

“91 Ways” to Create More Affordable Housing and Rent Control Isn’t One of Them



#1 MOST IMPORTANT: Assist landlords by giving them more power to deal with problem tenants. Problem tenants drive up the cost for all good tenants. By helping landlords address tenant problems and reduce unpaid rents, the cost savings will benefit all tenants in reduced rent."

#2 MOST IMPORTANT: Reduce the property tax burden on residential rental property.

Create a Construction Boom

1. More supply than demand means cheaper prices
2. Create/allow Enterprise Zones for residential housing – new/rehabbed housing receives a tax abatement
3. Create/allow rental housing to participate in TIF zones so property owners can receive TIF funding for improvements

Remove restrictive laws that have down zoned lots and structures.

4. Remove de-conversion requirements for older homes that were converted into small apartments in prior housing crisis.

Remove restrictions on using – “grand-fathered” units – they were once fine:

5. i.e. Garden apartments
6. i.e. Single Family homes that were once converted to several apartments.
7. i.e. Rental unit in what is now an owner occupied only building
8. Allow conversion of vacant storefronts in residential areas to apartments.
9. Allow building on smaller lots that were once acceptable size for building.
10. Allow unrelated people to share housing without limitation on relationship.
11. Encourage communities to issue more permits for low income housing by only issuing Community Block Grant funds to those that do.

Make it less expensive to build housing

12. Simplify planning and zoning approval process
13. Remove impact fees that discourage building
14. Streamline and shorten the permitting process
15. Cut the fees required for permits
16. Cut the fees required for inspections
17. Make trades people more available – trade schools, shop classes, etc.
18. Make government owned lots available at discounts to builders who will build smaller homes or apartments.
19. Allow tiny home communities.
20. Allow mobile/manufactured home communities.

21. Encourage local governments to remove restrictive zoning that prevents building of low-income housing.
22. Ease the process of converting vacant industrial space to housing
23. Allow zero lot line building
24. Allow enough new housing permits to keep up with population growth

Make it less expensive to operate rental housing

25. Reduce property taxes
26. Make residential exemptions readily available on residential rentals without lots of hoops to jump through.
27. Make taxes fair and equitable without needing to hire property tax lawyers.
28. Eliminate the fees for registration of rental housing
29. Eliminate the fees for licensing of landlords
30. Eliminate the fees for crime free housing training
31. Eliminate the fees for inspections – or eliminate non-warranted inspections
32. Reduce the complexity of landlord tenant laws
33. Stabilize landlord tenant laws so that attorney on retainer is unnecessary
34. Reduce the penalties associated with Chicago Landlord Tenant Ordinance (CLTO) and other such laws.
35. Eliminate lawsuit abuse and extortion associated with CLTO
36. Make tenants accountable for fines and costs that arise due to their actions
Parking, lawn care, trash, inoperable vehicles in yard, etc.
37. Reduce time required to wait for Housing Authority Inspection
38. Reduce costs for evictions
39. Reduce time for evictions (minimize months and months of no income)
40. Eliminate holiday/weather moratoriums that give away landlord's income but do not reduce their expenses.
41. Reduce the risks so that insurance costs can come down.
42. Provide tax credits for low-income rentals
43. Provide tax credits for landlords who rent properties below market
44. Remove federal income tax penalties for renting below market
45. Provide tax credits to keep low cost housing repaired and available

Lower the risk that comes with providing rental housing

46. Address lawsuit abuse
47. Address excessive fines for code compliance
48. Remove risk of retroactive law changes
49. Allow landlords to mitigate risks from tenants who habitually do not pay rent on time (eviction risk)
50. Quit threatening the investors with laws taking their property rights and their right to contract.
51. Streamline grants and eliminate the risk of major investment in preconstruction and development costs
52. Remove or lower fines for lead based paint – allowing money to be spent on remediation

53. Remove or lower fines for asbestos– allowing money to be spent on remediation
54. Remove or lower fines for mold – allowing money to be spent on remediation
55. Encourage people to rent their property - rather than making the laws too complicated and dangerous for the average citizen

Lower the demand

55. Tenants that are not working and living on public assistance should be offered incentives to move to places that have excess supply of housing.
57. Allow people to share housing.
58. Encourage families to stay intact, even if on public assistance.
59. Change zoning if necessary to allow parents to house children or parents in auxiliary apartments in their homes.
60. Keep raising taxes – it encourages people to move out of state.
Make it easier for people to buy housing
61. Allow seller financing
62. Less hoops for lenders when loaning on low priced housing
63. Increase programs where subsidies help people buy homes
64. Down payment loan programs
65. Educational programs for potential home buyers

Increase the income of tenants

66. Offer job-training programs.
67. Trade schools
68. Small business mentoring programs
69. Reduce costs of licensing for trades
70. Encourage shared housing, multiple jobs to pay rent
71. Increase money the state will provide for rental assistance to low-income people.
72. Limit time on vouchers w/o working
73. Put shop classes back in schools

Reduce other expenses for tenants

74. Offer tax credits to encourage window replacement
75. Offer bonus tax credits for installing solar power in rentals
76. Offer bonus tax credits for installing High Efficiency Furnaces
77. Offer bonus tax credits or programs for installing other energy saving devices
78. Encourage utility companies to supply LED light bulbs for rental housing

Help landlords/rehabbers to return low priced housing to the market

79. Encourage lending on low priced housing (reduce cost of underwriting)
80. Allow seller financing
81. Tax credits for rehab over 25% of after repaired value.
82. Make grants or low interest loans available for major rehab that is not economically feasible for low priced rentals.

83. Encourage community/non-profit support of rehabs for low-income rental.
84. Encourage FHA to provide FHA203K loans for rehab of rental properties.
85. Encourage HUD to loosen the requirements on # of rentals allowed in HOA's
86. Encourage HOA's to allow rentals
87. Recognize that throwing taxpayer money at housing is less than productive. It costs far more for government to do something than for the private sector to do it, and when government competes with the private sector it discourages investment.
88. Make better use of the \$10 per recording fee that is being charged to supposedly fund Rental Housing Support Program.
89. Institute a tax credit to rental property owners for providing low cost housing.
90. Institute a hard CAP on property taxes of 1% of property value like Indiana and California.
91. Encourage investment using the tax breaks allowed through investment in Opportunity Zones.

References:

Construction of new housing leads to stable and falling rents.

Seattle Example: <https://tinyurl.com/ycexlkdb>

<http://www.seattleforgrowth.org/7049-2/?fbclid=IwAR3W4P8aQ-1fmvq9Zw36C2KZnj6yasawXP7W87BBk8kITY6hqcnxQClA-Ww>

IHDA spent \$1.4 Billion to build 10,000 units of low income housing in 2016. \$140,000 per unit. IHDA also “invested” \$510 Million and leveraged \$230 Million to build 684 rental units and preserve 3,274 rental units - \$186,963 per unit.

<https://www.ihda.org/wp-content/uploads/2016/03/IHDA-FY2016-Snapshot-Final.pdf>

“But rent control is an almost equally horrible thing to foist on to a community. While it does not kill people, it creates human suffering, devastating local housing markets by dis-incentivizing new housing, creating rationing for existing housing, and contributing to a general break down of maintenance and housing supply.”

http://www.seattleforgrowth.org/democrats-preemption-looming-threat-rent-control/?fbclid=IwAR2kqpdG_fIJYJjNo_ECnRHGLPfSGUHGj_DtDCiyr6qtZyz74fngocwjusk

<http://povertylaw.org/aldermanic-report>

This list was assembled by:

Jane Garvey

President of Chicago Creative Investors Association

www.ccia-info.com

North East Regional Vice President of Illinois Rental Property Owners Association