



OFFICE OF THE GOVERNOR

ROD R. BLAGOJEVICH - GOVERNOR

NEWS

FOR IMMEDIATE RELEASE:

April 14, 2006

CONTACT:

Cheryle Jackson	312/814-3158
Abby Ottenhoff	312/814-3158
Gerardo Cardenas	312/814-3158
Rebecca Rausch	217/782-7355
Man Yee Lee (IHDA)	312/836-5234

**Gov. Blagojevich announces state's first
comprehensive housing plan helped 12,500
Illinois working families, seniors and people with
disabilities secure affordable housing in 2005**

Coordinated \$1.3 billion investment enables state to exceed goals for helping families hold onto their homes or become first-time homeowners, and helping seniors find affordable rental units

SPRINGFIELD – Building on his commitment to help working families, seniors, and people with disabilities have access to quality, affordable housing, Governor Rod R. Blagojevich today announced that more than 12,500 Illinois families were able to purchase and keep their homes in 2005 through an unprecedented state coordination on affordable housing. Under the Governor's 2005 *Building for Success*, the first statewide comprehensive housing plan, state agencies succeeded in spending more than \$1.3 billion to address the housing needs of low income working families, seniors, and residents with special needs.

“Everyone deserves a place to call home, but so many people – especially working families and senior citizens – struggle to find housing they can afford, on top of all their other basic expenses. That’s why last year we pulled together several state agencies that work on housing issues to coordinate their efforts to help people in need find homes they can afford,” said Gov. Blagojevich. “In its first year our coordinated approach has helped thousands of Illinois families find decent housing that they can afford, which means they’ll have money left over for all of the other things a family needs.”

Successes under the Governor’s 2005 Housing Plan meant, for instance that nearly 200 homebuyers were able to purchase their first home in Kendall County; almost 7,000 low-income

families were assisted with weatherization improvements to their homes across the state; over 1,000 low or moderate-income individuals and families in Joliet, Quincy, Cook County, Lee County and Rock Island County had their public housing units renovated; and 140 individuals at risk of becoming homeless will be able to move to St. Leo's Residence in Chicago, among many other accomplishments.

The Governor's 2005 Housing Plan allowed for spending earmarked for affordable housing at several state agencies to be strategically targeted to the following priority populations: very low income households and families; low income seniors; low income people with disabilities; homeless people and those at risk of becoming homeless; low and moderate income families and people unable to find affordable housing near jobs or transportation; and low income families and people living in existing affordable housing in danger of becoming unaffordable.

For several of the priority populations, actual number of households served and dollars expended exceeded the Plan's projections. More than 10,000 new and existing homeowners received loans, down payment assistance or rehabilitation grants, substantially more than the 4,200 originally projected. This included a 32% increase in mortgage lending to first-time homebuyers from 2004.

The Plan initially projected that nearly 750 senior citizens would receive affordable rental housing financed with \$77 million in grants and loans. Actual 2005 spending for seniors was \$301 million. The increase is due in part to bond financing used to acquire and preserve existing affordable housing, which helped more than 5,500 seniors live in affordable rental homes.

Also in 2005, over \$290 million was spent to create or preserve affordable housing for more than 4,500 low income families compared to projected spending of \$153 million for 1,400 low income families.

Building for Success: Illinois Comprehensive Housing Plan was developed by the Governor's Housing Task Force. The 35 members of the Task Force include advocates, developers, lenders, and state agency representatives, including eight Illinois state agency directors. Under the Governor's direction, the Task Force recently developed "*On the Road to Success: Illinois Comprehensive Housing Plan 2006*" which continues to build on the coordinated success of the 2005 Comprehensive Housing Plan.

"Gov. Blagojevich is the first Illinois governor in history to require the comprehensive coordination of the state's housing programs," said Kelly King Dibble, Illinois Housing Department Authority's (IHDA) executive director and chair of the Task Force. "Before the Executive Order was issued, more than a dozen state agencies were providing housing assistance, yet there was no system in place to coordinate all the efforts and to ensure the assistance was reaching those families who needed it the most. Now, because of the coordinated approach of the Governor, there is."

The Governor's Affordable Housing Task Force's Progress Report, sent this week to the General Assembly, showed that in 2005, 2,074 low and moderate-income families across the state became first-time homeowners – a 32% increase from 2004 – thanks to \$217 million in loans and

other assistance under the state's I-Loan Mortgage and I-Loan Certificate programs. The state helped an additional 10,684 low and moderate-income working families, seniors and people with special needs find rental homes, thanks to more than \$623 million in state financing.

"It is the responsibility of the Task Force members to ensure that the state follows through with the goals set forth in the Housing Plan and remains committed to helping the citizens of Illinois find affordable housing," said Julie Hamos, State Representative (D-Evanston) and leading legislator on the Task Force.

Illinois's affordable housing accomplishments for 2005 fall into three areas: homeownership; rental housing; and policy and leadership. Thanks to the Governor's housing plan, in 2005:

- 2,074 Illinois homebuyers in 80 counties purchased their first homes with more than \$217 million from I-Loan programs including 195 loans in Kendall County, 155 loans in Cook County and more than 120 loans in Adams County.

"The state's I-Loan programs offer a below market, safe 30-year fixed rate mortgage, or a federal tax credit worth up to \$2,000 per year for up to 30 years for qualified homebuyers. And as one of IHDA's approved lenders, Second Federal helps low and moderate-income families become homeowners and protect them from predatory loans," said Joan Batcha, chief lending officer for Second Federal Savings and Loan Association.

- 880 low-income families and seniors were able to remain in their homes due to \$21 million in state financing for home rehabilitation.
- Funding through the Department of Healthcare and Family Services assisted 6,900 families with weatherization improvements and energy assistance grants to reduce high heating bills through the cold winter months.
- 60 families in Rock Island, Champaign and Winnebago Counties were able to afford the down payment on a home near their work with about \$2 million in financing.
- IHDA provided \$223,000 in financing to five Centers for Independent Living to help nearly 50 families with disabilities buy their own homes in counties such as Macon, Champaign and Peoria.

"Less than 10% of people with disabilities own their own homes compared to 60% of Illinoisans who are not disabled. IHDA is making a difference by creating opportunities for many disabled people to realize the American dream of homeownership," said Robin Benson, project manager at Homeownership Coalition for People with Disabilities.

- State agencies worked to create or rehabilitate 5,500 rental units across Illinois with \$301 million in financing for low-income seniors.
- Illinois acted to help more than 540 low-income seniors find homes in five new Supportive Living Facilities authorized by DHFS. The state financed \$52 million for the

construction of the Barton Senior Residences of Zion in Lake County, the Cambridge House of Maryville in Madison County, the Knollwood Retirement Center in Jacksonville, Morgan County, the Victory Center of Roseland and the Victory Center of Bartlett, both in Cook County.

- IHDA allocated more than \$214 million to ensure that 5,200 existing rental units across Illinois, including RiverStone Apartments in Bolingbrook and Palmer Square Apartments in Chicago, remain affordable to their low or moderate-income tenants.
- Nearly \$26 million was financed to support improvements to more than 1,000 public housing units in Joliet, Quincy, Cook County, Lee County, and Rock Island County.

“The local housing authorities will be able to accelerate major renovation and improvement works to their properties and communities with the up-front cash. Tools such as the Public Housing Authority Capital Fund Bond Program ensures that the right assistance gets to the right groups of people in need,” said Brian Hollenback, executive director of Rock Island Economic Growth Corporation and Task Force member.

- The state provided \$15.1 million in financing for safe homes in nine developments for 365 families and individuals facing homelessness. St. Leo’s Residences in the City of Chicago alone is able to house more than 140 individuals in the new facility.

“Veterans often come home with specific physical and psychological issues that can lead to homelessness. Facilities like St. Leo’s not only provide veterans with a safe home, but the on-site medical services and job resource centers also make sure that the unique needs of this population are addressed,” said Roy L. Dolgos, director of the Illinois Department of Veterans’ Affairs.

- More than 8,450 households received more than \$4.9 million in temporary housing assistance from the state’s Homelessness Prevention Program under the Department of Human Services (DHS).
- In addition, 8,200 families and individuals in need obtained important case management and supportive services under DHS’s Supportive Housing Services program. Resources for each of these important programs were increased in 2005.
- The Governor signed into law the extension of the State’s Affordable Housing Tax Credit for an additional five years to continue to provide an important state resource for financing the creation and preservation of affordable housing developments. Last year, more than 1,240 families, both homeowners and rental tenants were able to find or preserve their affordable homes, utilizing approximately \$10 million in state tax credits and leveraging nearly \$30 million in equity.