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## **Relief for Renters and Homeowners: Affordable Housing Tax Credit Passes**

### **Goes to the Governor for final approval**

In a surprising turn of events, the Illinois House unanimously approved a plan today that could generate up to \$26 million in new funding for affordable housing throughout the state. The Illinois Affordable Housing Tax Credit (SB 1135) provides a fifty-cent tax credit for private donations to affordable housing leveraging \$13 million in foregone state revenue and \$13 million in private funding.

In Illinois where over a third of all renters are unable to afford Fair Market Rent for a two-bedroom apartment the Tax Credit will provide much needed funding for affordable housing development. The Tax Credit will create new rental or for sale housing for families and seniors with incomes at or below \$35,000, and it may also be used to preserve thousands of affordable project based Section 8 units.

“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.”

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.”

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.”

For more information call Chicago Rehab Network at 312/663-3937.

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