kovacs also testified that his sales comparable #3, located in Havey, has a tax rate just shy of 27% and a total of 30 units. He testified that his sales comparable #4 is also in Harvey and has only 27 units. Kovacs testified that his comparable #5 is in South Chicago Heights with a tax rate of 13.8% and a total of 47 units. He testified that his comparable #6 is in Chicago Heights with a tax rate of about 21% and a total of 30 units. Kovacs testified that his comparable sale #7 is also in Chicago Heights and has only 12 units or less than 5% of the subject. His final sales comparable is located in Hazel Crest with a tax rate of 25% and a total of 12 units.

On cross, Kovacs testified that when preparing his income approach to value, he did not include market data to support his conclusions, but he did have affordable market data in his work file that he used in this case. Kovacs also testified that in his appraisal he did not include any expense comparables because those are kept in his work file and confidential.

On cross by the board of review, Kovacs testified that all of the units were low income, but only 24 were HUD units. He also testified that he used all of the subject's income including rental and other sources, such as parking and laundry.

On redirect, Kovacs testified that some of the factors he considered in his sales approach to value include, condition of sale, market conditions, size, age, use, and construction. Kovacs also testified that he does not consider tax rates at all because they would be speculative as of the lien date. He further testified that his primary reliance was on the income capitalization approach to value. He testified that he put "little to no emphasis" on the sales approach to value. Kovacs also testified that he made adjustments to his comparables for size. Finally, Kovacs testified that he put little to no emphasis on the cost approach to value.

At the conclusion of the hearing, the appellant submitted 35 ILCS 200/10-260, which was marked Appellant's Hearing Exhibit #3. The appellant also requested that PTAB take judicial notice of the fact that section 10-260 was amended in July 2021, the amended version was marked Appellant's Hearing Exhibit #4.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$1,092,168. The subject's assessment reflects a market value of \$10,921,680 or \$42,332 per unit when applying the 2021 level of assessments for class 3 property of 10% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment, the board of review submitted information on eight suggested sales comparables. Those properties range: in size from 144 to 264 units; in age from one to 95-years-old; and in sale date from March, 2019 to September, 2021. The board of review's comparables vary in type from Low-Rise, to Mid-Rise to High-Rise apartment buildings.

In support of their request for a no change, the intervenor submitted a brief with seven suggested comparable sales that support the subject's assessment. Those properties are located in Chicago, Alsip, Midlothian, and Evergreen Park, and range: in sale date from November, 2018 to June 2021; in size from 100 to 300 units; and in price from \$42,332 to \$101,667 per unit.

Conclusion of Law

The Board finds the subject property is entitled to be assessed according to the dictates provided by Article 10, Division 11 of the Property Tax Code. (35 ILCS 200/10-260). The Board finds that only the appellant offered an appraisal report valuing the subject as a Section 42 low-income housing project.

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. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). After analyzing the evidence submitted and considering the testimony at hearing, the board finds the appellant has overcome this burden.

The Board finds there was no substantive dispute on the record that the subject property qualifies as Section 42 low-income housing. The Board gave no substantive weight to the board of review's and intervenor's comparables because the data was not an appraisal of the subject property and it did not take into account the subject's status as Section 42 low-income housing and the provisions of the Property Tax Code.

The Board finds the best evidence of the subject's fair market value in this record is found in the appraisal report submitted by the appellant which appeared to follow the directives of Section 10-260 of the Property Tax Code. The appellant's appraiser in this appeal formulated an income approach to value estimating a fair market value for the subject property. The income approach to value was calculated in accordance with Section 10-260 of the Property Tax Code. (35 ILCS 200/10-260). The subject property's total assessment of \$1,092,168 reflects an estimated market value of \$10,921,680, which is considerably greater than valuation evidence submitted by the appellant. The standard for determining the fair cash value of property is the price at which ready, willing, and able buyers and sellers would agree. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1, 16 (1989). A property's income-earning capacity is the most significant element in arriving at its fair cash value for assessment purposes. Kankakee County, 131 Ill.2d at 15. A taxing authority must weigh both the positive and negative aspects of a subsidy agreement and adjust the actual income figure to accurately reflect the true earning capacity of the property in question. Kankakee County, 131 Ill.2d at 17. In Kankakee County, the Supreme Court held a subsidy agreement affective a property's income-earning capacity must be considered in calculating fair market value if the property is designed for use as subsidized housing, its best and highest use is subsidized housing, and it is transferable to others for use as subsidized housing. Kankakee County, 131 Ill.2d at 18-19.

In Rainbow Apartments v. Illinois Property Tax Appeal Board, 326 Ill.3d 1105 (4th Dist. 2001), the court followed Kankakee County in holding that the positive and negative aspects of a subsidy agreement must be considered by taxing authorities in valuing properties designed, developed, and used with Section 42 restrictions.

The Board finds that only the taxpayer's witness valued the subject property considering the positive and negative aspects of Section 42 low-income housing and in accordance with the provisions of the Property Tax Code. The record is clear that the subject property was used as a Section 42 low-income housing and its highest and best use is rental property in compliance with Section 42 restrictions. The taxpayer's appraiser testified in this case that he was not able to find other Section 42 low-income comparables and none were offered by the board of review or intervenor.

The appellant's appraiser, a certified appraiser licensed in Illinois, with many years of experience, used the subject's actual income and expenses to derive a final conclusion of value

for the subject of \$8,200,000. The Board finds the testimony and analysis of the appellant's appraiser was logical and credible.

Based on this analysis, the Board finds the appellant has proven overvaluation by a preponderance of the evidence. The Board further finds the best evidence of the subject's fair market value in this record is the appraisal submitted by the appellant. Since market value has been established the 2021 level of assessment for class 3 property of 10% as determined by the Illinois Department of Revenue shall apply. (86 Ill.Admin.Code §1910.50(c)(2)).

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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.

Chairman



Member



Member



Member



Member

DISSENTING: _____

CERTIFICATION

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: October 20, 2026



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 or years of the same general assessment period, as provided in Sections 9-215 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

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