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# News Release

## **Illinois Housing Development Authority approves \$1.2 million for rehab work to allow 88 low-income families statewide to remain in their rental homes**

*Funding will give landlords an incentive to keep rents low*

**CHICAGO** – The Illinois Housing Development Authority (IHDA) announced today that it has approved \$1.2 million in federal HOME funds to help landlords across the State pay for rehabilitation work to their properties that will allow low-income families to remain in their homes. The funds make up IHDA’s 2007 grant allocations for the State under the Small Rental Properties Program. The program helps to increase and preserve the State’s affordable housing stock by giving small rental property owners financial assistance to maintain their properties and keep rents low.

“Under Governor Rod R. Blagojevich’s leadership, IHDA is proud to finance the creation and preservation of affordable housing throughout the State and increase the supply of decent and safe homes for low-income families. Reducing the financial burden of building maintenance for property owners keeps rents down so low-income families can still afford their homes,” said Kelly King Dibble, executive director of IHDA.

IHDA will award the grants to seven cities around the State to administer as forgivable loans to more than 60 owners of small, eligible rental properties. Landlords will receive between \$2,000 and \$14,999 per unit to conduct rehabilitation such as repair work on roofs, windows, furnaces and plumbing. The loan does not have to be repaid provided the units are kept affordable for five years.

“In my eyes, the funding from IHDA provides a win-win situation. I was able to afford to make necessary repairs that ensured I was providing a decent place to live for my tenants and at the same time it actually felt good to charge less in rent, knowing that I was helping lower-income families to get a good start. Given the need for affordable rental housing in our area, I know my property will never sit empty as long as I maintain it,” said Rock Island property owner, Joe

Newberry. Newberry received funding in 2001 that allowed him to rehabilitate his eight-unit property in downtown Rock Island and keep the rents low for local families.

Quincy property owner Jane Fredricks has received funding from IHDA over the past five years that has allowed her to rehabilitate seven of her apartments in the City. "I wouldn't have been able to afford to rehabilitate the property using just my own money. Besides having the opportunity to help provide affordable housing for low-income families, I was able to save some of the beautiful historical buildings in the area from demolition and that's important to me," Fredricks said.

To qualify for the loans, properties must contain 11 or fewer units and the landlords must obtain at least 25% of the total project costs from other sources, as well as set rents within federal Department of Housing and Urban Development (HUD) affordability limits. Participating landlords must also lease to low-income families and individuals who earn less than 60% of the area median income. Only cities and jurisdictions that are not designated their own HOME funds from HUD are eligible to apply to IHDA for the funding.

The cities awarded funding for 2007 are: Herrin (\$208,150), Christopher (\$176,125), Quincy (\$173,239), Rock Falls (\$125,992), Kankakee (\$157,500), Rock Island (\$125,992) and Stephenson County (\$265,000). The municipalities will select the landlords on a first come, first served basis.

"A lot of small rental property owners don't have the extra funds lying around to pay for rehabilitation work like a big property magnet would. The funds allocated by IHDA helps keep the units in good shape and the rents low, which is good for the whole city," said Victor Ritter, Mayor of the City of Herrin.

Since 1995, the Small Rental Properties Program has allowed IHDA to allocate \$14.5 million to help landlords across Illinois repair their properties, providing 930 low-income families with safe, decent and affordable homes.

IHDA also offers a number of other programs to help preserve and rehabilitate the State's affordable housing stock including the Single-Family Owner-Occupied Rehabilitation Program and the Home Modification Program. In 2006, IHDA financed \$185 million to preserve the affordability of residential units for more than 2,900 low-income families statewide.

Creating and preserving affordable housing is one of the three major principles outlined in the Governor's 2005 *Building for Success: Illinois' Comprehensive Housing Plan*. The Plan called for spending earmarked for affordable housing at several state agencies to be strategically targeted to the following priority populations: very low income 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.

The 2005 Housing Plan was developed by the Governor's Housing Task Force, and organized and lead by IHDA. The 35 members of the Task Force are advocates, developers, lenders, and state agency representatives, including eight Illinois state agency directors. Under the Governor's direction, the Task Force developed "*On the Road to Success: Illinois'*

*Comprehensive Housing Plan 2006*” and more recently “*Affordable Housing Dimensions: Illinois’ 2007 Comprehensive Housing Plan*” which highlights how the Governor’s vision as outlined in the first Plans, is already reshaping affordable housing in Illinois.

About the Illinois Housing Development Authority

IHDA ([www.ihda.org](http://www.ihda.org)) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation by an act of the Illinois legislature in 1967, IHDA has allocated more than \$7.27 billion and financed more than 174,000 units of affordable housing across the state. IHDA accomplishes its mission through a number of federal and state funding sources, including the Illinois Affordable Housing Trust Fund, the Illinois Affordable Housing Tax Credits Fund, the allocation of federal Low Income Housing Tax Credits, HOME Investment Partnership funds and others. IHDA is also a bonding authority, and independently sells bonds, based on its own good credit, to finance affordable housing across the state.