

Why Affordable Housing Programs Matter to Illinois

Why Illinois needs affordable housing programs:

In Illinois, 32% or 1,521,743 million households are renters. Federal assistance programs enable more the 214,468 low-income households in Illinois to rent modest housing at an affordable cost. Of those that receive assistance- 54% are headed by people who are elderly or disabled, and 35% are families with children.

- In 2009, 42.4% of renters in Illinois were rent burdened, paying more than 35% of their income on housing, and in need affordable options.
- In Illinois, the Fair Market Rent for a two-bedroom apartment is \$908. A full-time minimum wage worker would need to work 84 hours per week to be able to afford that rent.
- In Illinois, 377,992 low-income renter households pay more than half of their monthly cash income for housing costs. On average those households have incomes \$996 and pay housing costs of \$864, leaving \$102 a month for other necessities.
- Despite falling housing prices- serious job losses, high unemployment rates and stagnant incomes have exacerbated housing affordability issues throughout Illinois.

Essential for Our State's Economy

HUD housing programs and the Low-Income Housing Tax Credit create white-collar, blue-collar and green-collar jobs (from roofers, carpenters, and dry-wallers to architects, surveyors, and realtors), generate new tax base and tax revenues, and help to pump new income into local economies and local businesses. Building or rehabbing 100 apartments in a typical affordable housing development generates, on average, the following economic benefits –

- \$7.9 million in new local income, \$827,000 in taxes and other revenue for local governments; and 122 local jobs – all in the first year of these investments.
- On an annually, recurring basis, building those 100 units on average will generate \$2.4 million in new local income, \$441,000 in taxes and other revenue for local governments; and 30 local jobs.*
- And in the process, these developments help local employers by creating places where the local workforce can afford to live (helping to improve productivity and save on turnover) and where local consumers with more discretionary income (because they have an affordable rent) can also afford to live.

**As estimated by the National Association of Home Builders (NAHB)*

Federal housing programs (including both HUD programs and the Low-Income Housing Tax Credit) provide two critical ingredients that are essential to the quality of life and the economic climate here in Illinois:

- 1) access to safe, decent and affordable homes (HUD programs alone helped over **200,000 families in Illinois last year**); and
- 2) bolstering the strength and vitality of our state's economy by creating jobs and tax base, and laying the groundwork for additional economic growth.

Consider the following impacts of specific federal housing programs –

- Community Development Block Grants (CDBG) and HOME Investment Partnership (HOME) help incentivize growth in the housing market, build stronger, safer communities, give children a better future and create jobs. Every \$1 invested in the housing market turns into \$1.62-\$2.28 in economic activity, creating additional jobs and tax revenue.
- The Low Income Housing Tax Credit (LIHTC) is the most successful affordable rental housing production program in U.S. history. The LIHTC, an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households has produced and financed more than **two million affordable apartments** since 1986, across the nation. In Illinois, during 2008 alone, the LIHTC program added approximately \$350 million in local income and over 5,000 full time jobs across all Illinois industries.
- Public Housing provides homes for the lowest income people among us, those with an average annual income of about \$15,000 a year – providing dignified homes for the elderly and disabled and an opportunity for low-income families to secure stable housing while they work to climb the economic ladder to a better life.
- Section 202 allows our elderly neighbors to live in safe, affordable homes with supportive services rather than move to nursing homes which would cost the government \$40,000/year, per person.
- Section 811 enables people with disabilities to live within their means in accessible homes that are near services and jobs instead of warehousing these individuals in nursing homes that cost the taxpayer much more.
- Housing Counseling, especially during this ongoing foreclosure crisis, whether pre-purchase or foreclosure prevention, provides essential services and keeps families in their homes.
- Community Services Block Grants (CSBG) enables community action agencies across the state to address poverty through job training, housing counseling, family support, and housing development.

Federal Rental Assistance in Illinois					
Program	Number of Units	Percent Extremely Low Income	Percent Elderly	Percent Disabled	Percent Families with Children
Housing Choice Vouchers	76,083	79%	14%	25%	51%
Public Housing	61,237	77%	29%	26%	29%
Section 8 Project-Based Rental Asst.	61,363	73%	49%	15%	26%
Supportive Housing for Elderly and People with Disabilities (202/811)	6,333	NA	75%	24%	0%
RAP/Rent Supplement	920	NA	62%	18%	10%
Section 8 Moderate Rehab.	1,371	89%	21%	23%	29%
USDA Section 521 Rental Asst.	7,161	NA	61%	NA	NA
Total	214,468	NA	32%	22%	35%

Data: Center on Budget & Policy Priorities: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3464>

The [Illinois Housing Council](http://www.ilhousing.org), is a membership organization that represents over one hundred businesses throughout Illinois, strongly supports the federal government’s investments in affordable housing.

Our members consist of for-profit and not-for-profit developers, builders and contractors, architects, title companies, attorneys, and civic organizations, all of whom are engaged in efforts to create or preserve affordable housing and to bring economic development to communities across Illinois.

IHC members feel strongly about these federal programs because we see every day how they create jobs, generate new tax base, inject new income into the pockets of local businesses and local consumers, and improve the quality of life for all sorts of people in Illinois – from elderly or disabled folks who need a place to live in dignity, to homeless vets who need a helping hand to get back on their feet, to working families who need an affordable rent so that they can save money as they climb the ladder of American opportunity to the middle class. Maybe most importantly, these programs lay the groundwork for private investment and future economic growth – by revitalizing and stabilizing weak markets and by creating affordable homes for the workforce and a local consumer base. Please support public investment in these successful and proven programs.