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Governor Quinn Signs Legislation to Spur Construction of Affordable Housing, Job Creation

Governor Also Acts to Help Homeowners Avoid Foreclosure

CHICAGO - August 2, 2010. Governor Pat Quinn today signed legislation that will boost affordable housing development across Illinois. Governor Quinn also signed a bill into law that will for the first time create funding to protect Illinois homeowners from foreclosure, and help stabilize communities throughout the state.

"In these tough economic times, we must work to increase affordable housing for Illinois families and create more construction jobs," said Governor Quinn. "We also must do what we can to make sure our state's residents have the resources they need to weather this national financial crisis and keep their homes."

Governor Quinn extended a statewide program that leverages private investment in the development of affordable housing and creates construction jobs across Illinois. House Bill 6038, sponsored by Sen. James Clayborne Jr. (D-East St. Louis) and Rep. Arthur Turner (D-Chicago), extends the Illinois Affordable Housing Tax Credit through 2016. Set to expire next year, the credit available through the Illinois Housing Development Authority (IHDA) provides a 50 percent state income tax credit for affordable housing and employer-assisted donations to qualified non-profit affordable housing sponsors. As a result of the extension, an estimated 15,000 jobs will be created.

"With the extension of the state donation tax credit, Illinois will continue to have available, valuable and affordable housing development resources during this foreclosure crisis," said Gloria L. Materre, IHDA Executive Director. "Governor Quinn's extension of the tax credit exemplifies his commitment to encouraging the development of affordable housing for our hard-working Illinois families."

The new law is effective immediately.

Senate Bill 3739, sponsored by Sen. Jacqueline Collins (D-Chicago) and Rep. Joseph Lyons (D-Chicago) creates the Save Our Neighborhoods Act of 2010. Under the new law, funding will support housing counseling and approved foreclosure prevention outreach programs. The funding will come through a new \$50 fee for plaintiffs filing a foreclosure complaint, which will go toward funding foreclosure prevention efforts. The new law is expected to generate millions of dollars for grants to community-based groups to connect struggling homeowners with counseling help and foreclosure prevention programs.

The law also extends the Homeowner Protection Act, which gives eligible homeowners who work with a HUD-approved counselor an additional 90 days to catch up on payments or work on an agreement with their mortgage lender.

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Also under the new law, municipalities can apply for grants to assist with demolition costs and other associated expenses incurred when eliminating the public safety threat of vacant and abandoned properties. The grants will be funded through a new \$1 fee for every \$1,000 of value at judicial sales of foreclosed property, up to \$300. Mortgagees acquiring residential real estate are exempt from the fee. IHDA, the state's housing finance agency, will administer the new statewide grants.

The Save Our Neighborhoods Act of 2010 goes into effect on Jan. 1, 2011.

Governor Quinn also signed Senate Bill 374, creating the Housing and Transportation Affordability Index Act. The Center for Neighborhood Technology developed the index to show the impact of transportation costs on overall affordability in the state's metropolitan areas. Sen. Kwame Raoul (D-Chicago) and Rep. Barbara Flynn Currie (D-Chicago) sponsored the legislation. The law goes into effect Jan. 1, 2011.

Governor Quinn also signed Senate Bill 3666 sponsored by Sen. Toi Hutchinson (D-Olympia Fields) and Rep. Al Riley (D-Olympia Fields), and Senate Bill 2350 sponsored by Sen. Susan Garrett (D-Lake Forest) and Rep. Dennis Reboletti (R-Elmhurst), which extend property tax exemptions for Veterans.

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