



**FOR IMMEDIATE RELEASE:**  
Friday, February 3, 2012

## **Governor Quinn Announces Plan to Revitalize Vacant, Foreclosed Homes in Six Communities**

*'Building Blocks' Pilot Program Will Rehabilitate Vacant Properties, Increasing Affordable Housing and Stabilizing Neighborhoods*

BERWYN – February 3, 2012. Governor Pat Quinn was joined today by Cook County Board President Toni Preckwinkle and six Cook County mayors to announce a new initiative to return vacant, foreclosed properties to productive use. An initiative laid out in the Governor's State of the State address earlier this week, the Illinois Building Blocks Pilot Program will rehabilitate vacant properties and increase affordable housing in the communities of Berwyn, Chicago Heights, Maywood, Park Forest, Riverdale and South Holland.

In the pilot phase of the program announced today, a \$55 million joint commitment from the state of Illinois and Cook County will help the six communities stabilize neighborhoods, protect property values, preserve the existing local tax base and increase affordable housing stock. The localities selected for the pilot have been among those hardest hit by the foreclosure crisis.

"The Illinois Building Blocks Pilot Program is a strategic effort to help stabilize communities struggling with the foreclosure crisis," Governor Quinn said. "By turning vacant properties into affordable housing, we're assisting existing homeowners, strengthening hard-hit neighborhoods and boosting affordable homeownership options for working families."

Abandoned properties burden communities by creating blight, attracting crime and reducing the local tax rolls. On average, homes located the same block as a foreclosed property can drop \$8,000 to \$10,000 in value.

Returning properties to productive use benefits communities by creating jobs and increasing local revenue from property taxes and real estate taxes. Communities also benefit from increased consumer spending by contractors, as well as residents furnishing their new homes. The increase in affordable housing stock helps families starting out or starting again, and promotes economic growth.

"I am excited to partner with Governor Quinn and the state of Illinois in this joint effort to stem the tide of the foreclosure crisis in our underserved communities, and revitalize Cook County's neighborhoods," Cook County President Preckwinkle said. "We must continue to focus on a regional economic development strategy that more effectively leverages our resources to spur economic growth, and the Building Blocks program is a step in the right direction."

The Illinois Building Blocks Program, administered by the Illinois Housing Development Authority (IHDA), has three components:

- Financing to rehabilitate vacant properties to prepare them for productive use and for sale;
- Assistance to homeowners to purchase homes in pilot communities; and
- Support for existing homeowners in the communities to prevent additional foreclosures.

-MORE-



The rehabilitation component includes \$40 million from the *Illinois Jobs Now!* capital program and \$10 million from Cook County to facilitate the acquisition and rehabilitation of vacant properties within the targeted areas. As the rehabbed homes are sold, funds are replenished into the revolving fund to purchase and rehabilitate additional properties. The pilot program could rehabilitate at least 500 properties in the six communities.

The second component provides assistance for homeowners to purchase vacant properties, including those rehabilitated in the pilot project. Grants of \$10,000 for down payment and closing cost assistance are available for up to 500 homebuyers purchasing vacant properties. The program also includes affordable first position mortgages for qualified buyers in order to make the cost of purchasing vacant homes in the communities as affordable as possible. The pilot also permits a lower FICO score threshold, so that a greater number of potential homebuyers can qualify for loans.

The Illinois Building Blocks Program will also help current homeowners in the six communities by providing tools to prevent foreclosure. The efforts will build on the Illinois Foreclosure Prevention Network (KeepYourHomeIllinois.org), launched in the Governor's State of the State address. Programs in the six communities will include free one-on-one foreclosure counseling, loan modifications, and access to financial assistance to homeowners who have trouble paying their mortgage payments due to unemployment or under-employment.

The Illinois Building Blocks Pilot Program builds upon existing efforts already under way in many of these communities, particularly federally-funded Neighborhood Stabilization Program (NSP) development. Under Governor Quinn, Illinois has committed \$58 million in NSP funding and is already restoring nearly 450 foreclosed or vacant housing units in Illinois, creating an estimated 580 jobs.

"With the highest inventory of foreclosed homes in the nation, the Chicago region requires a focused foreclosure response like the Illinois Building Blocks Pilot Program," said Mary Kenney, IHDA Executive Director. "This program represents a multifaceted approach and is an important part of Governor Quinn's overall housing strategy to address the economic, public safety and quality of life issues caused by abandoned and foreclosed properties."

The Illinois Housing Development Authority ([www.ihda.org](http://www.ihda.org)) is an independent, self-supporting bonding authority that finances the creation and preservation of affordable housing throughout Illinois. Since 1967, IHDA has allocated more than \$10.6 billion to finance more than 215,000 affordable housing units for the residents of Illinois.

###