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Affordable Housing Tax Credit Passes Senate 53-3

Senate Republicans and Democrats agree Illinois needs affordable housing.

A bipartisan coalition of Illinois senators passed a bill today, Thursday, March 29, 2001 that could generate more dollars for affordable housing across the state. Senators William Peterson (R-26), James Clayborne (D-57), Barack Obama (D-13) led the senate push with the hopes that SB1135, the Illinois Affordable Housing Tax Credit, will ease the affordable housing crisis.

“Affordable housing is not only a Chicago problem,” said Senator Peterson, who’s northern Illinois district is currently grappling with affordable housing. “In many suburban and downstate communities, teachers, nurses, police officers and firefighters—just to name a few examples—cannot find an affordable place to live in the community where they work,” he added. “The Illinois Affordable Housing Tax Credit is a creative way for government and private philanthropy to partner in creating more affordable housing in Illinois.”

In Illinois over a third of all renters are unable to afford Fair Market Rent for a two-bedroom apartment; SSI recipients can afford to pay no more than \$113 per month; and a minimum wage earner can afford to spend only \$268 per month on rent.

According to Kevin Jackson, executive director of Chicago Rehab Network, “With affordable housing stock deteriorating across the state, the potential loss of 30,000 federally subsidized Section 8 units over the next five years, and a shrinking HUD budget, working and low-income families have fewer and fewer places to live.”

If passed, the Illinois Affordable Housing Tax Credit will generate \$26 million in new funding for affordable housing development through a fifty percent tax credit for private sector affordable housing donations.

Senator Barack Obama supports the bill because he fears the state may be losing opportunities for job growth as workers cannot be found to fill the jobs where industry is expanding. “Historically, the state has not had much involvement in affordable housing construction,” said Obama. “I think given the growing regional need, it is imperative that the state steps up its involvement.”

Currently, Illinois does not allocate budget dollars for affordable housing which makes it difficult to build or preserve housing for low-income families. Karen Davis, who works with a nonprofit housing developer that builds and rehabs affordable homes in Springfield, says the lack of financing resources makes building decent housing difficult. “Affordability is always a problem because of our dual responsibility to produce houses that are affordable, while maintaining a bottom line with development costs. The Affordable Housing Tax Credit could help us reach those on the lower rungs of affordability, who need our housing.”

SB1135 will next be considered in the House. Representative Art Turner (D, 9) will carry the bill.

For more information call Chicago Rehab Network at 312/663-3936 or the Springfield Urban League CDC at 217/789-0830.