From the vantage point of many, Chicago’s recession began long before the global crash of 2008 and still has not ended. Neighborhoods have not recovered. Looking beyond the pockets of prosperity, sports fans and robust tourism, 3 out of 4 Chicago households earn less than $75,000 for a family of four.

History has shown that blight, foreclosures and abandoned properties result in part from unsustainable housing costs, including increases in fees and taxes. What we at the Chicago Rehab Network are arguing for is a re-evaluation of city tax and fee increases to achieve an equitable burden that considers income—and the recognition of the severe consequences that result from housing instability, loss of population, blight and displacement.

In our analysis of the city’s budget proposal, we start with understanding local impacts—intended and unintended.

In 23 community areas, 6 out of 10 homeowners are cost-burdened, or paying more than 30 percent of their income toward housing costs. The same is true in 66 community areas for 4 out of 10 owners. Fifty-five community areas have experienced a reduction in median income since 2000. These numbers speak to widespread stagnant and decreased household income in relation to housing costs.

The situation for renters is equally grim. Rents have increased significantly in 60 community areas, and this growth is not matched by increased income. In fact, 1 of every 2 renters is cost-burdened and left with income insufficient for other critical living expenses.
While we believe that taxes on services and tourism are less regressive, there are ways the city can minimize the impact of property taxes. We commend the mayor for recognizing this need.

First, rather than assisting owners based on property value, extending relief to homeowners based on income would more accurately secure long-term residents, those on fixed incomes and the working poor who own homes. As a backstop measure, the former Chicago Homeowners Assistance Program should be funded to prevent people losing their homes in county tax sales.

Finally, to provide renters living in privately assisted housing with stability, the city should protect all Class 9 and Class S properties from tax increases and support these incentive classes, which encourage building improvement by providing a tax reduction in exchange for commitments to affordable rents. Failure to protect these properties will leave many buildings unsustainable and exacerbate the affordable housing crisis that already affects us all.

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