

Gov. Pritzker Signs Landmark Legislation Expanding Affordable Housing Funding And Incentives

July 29 2021 11:02 AM



CHICAGO – Building on efforts to increase the supply of affordable housing, Governor JB Pritzker signed House Bill 2621 into law, creating new financing programs and tax incentives to support the creation and preservation of affordable housing in communities across Illinois. This landmark legislation includes several provisions aimed at reducing the shortage of affordable housing and builds on efforts to support housing stability in

areas disproportionately impacted by COVID-19. The bill passed both the House and Senate with unanimous bipartisan support.

The Governor also signed Senate Bill 0265 into law, prioritizing access to the state's Low-Income Heating and Energy Assistance Program (LIHEAP) for families with young children and expanding access to undocumented residents.

“These two new laws mark another step forward by state government on our collective mission to ensure all our residents have the basic foundation upon which to build a successful future for themselves and their families,” **said Governor JB Pritzker.** “To date, our COVID-19 relief dollars have helped more than 289,000 families pay their utility bills and over 76,000 families stay in their homes, with tens of thousands more to come. With this legislation, we’ll fund 3,500 new affordable rental units – changing the lives of thousands more families for the better.”

“Everyone deserves a safe, stable, and affordable place to live, and this bill will help us bring housing investment and opportunity to the communities where they are needed most,” IHDA Deputy Executive Director Karen Davis said. “House Bill 2621 is a tremendous step forward in helping IHDA further our mission, and we want to thank Governor Pritzker and the Illinois Legislature for taking action to begin addressing housing affordability needs in our state.”

HB 2621 directs the Illinois Housing Development Authority (IHDA) to create a COVID-19 Affordable Housing Grant Program to support the construction and rehabilitation of affordable rental housing in areas most impacted by the COVID-19 pandemic. This program directs \$75 million in federal funding from the American Rescue Plan Act to multifamily development costs to help keep rent affordable for low-income households. The program will supplement properties that qualify for federal low-income housing tax credits and is expected to fund the development and preservation of up to 3,500 affordable rental homes and apartments by the end of 2024.

The bill also extends the Illinois Affordable Housing Tax Credit through 2026 to encourage monetary or real estate donations to affordable housing developments. The program provides a one-time state of Illinois income tax credit equal to 50% of the value of qualified donations to affordable housing developments. Since the program was created in 2001, it has motivated donations of land, buildings or funds to support the development of 21,000 affordable rental units.

In addition, HB2621 will create two separate property tax incentives to support the preservation of affordable housing, including a provision that encourages owners of multifamily buildings with 7 or more units to invest in their properties and keep rents affordable by providing reductions in post-improvement assessed value. The legislation

also strengthens existing state law requiring communities with limited stock of affordable housing to create plans to address their local housing needs.

“As a passionate advocate and dedicated provider of affordable housing for vulnerable populations all over the State, VOA Illinois is proud to stand with Governor Pritzker and the legislators who sponsored this important legislation that will further advance the scope and scale of affordable housing throughout the state and provide more places for people to truly call “home” for generations to come,” said Nancy Hughes Moyer, President and COA of VOA Illinois.

"Affordable housing is a cause I've advocated for my whole career, and I hope that affordable and equitable options prevail long after this pandemic is gone," said State Senator Mattie Hunter, Majority Caucus Chair. “As the eviction moratorium is coming to a halt, people need help with housing more than ever."

"Stable housing should be a basic human right, and that starts with making sure everyone can afford a roof over their heads," said State Representative Will Guzzardi (D-Chicago). "As a legislator from a community that's been grappling with gentrification and displacement for years, I know this law will be transformative in making sure there's more affordable housing for all the families that need it. Our neighborhood, and every community in Illinois, will benefit from these changes, and I'm deeply grateful to the governor for enacting this measure today."

"The classification nine pieces of this legislation aims to keep renters in their homes by offering relief to property owners who keep their tenant's rent affordable." said State Senator Sara Feigenholtz (D-Chicago).

"Renters across the state are counting on us to keep their communities affordable," said State Senator Ann Gillespie (D-Arlington Heights). "This plan creates a long-term strategy for affordable housing and provides stability for working people."

Today, the Governor also signed Senate Bill 0265 into law, allowing the Illinois Department of Commerce and Economic Opportunity (DCEO), which oversees LIHEAP, to prioritize assistance for families with children under the age of 6. The legislation also expands access to the state’s LIHEAP program to all Illinois residents, regardless of immigration status.

“Since launching the launch of Help Illinois Families last year, DCEO is proud to have deployed a record amount of economic relief - including expanded LIHEAP eligibility to serve hundreds of thousands of low-income families all around the state," said DCEO Acting Director Sylvia Garcia. "Thanks to the Governor's leadership throughout the pandemic and the bold action taken by members of the Illinois General Assembly, SB

0265 will help DCEO further increase the impact of the LIHEAP program this year and to bring more families on the brink of economic crisis the relief needed as we work to rebuild the economy."

As part of Governor Pritzker's Help for Illinois Families program, last year DCEO expanded access to LIHEAP utility assistance funds. Since launching the program last June the Department has issued over \$343 million in assistance to over 289,000 families statewide. Expanded eligibility created by passage of SB 0265 into law comes just in time as the Department prepares to launch a new program to deploy additional LIHEAP funds authorized by ARPA - with funds set to be made available in September 2021.

"In just a few short months, temperatures will drop, and heating bills will rise, and maintaining utilities will become a serious concern for working families. This law makes utility bills more manageable for those families," said State Representative Barbara Hernandez (D-Aurora). "After the devastating impacts of the COVID-19 pandemic, immediate passing measures to provide financial aid should be our priority. I am proud that this law fulfills such a crucial obligation."

"As a former director of a homeless shelter, I know first-hand the desperate need we have across our state for affordable housing and emergency supports. These bills are a significant step forward for our state. I am proud that Illinois has not just led on covid emergency housing relief, but we are now focusing on long term solutions for our working families." said State Representative Delia Ramirez, Assistant Majority Leader. "We know these bills that prioritizes those most in need will be in some cases lifesaving. I'm thankful for the leadership of its chief sponsors and fierce advocates in the passage of these critical pieces of legislation."

For more information on LIHEAP and to determine if you are eligible for utility payment assistance, go to [DCEO's website](#).

HB 2621 is effective immediately. SB 0265 is effective January 1, 2022.