SHAPE Illinois — Supporting Housing Affordability, Progress and Equality.

Alternatives to Rent Control for 2026

ALTERNATIVE	DESCRIPTION
Extend the Illinois Affordable Housing Tax Credit	The Illinois Affordable Housing Tax Credit HB 4413 (Avelar) (the state donation tax credit) is set to expire at the end of 2026. Renewing the tax credit for an additional 10 years and increasing its funding would incentivizes private donations to support both affordable homeownership and rental housing across Illinois.
Supportive Tax Policy	Create a state tax credit (the "Build Illinois Homes Tax Credit"). HB 1147 (Avelar) / SB 62 (Peters) would incentivize construction of affordable housing, create private investment, and expand access to existing unused federal aid.
Lessen Local Impact Fees	Added costs and fees can weigh down housing development, and when projects don't pencil out, they don't get built. SB 1959 (Castro) would incentivize towns and cities to bring down their municipal impact fees, which add to the cost of home building and can inhibit growth.
Build Missing Middle Housing	Governor Pritzker launched a statewide effort in 2026 to promote housing development that meets the needs of working families. Several additional measures were also introduced to move these efforts forward during the Spring legislative session, including efforts to promotes duplexes, townhomes & other "missing-middle" style homes and replicate it for larger municipalities; creation of a 3-year pilot program to facilitate housing development in small metropolitan areas across Illinois and more.
Open More ADUs	HB 3552 (Buckner) / HB 1813 (Rita) end zoning bans on accessory dwelling units ("ADUs"), removing the limits and allowing homes across the state to open housing options like coach houses or "granny flats" on the same property; idea has already passed in Colorado, Arizona, and Hawaii.
Public-Private Partnerships	Replicating other areas' public-private partnerships (similar to the Housing Choice Voucher program) can help match market-rate units with working families and individuals and fund the gap between market rent and the residents' payment portion.
Preservation of Affordable Housing	To preserve affordable housing in neighborhoods in need, SB 1981 (Preston) helps homeowners with property taxes who rent part of their home. HB 3412 (Elik) and SB 1261 (Guzman) support construction and rehabilitation of homes in underserved areas of the state.
Explore How to Best Define "Affordable"	Because cost of living, job opportunities, and access to assistance programs may vary by neighborhood, a study or pilot program could help ensure that income limits and other program thresholds are realistic at the local community level to effectively help those in need.
Faith Community Partnerships	California and several other states utilize partnerships with religious institutions to find natural synergies in housing development. Becoming known as YIGBY ("Yes in God's Backyard"), the idea is to transform underutilized faith-based property into affordable housing options with favorable property taxes already in place. SB 2126 (Turner) would create property tax incentives for faith-based organizations that create and hold long-term affordable housing. SB635, SB 3187 (Feigenholtz) / HB 5083 (LaPointe) proposes cutting red tape to make developments like this possible.