

Technical Amendments to the Housing Opportunity Area Tax Abatement Act (HOTA)

Ill. Rep. Dave Winters (R-Rockford) & Rep. Barbara Flynn Currie (D-Chicago)

- The Housing Opportunity Area Tax Abatement Act (HOTA), passed in 2003 and implemented in 2004, provides an **incentive for property owners in “opportunity areas”** (defined as communities with low poverty rates and healthy tax bases) to rent a portion of their apartments to households using Housing Choice Vouchers (HCVs)
- In addition to creating needed **opportunities for local workers and other lower income households to afford housing** in job rich neighborhoods, this bill also enables area housing authorities to reduce concentrations of HCVs in traditionally low-income and often segregated communities
- The program is limited to counties with a population of over 200,000 in order to target the large metropolitan areas with significant numbers of HCVs

Affected Housing Authorities

Housing Authority	HCVs ¹	HOTA apartments ²
Chicago Housing Authority	33,926	2,000
Housing Authority of Cook Co.	11,443	1,000
DuPage Housing Authority	2,537	545
Lake Co. Housing Authority	2,385	200
Joliet Housing Authority	1,039	n/a
Rockford Housing Authority	1,766	0
St. Clair Co. Housing Authority	2,016	n/a

¹ Total HCVs in jurisdiction based on HUD 2003 data

² Total apartments using HOTA in 2007 based on reporting by H.A.s and Cook Co. Clerk's office



* Current definitions have excluded the Rockford Housing Authority (in Winnebago County), which would like to utilize the incentives

Amendment One: Update the definitions in the Act to allow the Rockford Housing Authority to use the program.
(this change will not affect either the City of Chicago nor Suburban Cook County, and will have minimal impact on other areas)

Regional Housing Initiative:
 a consortium of housing authorities working with the Illinois Housing Development Authority and the Metropolitan Planning Council that have "converted" HCVs to be used as operating subsidies in eligible properties. RHI encourages more housing options for HCV households in mixed-income communities and opportunity areas.
www.regionalhousinginitiative.org

Amendment Two: Update the definitions in the Act to allow the Regional Housing Initiative (RHI) -- and other homes created through HCV "conversion" -- to use the program.

- RHI partners have created a virtual pool of HCVs to be used as operating subsidies in new or existing apartment buildings
- RHI has already created:
 - 109 apartments** within mixed income communities
 - 83 in Chicago
 - 26 in Suburban Cook County
 - RHI has recently approved:
 - 111 apartments** within mixed income communities in the suburbs
 - 80 in Lake County
 - 26 in McHenry County
 - 5 in Cook County