



## Housing Initiatives in Illinois: Many Successes, A Long Road Ahead *By Julie Dworkin*

In fall 2002, the House Urban Revitalization Committee, a committee of the Illinois General Assembly, held four public hearings around the state concerning the housing needs of Illinois residents. Each hearing yielded at least four hours of testimony from housing developers, employers, service providers, homeless people, and low-income people struggling to afford housing. A report that resulted from the hearings laid out a blueprint for some solutions to the affordable-housing crisis in Illinois. Subsequently, the House Housing and Urban Development Committee was formed specifically to consider housing-related legislation.

Because of the positive outcomes from the hearings and a lot of coordination among housing advocates, more progress has been made in Springfield on housing issues than occurred in many previous years. Also, many pieces of legislation did not pass. This policy paper summarizes housing initiatives introduced and how they fared in Springfield this year.

### Creating and Preserving Housing for People with the Lowest Incomes

A full-time worker must earn \$15.48 an hour to afford a two-bedroom unit at the state's market rate rent of \$805. A minimum-wage earner, by contrast, can afford to pay only \$268 per month

for rent. Several initiatives introduced this year tried to address this housing gap:

- HB 2206, the Rental Housing Support Program, proposes to create a state rental subsidy program to make rents affordable to households earning less than \$21,000 a year. The

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program would provide subsidies directly to landlords to reduce rents for very low-income tenants. It would be funded by a \$10 state charge on the filing of mortgage documents. The bill was introduced this year and passed out of committee in the House but did not move forward because of opposition from the Cook County Board president.

- \$5 million in funding was sought for the Homelessness Prevention Program, which provides emergency grants and services to keep people in housing who are at risk of homelessness. \$2 million was allocated in the budget for this program.

- Supportive housing providers were seeking \$3.5 million in supportive service dollars to match \$41 million in capital and operating dollars for 29 new projects. The final budget included \$4.8 million in additional funds, more than was initially sought, for supportive services.

- The Prevention of Unnecessary Institutionalization Act needed \$1.5 million in funding to provide grants for home modifications to keep people with disabilities in their homes. This program received \$1.5 million in funding.

- SB 591, which amended the Federally Subsidized Housing Preservation Act, would give tenants in federally subsidized buildings a better chance of purchasing the building should the owners decide to opt out of the subsidized program after their contract is up. It would give tenant associations the first right of refusal to purchase the building, give them more notice about the decision to opt out, and allow them to partner with a nonprofit developer to purchase the building. This bill did not pass because of opposition from the real estate industry.

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### Housing Wage in Illinois

LOCATION	Hourly Wage Needed to Afford Fair Market Rent				
	Zero Bedroom	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Illinois	\$10.67	\$12.78	\$15.48	\$19.58	\$21.97
Bloomington- Normal, IL	\$7.00	\$8.52	\$11.42	\$15.87	\$16.75
Champaign- Urbana, IL	\$7.69	\$9.46	\$12.23	\$16.77	\$20.12
Chicago, IL	\$12.48	\$14.96	\$17.85	\$22.31	\$24.96
Davenport-Moline-Rock Island, IA-IL	\$5.77	\$7.96	\$9.85	\$12.73	\$13.81
Decatur, IL	\$5.58	\$7.23	\$9.27	\$12.54	\$12.98
De Kalb County, IL	\$9.58	\$11.13	\$14.10	\$19.62	\$22.73
Grundy County, IL	\$8.33	\$9.63	\$12.79	\$16.90	\$17.96
Kankakee, IL	\$7.58	\$9.17	\$12.19	\$15.60	\$17.13
Kendall County, IL	\$11.56	\$13.15	\$15.87	\$22.08	\$22.19
Peoria-Pekin, IL	\$7.75	\$8.54	\$11.46	\$15.27	\$18.75
Rockford, IL	\$7.44	\$9.54	\$11.60	\$14.58	\$17.02
Springfield, IL	\$6.42	\$7.96	\$10.60	\$14.10	\$16.04
St. Louis, MO-IL	\$7.98	\$9.71	\$12.60	\$16.40	\$18.12

Source: *Rental Housing for America's Poor Families: Farther Out of Reach Than Ever.* The National Low Income Housing Coalition (2002).

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## Removing Barriers to Developing Affordable Housing in the Suburbs

A significant barrier to developing affordable housing in many regions is local zoning and building codes geared to keep out multifamily affordable-housing buildings.

Two initiatives were proposed to address these barriers:

- HB 220, the Affordable Housing Planning and Appeals Act, created a state housing appeals board that could overrule local zoning decisions that discriminated against the development of affordable housing. Legislation did pass, HB 625, which accomplished some of the goals of this initiative, but much more work needs to be done to make it truly effective. The bill that passed creates a state housing appeals board to go into effect after five years. During those five years, municipalities with less than 10 percent affordable housing must create a plan to increase affordable housing, with specific target goals. If they reach their goals, they will be exempt from the appeals process.
- Some efforts have been made to increase the accountability of municipalities to local housing needs by including housing in comprehensive plans, providing technical assistance in creating those plans, and providing financial incentives for completing the plans. A part of HB 2345, introduced this year, would have created incentives for municipalities to carry

out affordable-housing plans, but that part of the bill was amended out.

## Ending Discrimination and Promoting Open Access to Housing

Currently many landlords refuse to rent to people holding Section 8 or Housing Choice vouchers. A study in 2001 and 2002 in Chicago found that housing was denied to Housing Choice voucher holders in up to 70 percent of encounters. In addition, many tenants that rent on the private market face poor treatment from landlords, with very few protections.

Three initiatives were introduced this year to address these issues:

- The Housing Opportunity Tax Incentive, HB 2246, gives a property tax rebate to landlords in low-poverty areas who rent to Housing Choice voucher holders. This legislation passed.
- The Source of Income Amendment to the Human Rights Act, HB 1352, would prohibit landlords from discriminating in rental agreements against people based on their source of income, including Housing Choice vouchers. This legislation failed because of opposition from the real estate industry.
- The Illinois Residential Rights and Responsibilities Act, HB 3067, would define specific rights and responsibilities in the landlord-tenant relationship. This legislation failed because of opposition from the real estate industry.

## Increasing State Government Capacity to Address Housing Issues

Currently Illinois lacks an executive agency with the responsibility to plan, develop, and coordinate housing policy. Also, no specific person in the Governor's Office is dedicated to this issue. Without such leadership at the state level or any mechanism for planning, it is difficult to make progress in addressing the problem comprehensively at the state level.

This year saw a push with the new administration to establish a state cabinet-level entity responsible for housing and community development policy in the state. Although no progress was made on establishing this entity, a significant piece of legislation passed that addresses the state's role in housing policy on a number of levels. The Illinois Housing Initiative, HB 2345, requires the state to set up a task force of state agencies, legislators, and housing experts that will develop a comprehensive housing plan for the state. It also streamlines the application process for affordable-housing funds in Illinois and pools a portion of housing resources to be targeted to certain underserved populations.

## Moving Ahead; Lessons Learned

Looking at some of the major opposition to housing legislation this year can help in planning for the future and hopefully lead to more success next year. In the category of housing for the lowest incomes, many of the initiatives did well. The main opposition to the Rental Housing Support Program came from the Cook County

Board president, who felt the proposed fee increase would be perceived by customers as a county fee increase instead of a state surcharge. Revisions are being made to address this and other concerns.

In the area of removing barriers to affordable housing in the suburbs, the largest opposition came from municipalities afraid of losing local control. Although this concern will likely remain, the opposition could be lessened with a greater effort to educate municipalities about the benefits of affordable housing in all regions and also with work to get local elected officials, such as mayors, behind state legislation.

In the area of ending discrimination and promoting open access to housing, the largest opposition came from the real estate industry. The industry felt that the legislation concerning source of income and federally subsidized housing infringed on their rights to make decisions about to whom to rent and when they can sell their buildings. They also felt that the landlord-tenant legislation was too heavily weighted toward tenants. There is a need to educate property owners about the true impact of the legislation, both in terms of how it affects their rights and also in terms of the effect of losing access to federally subsidized housing.

Finally, a lesson learned is that advocates need to do more work to educate Senate members about the issue in the way that the House members were educated through the hearings.

Overall, more grassroots support must be built around housing issues throughout the state so that, when agreements can't be reached between interest groups, there is power in numbers to convince legislators that housing is a high priority.