

# The Push For Rent Control In Illinois Is Getting Started

June 27, 2018 | Chuck Sudo, Bisnow Chicago

Illinois is one of 35 states across the country with a **rent control** ban. But two bills introduced in the Illinois General Assembly — one would overturn the ban, the other would implement rent control — are slowly gaining support from legislators and community groups across the state. The Illinois gubernatorial election this November could determine the future of these bills.



The Institute for Housing Studies at DePaul University's **2018 State of Rental Housing in Cook County** report shows that nearly half of rental households in Cook County are rent burdened, meaning that more than 50% of household income is going toward rent. From 2013 to 2016, average rents have increased \$500/month while wages have grown only \$125/month.

In the Illinois House, Rep. Will Guzzardi (D-Chicago) drafted **House Bill 2430**, which would repeal the Illinois Rent Control Preemption Act of 1997, which precludes any municipality in the state from enacting laws controlling the rents of residential or commercial properties.

Guzzardi told *Bisnow* he believes that towns across the state should have the ability to take action to constrain rent increases by landlords that disproportionately affect low-income renters suffering from rent burden. He said his bill is so straightforward that even detractors should support the idea of municipalities making their own decisions.

Meanwhile in the state Senate a more dramatic step is proposed: Sen. Mattie Hunter (D-Chicago) introduced **Senate Bill 3512**, aka the Rent Control Act. SB 3512 would establish six elected regional rent control boards across Illinois funded by an annual per-unit fee payable by landlords, and tie annual rent hikes to no more than the change in inflation. These boards would have the ability to regulate how much a landlord could raise rents and, theoretically, be used as a tool to support rent-burdened households.

**The Illinois Rent Control Preemption Act of 1997** that forbade rent control in the state is a near-verbatim copy of a **model law** from the American Legislative Exchange Council, a nonprofit organization of state legislators and private sector

representatives who draft model legislation for state governments. The law effectively strips Illinois towns of their ability to determine municipal policies without interference from Springfield.

“This is a crisis and elected officials should be talking about it,” said Robin Peterson, co-chair of the South Side branch of the Chicago Democratic Socialists of America.

Peterson said rent burden is not unique to Chicago and Cook County. College towns, rural areas and even mobile home renters and owners are suffering from rising rents and taxes.

The Chicago DSA is a member of Lift the Ban, a coalition of community groups working to raise awareness of the bill at the community level. During the March primary, voters in 77 precincts across Chicago overwhelmingly approved a nonbinding referendum in support of the bill. Peterson, who lives in **Bronzeville**, said the neighborhood is gentrifying fast. The pending construction of the **Obama Presidential Center** has led to real estate sale prices and property taxes increasing. That, in turn, is driving out low-income renters and homeowners. In Pilsen, one-bedroom apartments that used to rent for \$500/month are now renting for up to three times that amount.

The coalition reached out to Hunter, whose district includes Bronzeville. Hunter suggested she draft the rent control act. The bill now has nine co-sponsors and is being refined.

## Opponents Warn Rent Control Will Lead To Disinvestment



Opponents of the bills argue that repealing the 1997 law will result in landlords being unable to raise rents to keep up with rising maintenance costs and higher property taxes, and eventually promote urban blight because landlords will not be able to repair their buildings and will struggle to rent dilapidated units. Developers, meanwhile, will be unwilling to build new apartments, resulting in a shortage of rental housing.

The Illinois Association of Realtors opposes any form of rent control or stabilization. Illinois Realtors Local Director of Governmental Affairs Brian Bernardoni **testified before an Illinois Senate subcommittee** that rent control in many cases increases regulations while reducing supply.

Bernardoni proposed alternatives including:

- Tying state housing assistance to encouraging municipalities to seek alternatives to existing regulatory barriers to affordable rentals.
- Mandating an affordability note on home rule municipalities.
- Establishing a state standard to evaluate home rule communities on efforts to deregulate and achieve affordable housing.
- Understanding that rent control is unnecessary in a market that corrects itself.

The Chicagoland Apartment Association argues that rent control will reduce the quantity and quality of affordable housing. Executive Vice President Michael Mini [cited a 2017 Stanford University study](#) showing rent control in San Francisco reduced the rental supply by 15%, while rental prices overall increased by 5%. Mini proposes policymakers focus on [attracting more multifamily development](#), which would lower prices through increased supply.

Guzzardi said industry arguments against rent control are largely a bogeyman, and believes the two sides can address regulating rents while keeping up with rising maintenance costs for landlords and cost of living increases for renters.

“But we can also agree that rents should not be raised overnight to replace working-class people,” Guzzardi said.

HB 2430 and SB 3512 were returned to the rules committee at the end of the General Assembly's spring session in May. Guzzardi said he intends to reintroduce his bill in January, and said it may have more support. Peterson said Lift the Ban is making a concerted effort to raise awareness of the bills across the state with three public meetings outside of Chicago in September, and another in Chicago.

Democratic gubernatorial nominee J.B. Pritzker said he supports the bills, and Guzzardi said the move to repeal the ban has the support of Senate President John Cullerton (D-Chicago).

"As we demonstrate more and more about this, we have a strong possibility to move the bill out of the House," Guzzardi said.

See Also: [CHA Approves Construction Financing For Logan Square LGBTQ Housing](#)

Related Topics: [Chicagoland Apartment Association](#), [chicago affordable housing](#),

brian bernardoni, Will Guzzardi, Chicago affordable housing legislation, Illinois Association of realtors, Illinois Rent Control Ban, Illinois affordable housing, Illinois affordable housing legislation, Lift the ban coalition, Democratic Socialists of America, Michael Mini, Mattie Hunter, Illinois House Bill 2430, Illinois Senate Bill 3512

**CHICAGO REPOSITIONING & ADAPTIVE REUSE**

JULY 25, 2018 | REGISTER NOW

FEATURED SPEAKER

**ROBERT BURK**

Co-Founder, UrbanStreet Group

