



OFFICE OF THE GOVERNOR
ROD R. BLAGOJEVICH - GOVERNOR

NEWS

Print Release

Close Window

FOR IMMEDIATE RELEASE

July 3, 2005

Gov. Blagojevich launches the nation's largest rental assistance program
Rental Housing Support Program will help 4,000 to 5,000 families afford safe and decent homes

CHICAGO – Governor Rod R. Blagojevich today signed a new law creating the largest state rental assistance program in the nation. The Rental Housing Support Program will help 4,000 to 5,000 families find safe housing that they can afford.

“People need housing that’s safe, dependable and affordable. They need to live near their jobs and their schools. Affordable housing is a critical element to helping hard working people get ahead,” said Gov. Blagojevich. “Our new program will help families get affordable housing and build better lives. Our program will also help senior citizens and people with disabilities find housing in their communities.”

Sponsored by Senator Iris Martinez (D-Chicago) and Representative Julie Hamos (D-Evanston), the Rental Housing Support Program is expected to generate \$30 million in its first year of operation to help as many as 5,000 families. Less than half the states in the nation have a rental assistance program, and only two states, Massachusetts and Connecticut provide long-term rental support.

“The creation of a long-term rental assistance program is a key strategy of the Governor’s housing plan *Building for Success*, the first statewide comprehensive housing plan in Illinois.” said IHDA Executive Director and Co-Chair of the Governor’s Affordable Housing Task Force Kelly King Dibble. “IHDA will work with local governments, housing authorities and community groups to use this new resource to meet the affordable housing needs of Illinois residents.”

Through the Rental Housing Support Program, landlords throughout the state will receive grants to make rental units affordable to households who earn less than 30% of the area median income, or approximately \$19,000 per year for a family of four. The IHDA will award funds to local administering agencies, which can be local housing authorities, municipalities, or community groups. The local administering agencies will then contract with landlords who apply to the Rental Housing Support Program. The agencies will also help determine tenant eligibility and inspect every unit included in the program. Tenants will pay a flat rent of approximately 30% of their income and the local administering agency will pay the balance of the rent negotiated with the landlord. As required by the legislation, a minimum of 10% of the funds will finance new development and half of the funds will be dedicated to affordable housing for people earning less than 15% of the area median income. The new housing is paid for by a \$10 collected fee from real estate document recordings.

“This landmark legislation will help thousands of Illinois families create a better future,” said Rep. Hamos. “Many people have worked diligently to bring this program to life. Today, as we celebrate this achievement, we renew our commitment to quality, affordable housing for the people of Illinois.”

“In the face of decreased federal support for affordable rental housing, the Rental Housing Support Program is needed now more than ever,” said Sen. Martinez. “I commend Governor Blagojevich, members of the General Assembly, housing advocates and everyone who dedicated their time, energy, and insight to create this program.”

“We thank the Governor for signing this bill that will make housing affordable for thousands of extremely low-income families throughout Illinois,” said Julie Dworkin, Director of Policy for the Chicago Coalition for the Homeless, the advocacy group that led the effort to win passage of the bill. “The new law will assist households that are in danger of becoming homeless because they are paying too much of their income for

rent. Enacting this legislation makes Illinois a national leader in the fight for affordable housing.”

The Rental Housing Support Program joins several other measures as part of Gov. Blagojevich’s commitment to affordable housing. This includes the Illinois Affordable Housing Task Force and Illinois’ first comprehensive housing plan *Building for Success* that brought increased awareness to the affordable housing needs of Illinois residents. In addition Governor Blagojevich signed the Affordable Housing Planning and Appeals Act and the Federally Subsidized Housing Preservation Act into law, he extended the Illinois Affordable Housing Tax Credit, and increased funding for supportive housing for people who are homeless or mentally ill. These actions have brought a new focus on the state’s housing needs and have expanded the resources available to create and preserve quality, affordable homes.

HUD guidelines define affordable rent as 30% of monthly income. For a full-time worker who earns the minimum wage, affordable rent is \$338 per month and for senior citizens living on Social Security income it is \$262 per month. The HUD Fair Market Rent for a two-bedroom apartment in Carbondale is \$500. In Springfield, it is \$567 and in Chicago, it is \$906.

The Rental Housing Support Bill takes effect July 5, 2005.