

# **Supplemental Materials Guide to Illinois' 2020 Annual Comprehensive Housing Plan**

Plan Effective:  
Calendar Year, 2020

Submitted To:  
J.B. Pritzker, Governor  
And  
The Illinois General Assembly

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## Introduction – Supplemental Materials Guide

This report serves as a supplemental information guide to the **Annual Comprehensive Housing Plan (ACHP)**, which provides a comprehensive and unified policy for the allocation of resources for affordable housing and supportive services for historically underserved populations throughout Illinois. As required by the **Comprehensive Housing Planning Act (CHPA)**, as amended P.A. 99-0564, the ACHP is updated and submitted to the Governor and Illinois General Assembly by January 15<sup>th</sup> of every year. In previous iterations of the ACHP, detailed narratives of affordable housing programs in Illinois were included along with the submission of statutorily required funding estimates for State housing programs and services for the upcoming calendar year. However, in the interest of streamlining the ACHP, those narratives are now included separately with this guide.

In this report, State administered programmatic information along with funding estimates and anticipated amounts to be made available in 2020 are categorized accordingly by this year's **ACHP focus areas**, which are explained further in this report and summarized below. The **annual focus areas** are determined every year by the members of the **State Housing Task Force**, which serves in an advisory role and consists of Governor-appointed housing experts and other representatives of statutorily-appointed State agencies. For more extensive information on this, please see the 2020 Annual Comprehensive Housing Plan.

## Annual Comprehensive Housing Plan – Focus Areas

The ACHP is as responsive to new developments in affordable housing as possible and when new issues, use of funds, or innovation arises, the Housing Task Force generally develops new focus areas that target topical trends, pressing issues or priorities in housing for the State. These annual focus areas are often derived from the ACHP Technical Plan, which identifies overarching strategies, action items and recommendations for the State. The 2020 annual focus areas are listed below.

### Focus Area #1: Revitalizing Communities

Utilize current funding and explore new programs and initiatives to assist communities in developing a balance of affordable homeownership and rental opportunities, preserving existing affordability and mitigating displacement caused by market pressures, and expanding innovative methods for infill and sustainable reuse of foreclosed properties.

### Focus Area #2: Supportive Housing

Assist special needs populations and those transitioning into (or remaining in) community-based living settings with services that support their needs, including long-term care services and supports.

### Focus Area #3: Leadership and Capacity Building

Enhance collaborative planning efforts to foster policy changes that better address the housing needs of all Illinois residents. Identify and determine ways to maximize and support new and existing state and federal resources, and work to align resources with policies that promote equal access to quality housing throughout the State.

### Focus Area #4: Innovative Use of Resources and Strategies

Identify innovative techniques in accessible design for populations who require accessible features. Expand housing production for priority populations utilizing resources that contain or reduce costs of acquisition, development and operations. Conduct research on energy efficiency cost savings and innovative strategies to promote the use of sustainability design techniques in affordable housing development.

## **Focus Area #1: Revitalizing Communities**

The recently amended Comprehensive Housing Planning Act now identifies low-income Illinoisans residing in areas of ongoing community revitalization as a priority population, and the items included in this focus area seek to address their housing needs. Revitalizing Illinois' communities takes on a variety of forms. In previous years, the Housing Task Force has focused on revitalization via reducing the continued impact of the foreclosure crisis and establishing connections to jobs, education and healthcare in areas where there previously was none. While many efforts have been engaged (and will continue to be engaged) to address rebuilding what was lost, the Housing Task Force is also looking in 2020 to establish proactive policies that impact the future of Illinois communities, bringing opportunity to new places throughout the state.

The Revitalizing Communities Focus Area draws from actions and strategies that are identified in the 2020 ACHP's report's Technical Plan, which lays out the long-term planning goals of the Housing Task Force. In this Focus Area, three Technical Plan strategies provide the framework for current programs and recommended efforts going forward.

### Revitalizing Communities Technical Plan Strategies:

1. Create and assist a community support network for the State.
2. Assist communities to develop a balance of affordable homeownership and rental opportunities.
3. Provide and expand affordable housing opportunities in rural Illinois.

## Housing Counseling Resources and Analyses

### Hardest Hit Fund

The U.S. Department of the Treasury established the Hardest Hit Fund (HHF) in late 2010, allocating temporary emergency mortgage assistance through State Housing Finance Agencies (HFAs) to families and persons experiencing unemployment or underemployment. Financed through the Troubled Asset Relief Program (TARP), the Illinois Housing Development Authority (IHDA, the Authority), the administrator of HHF for Illinois, was awarded approximately \$445.6 million. Following this initial award, IHDA received a second allocation in 2016 for \$269.4 million to relaunch and expand the HHF Program. Over the course of the program, IHDA has established five sub-programs with these funds: the Homeowner Emergency Loan Program (HHF HELP), I-Refi (formerly the Home Preservation Program or HPP), the Mortgage Resolution Fund (MRF), the Down Payment Assistance Program (1<sup>st</sup>Homellinois) and the Blight Reduction Program (BRP).

IHDA has effectively assisted over 38,700 households through these programs.

#### **Homeowner Emergency Loan Program (HELP)**

HELP provides temporary mortgage payment assistance to low- and moderate-income families who experienced a 15 percent income reduction due to qualifying hardships such as unemployment, substantial underemployment, temporary disability, death and divorce. Eligible homeowners receive up to \$35,000 in assistance for reinstatement and/or for mortgage payments up to 12 months. The initial HELP program ceased accepting new applications in October 2013 as funds were exhausted. With the second award from the U.S. Department of the Treasury in 2016, the HELP program was expanded and relaunched on August 1, 2016. The relaunch of the program has funded over 8,000 applicants.

On April 3, 2017 the HELP program expanded to assist homeowners with reverse mortgages. The expansion assists homeowners with a reverse mortgage who are delinquent on property expenses and have experienced a qualifying hardship. The expansion has funded over 350 applicants.

In April 2019, IHDA closed the application portal for the HELP program. IHDA made final approvals for the program December 31, 2019. In 2020, payments will still be made to homeowners with monthly mortgage payment assistance. IHDA projects disbursing \$9.7 million on behalf of program participants in 2020.

#### **I-Refi (Formerly Home Preservation Program or HPP)**

Introduced in 2012, HPP leveraged up to \$50,000 per participant to facilitate a permanent solution for troubled homeowners through a refinance, recast or permanent modification of their first mortgage. The HPP program assisted homeowners who were ineligible for other assistance programs and were financially unable to make their mortgage payments due to a qualifying hardship. HPP assisted 528 households.

With the second award from the Treasury in 2016, HPP was expanded and relaunched as I-Refi in August 2016 to target borrowers with negative equity who are current on their mortgage payments. The expansion and relaunch as I-Refi has assisted 505 households.

#### **Blight Reduction Program (BRP)**

Introduced in 2014, BRP aims to decrease preventable foreclosures and to stabilize neighborhoods in communities across Illinois. The program provides funding to units of local government and a not-for-profit partner to complete acquisition, demolition, greening and eventual re-use, re-purpose and/or redevelopment (“Revitalization”) of blighted, vacant, residential properties in targeted communities. Partners apply for the program with specific properties and are reimbursed up to \$35,000 for each unit. To date, BRP reimbursed participants over \$8 million for 319 properties, with 50 properties in process.

#### **1<sup>st</sup>Homellinois – Down Payment Assistance (DPA) Program**

1<sup>st</sup>Homellinois complies with the U.S. Treasury initiative by utilizing HHF dollars to provide first-time homebuyers in targeted counties with \$7,500 in down payment assistance. The assistance is in the form of a 5-year, forgivable 2<sup>nd</sup> mortgage, and is provided in conjunction with an IHDA 1<sup>st</sup> mortgage loan product. The

assistance incentivizes home buying in distressed areas, which helps to stabilize housing markets and prevent future foreclosures. To date, DPA has assisted 16,340 households totaling \$122.5 million in disbursed funds.

### Foreclosure Prevention Program

The Illinois Foreclosure Prevention Program (FPP), established by the Illinois General Assembly, is funded by a \$50 filing fee the plaintiff pays each time a foreclosure is filed. The funds are appropriated to the Illinois Department of Revenue by the General Assembly. Under this program, the Authority makes grants to HUD-approved housing counseling agencies and community-based organizations to support housing counseling and foreclosure prevention outreach including pre/post purchase counseling, foreclosure mitigation, financial literacy, counselor training, and capacity building. in accordance with the below statutorily required distribution:

- 25% to counseling agencies outside the City of Chicago;
- 25% to the City of Chicago for counseling agencies in Chicago or for foreclosure prevention counseling administered by the City;
- 25% to community-based organizations outside the City of Chicago; and
- 25% to community-based organizations in Chicago.

Foreclosure Prevention Program (FPP) Completed, Current, and Planned Funding Rounds				
Funding Round	Time Period	Money Awarded	Number of Awards	Estimated Clients Assisted
Round 1	June 2012 - June 2013	\$3.8M	40	39,869
Round 2	June 2013 - June 2014	\$3.4M	45	35,762
Round 3	August 2014 - August 2015	\$3.1M	50	35,524
Round 4	April 2017 - April 2018	\$4.1M	40	32,523
Round 5	June 2018 - June 2019	\$3.68M	28	16,782
Round 6	July 2019 - July 2020	\$3.11M	32	6,558 to date
Round 7	June 2020 - June 2021 (Expected)	\$1.50M (Expected)	TBD	TBD
<b>2020 Projection</b>	<i>Round 6 is expected to be fully completed in CY 2020 Q3, disbursing approximately \$2.88 million. IHDA expects to issue a joint application for FPP R7 and FPP-G R4 in 2020. In CY 2020, 18,000 individuals are estimated to be assisted under the program.</i>			

### Foreclosure Prevention Program Graduated Fund (FPPG)

Established by the Illinois General Assembly, the Foreclosure Prevention Program Graduated Fund (FPPG) enables IHDA to make grants to HUD-approved housing counseling agencies to support housing counseling including: pre/post purchase counseling, foreclosure mitigation, financial literacy, counselor training, and capacity building. Funding for this program is derived through plaintiff-paid foreclosure filing fees. IHDA began administration of this program's first funding round in calendar year 2017. Under this program, the Authority makes grants in accordance with the below statutorily required distribution:

- 30% to housing counseling agencies in Cook County outside of the City of Chicago;
- 25% to housing counseling agencies in the City of Chicago;
- 30% to housing counseling agencies in DuPage, Kane, Lake, McHenry, and Will Counties; and
- 15% to the rest of the state.

Foreclosure Prevention Program Graduated (FPPG) Completed, Current, and Planned Funding Rounds				
Funding Round	Time Period	Money Awarded	Number of Awards	Clients Assisted
Round 1	September 2017 – September 2018	\$5.7M	33	29,410
Round 2	September 2018 – September 2019	\$5.28M	32	23,180
Round 3	September 2019 – September 2020	\$2.88M	33	1,820 to date
Round 4	September 2020 – September 2021 (Expected)	\$1.50M (Expected)	TBD	TBD
<b>2020 Projection</b>	<i>Round 3 is expected to be fully closed in CY 2020 Q3, disbursing approximately \$2.8 million. The Authority expects to issue a joint application for FPP R7 and FPP-G R4 in 2020. In CY 2020, 18,000 households are expected to be assisted under the program.</i>			

## Reuse and Revitalization

### Abandoned Property Program

The Abandoned Property Program (APP) was created in 2010 by the Illinois General Assembly. Funded through foreclosure filing fees under the Abandoned Residential Property Municipality Relief Fund (ARPMR, or APP), APP provides grants to municipalities and counties to secure, maintain, demolish, and rehabilitate abandoned residential properties within their jurisdiction. By statute, allocations will be distributed as follows:

- 25% to the City of Chicago,
- 30% to Cook County and municipalities in Cook County other than the City of Chicago,
- 30% to the Collar Counties (DuPage, Kane, Lake, McHenry, and Will) and municipalities within those counties, and
- 15% to other areas of the state.

Abandoned Residential Property Municipality Relief Program (APP) Completed, Current, and Planned Funding Rounds				
Funding Round	Time Period	Money Awarded	Number of Awards	Unique Properties Receiving Services
Round 1	August 2014 - August 2016	\$7.21M	52	2,484
Round 2	August 2017 - May 2019	\$9.55M	67	1,778
Round 3	March 2018 – March 2020	\$8.45M	59	1,353 to date
Round 4	July 2019 – July 2021	\$8.18M	62	TBD
Round 5	March 2021 – March 2023 (Expected)	TBD	TBD	TBD
<b>2020 Projection</b>	<i>Round 3 is expected to be complete in CY 2020 Q1, disbursing approximately \$8.45 million. Additionally, funding determinations for Round 5 are expected to be completed in CY 2020 Q4. As a result of the APP Program structure, estimates of properties are to be determined.</i>			

## **Blight Reduction Program**

The Blight Reduction Program (BRP) is funded through the U.S. Treasury's Hardest Hit Fund, a federal allocation which was set up to provide aid to communities demonstrating the greatest need after the foreclosure crisis. BRP provides forgivable loans to Illinois units of local government who partner with nonprofit agencies to acquire and demolish blighted properties within their jurisdictions. Program applicants are allowed to apply for a maximum of \$35,000 per residential property.

BRP did not see any active funding rounds in 2019 and expects the same for 2020. However, any subsequent funding rounds or details regarding disbursement of remaining funds will be included in the 2019 Annual Progress Report and future Annual Comprehensive Housing Plans.

## **Land Bank Capacity Program (LBCP) and Technical Assistance Network (TA Network)**

The Land Bank Capacity Program (LBCP) and Technical Assistance Network (TA Network) were established as the result of funding provided through a national foreclosure settlement secured by the Illinois Attorney General, in conjunction with other state attorneys general, the U.S. Department of Justice and the U.S. Department of Housing and Urban Development, with the nation's largest banks. These resources were formulated to provide access to funding and technical assistance for the creation and operation of land banks to communities in Illinois outside the Chicago metropolitan area. The funding is administered through the Illinois Attorney General's Office.

### Land Bank Capacity Program Eligible Grant Activities include the following:

- Develop and submit to the applicable governing body documentation sufficient to form a land bank
- Off-set related legal expenses and holding costs in connection with on-going land bank creation
- Maintenance and other activities
- Fund reasonable start-up costs (including staffing and legal fees for land bank creation), and initial acquisitions of 1-6 unit residential properties. Property acquisition costs may include:
  - Purchase price
  - Lien extinguishment (excepting property taxes, which are not eligible)
  - Legal costs
  - Title, recording, and transfer fees
  - Demolition costs
  - Costs of lot treatment and greening
  - Redevelopment and disposition of vacant and abandoned properties in order to return them to affordable housing and other productive use

### TA Network Eligible Grant Activities include the following:

- Providing individualized planning, real estate and other assistance
- Conducting webinars for communities looking to form land banks/access community revitalization tools for programs available via IHDA or others
- Creating, updating, and/or disseminating video tutorials to be made available via IHDA's website, or otherwise made available to Recipients of TA Network funds
- Creating, updating, and/or disseminating print media packages regarding land banks

Both the LBCP and TA Network assist communities by providing grant funds to help empower local and regional revitalization efforts by increasing planning and land banking capacity. IHDA began administration of the first year of the program in CY 2018, with 10 grantees.

Land Bank Capacity Program (LBCP) and Technical Assistance Network (TA Network) Current and Planned Funding Rounds					
Funding Round	Time Period	Money Awarded	Number of Awards	Units of Local Government Assisted	Land Banks Assisted
Round 1	June 2018 – June 2020	\$1.17M	10	44	2
Round 2	February 2020 – February 2022	\$628,500	6	42	2
<b>2020 Projection</b>	<i>Round 1 is expected to be completed in CY 2020 Q2. Round 2 is expected to begin in CY 2020 Q1. In CY 2020, CA expects to continue to assist 2 land banks and 50 units of local government.</i>				

## Land Banking

A number of Illinois Housing Task Force members have been involved in the creation and initial planning of two land banks in the Chicago metropolitan area: the Cook County Land Bank Authority (CCLBA) and the South Suburban Land Bank and Development Authority (SSLBDA). These entities were created to acquire, maintain and build or rehabilitate abandoned properties in communities affected by property abandonment and/or which desire to develop affordable housing. After properties are rehabilitated, they are sold with affordability deed restrictions attached and proceeds earned are recycled to continue the process.

In 2013, the CCLBA utilized \$6 million awarded from the National Foreclosure Settlement Program to support its community revitalization efforts in the start-up of its land bank. These funds also supported the already existing South Suburban Land Bank, which was formed in 2012 through an intergovernmental agreement passed by the Village of Park Forest, City of Oak Forest and City of Blue Island, and made possible by a HUD Sustainable Communities Grant awarded to the South Suburban Mayors and Managers Association (SSMA) in 2011. SSMA helped establish and provide technical assistance for the SSLBDA.

Since 2013, both land banks have partnered with IHDA, utilizing funds awarded from the Abandoned Properties Program and Blight Reduction Program, to assist in securing, maintaining or demolishing properties. Both the Cook County Land Bank Authority and South Suburban Land Bank and Development Authority continue to partner with several municipalities to coordinate rebuilding efforts. The CCLBA has mostly targeted neighborhoods in Chicago's South and West Sides while SSLBDA has targeted South Suburban municipalities.

In 2017, CCLBA created the Homebuyer Direct Program which provides properties directly to homeowners who may be interested in purchasing a Land Bank property. Prior to 2017, community developers were the primary buyers due to the distressed nature of the properties themselves, and the extensive rehab that would be required.

## Homebuyer Programs

### 1<sup>st</sup>HomeIllinois

IHDA launched the 1<sup>st</sup>HomeIllinois loan program in August 2015. Financed through the HHF program, the U.S. Treasury approved IHDA to utilize those resources to assist qualified homebuyers in the following ten counties hit hard by the foreclosure crisis: Boone, Cook, DeKalb, Fulton, Kane, Marion, McHenry, St. Clair, Will and Winnebago. IHDA targeted these counties as they are above the state average in distressed housing market indicators such as delinquency rates, negative equity and foreclosure rates. On January 1, 2019 the number of counties was reduced from ten to the following four: Cook, Marion, St. Clair, and Winnebago. The program provides \$7,500 in down payment assistance with a secure, 30-year fixed rate 1<sup>st</sup> mortgage. Reservations for the program will be accepted in 2020 on a first-come, first-served basis until funding is exhausted. IHDA projects committing \$5.2 million of down payment assistance through 1<sup>st</sup>HomeIllinois to assist approximately 690 households to obtain 1<sup>st</sup> mortgages totaling approximately \$97.4 million in CY 2020.

## **I-Refi**

IHDA launched the I-Refi program in August 2016. The program is designed to help homeowners who have been current on their mortgage payments for at least twelve months and are at least 110% underwater on their current mortgage. I-Refi offers up to \$50,000 in federal assistance, funded through HHF, to buy down a mortgage and refinance it into an affordable 30-year, fixed rate 1<sup>st</sup> mortgage. Borrowers who have previously utilized HHF HELP may be eligible for an additional \$35,000 for a total of \$85,000. Reservations for the program will be accepted in 2020 on a first-come, first-served basis until funding is exhausted. IHDA projects committing \$570 thousand of principal reduction assistance through I-Refi to assist approximately 15 households to obtain new 1<sup>st</sup> mortgages totaling approximately \$1.5 million in CY 2020.

## **Access 4%**

IHDA launched Access 4% in February 2018. The program is designed to increase home purchase accessibility by offering a forgivable 2<sup>nd</sup> mortgage of 4% of the purchase price (up to \$6,000) in down payment and/or closing cost assistance with a 30-year fixed-rate 1<sup>st</sup> mortgage to qualified households across Illinois. The 2<sup>nd</sup> mortgage is forgiven monthly over ten years. IHDA projects committing \$13.2 million of DPA through Access 4% to assist approximately 2,735 households totaling approximately \$375.7 million in 1<sup>st</sup> mortgage volume in CY 2020.

## **Access 5%**

IHDA launched Access 5% in February 2018. The program is designed to increase home purchase accessibility by offering a repayable 2<sup>nd</sup> mortgage of 5% of the purchase price (up to \$7,500) in down payment and/or closing cost assistance with a 30-year fixed-rate 1<sup>st</sup> mortgage to qualified households across Illinois. Repayment will be deferred for 30 years, unless repaid sooner, or in the event of a refinance or sale of the property, at which time the 2<sup>nd</sup> mortgage will become due. IHDA projects committing \$3.5 million of DPA through Access 5% to assist approximately 530 households totaling approximately \$81.4 million in 1<sup>st</sup> mortgage volume in CY 2020.

## **Access 10%**

IHDA launched Access 10% in February 2018. The program is designed to increase home purchase accessibility by offering a repayable 2<sup>nd</sup> mortgage of 10% of the purchase price (up to \$10,000) in down payment and/or closing cost assistance with a 30-year fixed-rate 1<sup>st</sup> mortgage to qualified households across Illinois. Repayment of the 2<sup>nd</sup> is monthly amortizing over a 10-year period at 0% interest rate. IHDA projects committing \$5.4 million of DPA through Access 10% to assist approximately 570 households totaling approximately \$89.7 million in 1<sup>st</sup> mortgage volume in CY 2020.

## **Mortgage Credit Certificate (MCC)**

Access Mortgage (4%, 5% and 10%) programs have the possible added benefit of a Mortgage Credit Certificate (MCC), which may help reduce tax liability for the homebuyer. The MCC program allows home buyers to claim a dollar-for-dollar tax credit for a portion of mortgage interest paid per year, up to \$2,000, allowing the household to have more available income to make mortgage payments. IHDA projects approximately 400 of the aforementioned 3,835 Access Mortgage households will take an MCC in CY 2020.

## **USDA Rural Development 502 Direct Loan Program**

USDA Rural Development's Section 502 low interest direct loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage service connections. Borrowers generally must meet low-to moderate-income eligibility requirements.

USDA Rural Development also offers Section 502 loan guarantees through local participating lenders, which have been used very successfully in conjunction with IHDA's mortgage loan products. Applicants for loans may have an income of up to 115% AMI. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance, and have reliable credit histories.

In 2019, the USDA Rural Development committed \$11 million towards its rural homeownership direct loans, which provided 126 direct loans to very low- and low-income rural families (those who are below 80% AMI). The USDA Rural Development also committed \$261 million towards guaranteed rural housing loans, which assisted 2,697 low- and moderate-income rural families. The latter program has worked very successfully with IHDA's Homeownership programs.

Rural Development will continue to provide financing options to rural Illinois in 2020.

### Habitat for Humanity - Community Impact Fund

IHDA established a partnership with Habitat for Humanity of Illinois (HFH) in 2014 to facilitate homeownership opportunities for low-income and very low-income families throughout the state. Funded through the Illinois Affordable Housing Trust Fund, the program provides forgivable 2<sup>nd</sup> mortgage loans to low-income households for home acquisition. 1<sup>st</sup> mortgage financing is provided through Habitat for Humanity and/or other conventional lenders. Households at or below 80% AMI are eligible to receive \$15,000 and households at or below 50% AMI are eligible to receive \$20,000. Assistance is provided as a 5-year forgivable loan.

<b>Habitat for Humanity: Community Impact Fund (HFH) Completed, Current, and Planned Funding Rounds</b>				
<b>Funding Round</b>	<b>Time Period</b>	<b>Money Awarded</b>	<b>Number of Awards</b>	<b>Homeowners Assisted</b>
<b>Round 1</b>	August 2014 - August 2016	\$750K	1	58
<b>Round 2</b>	October 2016 - October 2018	\$1M	1	52
<b>Round 3</b>	February 2018 - February 2020	\$1M	1	38 to date
<b>Round 4</b>	TBD (Spring, CY 2020 Expected)	\$2M	1	60 (Expected)
<b>2020 Projection</b>	<i>Round 3 is expected to be completed in CY 2020 Q1, disbursing approximately \$930,000. Round 4, with an appropriation of \$2 million, is planned to begin in Spring, CY 2020, and is expected to assist 60 households.</i>			

## Home Repair Programs

### Single Family Rehabilitation Program

Funded by the Illinois Affordable Housing Trust Fund, IHDA's Single Family Rehabilitation Program (SFR) provides assistance to low-income and very low-income homeowners for the purpose of repairing their homes and removing health and safety hazards by replacing costly maintenance items. SFR grants awards to units of local government and non-profit agencies, which work to reserve and oversee forgivable loans for individual households within their community. Households receiving loans must be at or below 80% of the area median income (AMI), and are eligible to receive up to \$45,000 in assistance for necessary home repairs, or up to \$16,500 per household under the Roof Only option, to address roofs, soffits, and downspouts for homes not having other major health and safety issues.

Presently, SFR is available throughout the state outside of Illinois Participating Jurisdictions, as defined by HUD. Currently ineligible areas include Aurora, Chicago, Decatur, Evanston, Rockford, Springfield, Urbana, McHenry County, the Consortia of Cook County, DuPage County, Lake County, Kane County, Madison County, St. Clair County, St. Clair County, and Will County. However, offering the SFR program statewide is pending consideration and approval by the IHDA Board. If approved, it would take effect in Round 3, to begin in CY 2020.

Single Family Rehabilitation Program (SFR) Completed, Current, and Planned Funding Rounds				
Funding Round	Time Period	Money Awarded	Number of Awards	Loans Reserved
Round 1	April 2017 – April 2019	\$5.99M	21	142
Round 2	February 2019 – February 2021	\$10M	21	28 to date
Round 3	June 2020 – June 2022	\$10M (Expected)	TBD	TBD
<b>2020 Projection</b>	<i>Round 1 was completed in CY 2019 Q2, disbursing approximately \$5.99 million, and Round 2 began in CY 2019 Q1. Applications for Round 3 are expected to be posted in December CY 2019, with award determinations to be presented to the IHDA Board for approval in CY 2020 Q1. In CY 2020, 125 households are expected to be assisted.</i>			

### Chicago Rehabilitation Network Technical Assistance Grant

Funded through the Illinois Affordable Housing Trust Fund, the Chicago Rehabilitation Network TA Grant provides training and technical assistance to practitioners in Illinois to create affordable housing by improving permanent residential structures which benefits households and communities throughout the state. The Grant helps expand the capacity building, public policy, and civic engagement work that provides a comprehensive approach to strengthening the affordable housing industry.

Chicago Rehabilitation Network Technical Assistance Grant (CRN) Completed and Current Funding Rounds			
Funding Round	Time Period	Money Awarded	Number of Awards
Round 1	September 2016 – September 2018	\$225,000	1
Round 2	September 2018 – September 2020	\$300,000	1

### Community Development Block Grant (CDBG) Housing Rehabilitation Program

Administered by Department of Commerce and Economic Opportunity (DCEO), the Community Development Block Grant (CDBG) Housing Rehabilitation Program (formerly known as the Community Development Assistance Program - CDAP) helps eligible local governments assist income-eligible homeowners (located in non-entitlement areas of the state). This financial assistance provides funds for necessary repairs and improvements to their homes in order to eliminate health and safety problems, correct building code violations and to preserve the long-term integrity of the homes. The housing rehabilitation is completed by local contractors who have been selected by competitive bid and who have met all insurance requirements.

DCEO projects committing \$6,500,000 to the program in CY2020 assisting 120 households.

### Rental Housing Development and Rental Assistance

IHDA operates a number of rental housing programs which promote the development and preservation of affordable housing.

### Low Income Housing Tax Credit (LIHTC) Program

The LIHTC Program is a federal tax credit used to finance the development or redevelopment of affordable rental housing for low-income households (60 percent area median income or below). The Internal Revenue Service allocates federal tax credits to State HFAs, which then award the credits to eligible affordable housing

developments who use the equity generated from the sale of the tax credits to lower the debt service. Units must maintain affordable rents for at least 30 years.

There are two types of low income housing tax credits: 9 percent tax credits, and 4 percent tax credits. 9 percent tax credits (known as the competitive tax credit) are allocated to the State based on an IRS funding formula and can subsidize up to 70 percent of the eligible development costs for new construction and substantial rehabilitation of housing projects that are not otherwise subsidized by the federal government. 4 percent tax credits are generated through issuance of tax-exempt private activity bonds when 50 percent or more of a project's eligible cost are financed with these bonds. 4 percent credits are primarily used for acquisitions/rehabilitation projects, not new construction.

The 2020-2021 Qualified Allocation Plan (QAP), which explains how the State plans to distribute its Low Income Housing Tax Credits, was Board-approved in November of 2019. Applications for both 9 percent and 4 percent tax credits must meet the mandatory requirements of the QAP. Applications for 9 percent tax credits are subject to a competitive process and receive points based on the scoring section of the QAP.

The 2020-2021 QAP again includes a Community Revitalization Strategies scoring criteria, which aims at preserving existing affordable housing in distressed community areas where there is an active redevelopment effort ongoing, allowing for the greatest amount of choice for low-income households to access quality housing. The Community Revitalization scoring is intended to incentivize local planning efforts, which are likely to lead to access to employment, healthcare and supportive services, community amenities such as parks and retail locations, transportation and the improvement of quality housing stock. 9 percent tax credit applications can earn up to ten points for establishing Community Revitalization Strategies. While the overall content remained the same and aimed to achieve similar revitalization goals as prior years, various metrics were updated under the Community Revitalization Threshold and Scoring Criteria for the 2020-2021 QAP. These updates were made in order to increase efficiency, clarity, and standardization where applicable, while simultaneously allowing for greater inclusivity in the types of qualifying documentation to demonstrate revitalization activities.

Both 4 percent and 9 percent tax credit applications must first be approved through a Preliminary Project Assessment (PPA), which provides basic information such as project concept and design, location and proposed tenant population. In 2020, IHDA expects to allocate 27,500,000 in 9 percent and 58,725,000 in 4 percent Low Income Housing Tax Credits. Below are 2020 LIHTC Program application deadlines.

<b>2020 LIHTC Program Application Deadlines</b>	
<b>9% LIHTC Program Timeline</b>	
2020 PPA Round	12/4/2019
2020 LIHTC Applications Due	03/23/2020
2020 LIHTC Applications to IHDA Board	06/19/2020
<b>4% LIHTC Program Timeline</b>	
PPA	45 days prior to 4% determination request
4% Tax Credit Application	Applications with approved PPA's may be submitted on a quarterly basis, beginning in 2020

### **HOME/Affordable Housing Trust Fund (AHTF)**

Since 1993, IHDA has administered the Illinois HOME Investment Partnerships Program and in 2016, was designated as the State's direct Participating Jurisdiction by HUD, which gives IHDA the ability to directly draw down HOME funds for approved applications. IHDA's 2020 HOME allocation is \$15,391,165 which only funds multifamily projects.

Per the HOME federal authorizing statute, 15 percent of each grantee's annual allocation must be obligated/expended on Community Housing Development Organizations (CHDOs), a specific type of non-profit entity defined by HUD rules. CHDO funds can only be used to fund single family acquisition/rehab/resale programs and rental housing development. IHDA plans to continue to concentrate CHDO funding on the latter types of projects.

As with HOME funding, demand for Affordable Housing Trust Fund (AHTF) financing also regularly exceeds its availability in Illinois. Multifamily projects proposing to use Trust Fund dollars will be prioritized on those projects receiving funding from other sources, as well as those projects which are ready to proceed. As such, IHDA has established the following maximum request for multifamily applications requesting HOME and AHTF resources:

- City of Chicago, Chicago Metro and Other Metro Set-Asides: Projects may apply for up to 15% of total development cost.
- Non-Metro Set-Asides: Projects may apply for up to 25% of total development cost.

IHDA's 2020 total Affordable Housing Trust Fund allocation is estimated at \$60,000,000. The estimated multifamily committed funding amount for the Affordable Housing Trust Fund in 2020 is \$45,010,000.

### **IHDA/HUD – Risk Share Mortgage with U.S. Treasury Investment (FFB) Mortgage**

In June 2014, the U.S. Treasury announced a new partnership with the U.S. Department of Housing and Urban Development. Under this partnership, the Federal Financing Bank (FFB) provides financing for multifamily loans insured under the FHA's Risk Sharing Program. The Risk Sharing Program, pursuant to Section 542 of the Housing and Community Development Act of 1992, allows IHDA to originate affordable housing mortgage loans and share the risk with HUD via FHA mortgage insurance on the loan. The goal is to expand access to FHA mortgage insurance and manage additional risk taken on by the Federal government. For each Risk Sharing loan, HUD and IHDA split the mortgage insurance premium based on the percentage of risk that each party assumes. These loans have supported the development and preservation of affordable rental housing and allowed housing finance agencies to have additional access to the capital needed to maintain affordable multifamily developments. This partnership significantly lowered interest rates compared to the cost of tax-exempt bonds under current market conditions.

This program ended on December 31, 2018, but legislative efforts have been underway to revise and reauthorize funding for the program. Firm Approval Letters (FAL) received from HUD on deals must be closed by September 30, 2020.

### **Affordable Advantage Mortgage**

Affordable Advantage provides permanent first mortgage financing up to \$10 million for new construction, refinance or acquisition/minimal rehabilitation. The projected volume for this program in 2020 is \$10,000,000. Loans over \$3 million will include FHA Risk Share. IHDA will determine whether or not FHA Risk Share will be required on loans under \$3 million.

### **Credit Advantage Mortgage**

Credit Advantage provides construction and permanent mortgage loan financing for Low Income Housing Tax Credit (LIHTC) projects awarded by IHDA or the City of Chicago. The maximum loan amount is \$10 million. The projected volume for this program in 2020 is \$50,000,000. Loans over \$3 million will include FHA Risk Share. IHDA will determine whether or not FHA Risk Share will be required on loans under \$3 million.

### **One-Stop PLUS**

One-Stop PLUS is a 4% bond structure, which provides a short-term, interest-only tax-exempt loan arranged by IHDA along with a permanent, taxable IHDA Federal Financing Bank (FFB) Mortgage with up to a 35-year fully amortizing loan term. The first mortgage is fully funded at closing and used to collateralize the short-term tax-exempt loan. Full principal and interest payments begin at the initial closing and continue throughout the

construction and permanent periods for the FFB First Mortgage. Certain conditions have to be met in order for the first mortgage to be insured under the FFB program, including a maximum rehabilitation limit of \$40,500 per unit and only one major building system replacement allowed.

No One-Stop PLUS deals are anticipated in 2020. If funding for the continuation of the FFB program is authorized in 2020, then IHDA will market this structure as a financing product.

### **Housing Trust Fund (HTF)**

The national Housing Trust Fund (HTF) was authorized under the Housing and Economic Recovery Act of 2008, with its major purpose being to increase and preserve rental housing and homeownership opportunities for extremely-low (30% AMI or below) and very-low income (50% AMI or below) households. HTF was established as a permanent federal program, with dedicated sources of funding coming from a percentage of after-tax profits from two Government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, which are not subject to the appropriations process. In September 2008, contributions to the HTF were suspended while they were under federal receivership until 2015 and state housing agencies first received funding in 2016.

State housing agencies are the only direct grantees under the program. Under HUD rules, each State is required to prepare an annual Allocation Plan describing how it will distribute HTF resources based on its priority housing needs as identified in the State's Consolidated Plan (ConPlan). States must use at least 80% of all funds (or 90% of program funds) for rental housing/renters. IHDA may use up to 10% of remaining program funds for homeownership assistance. IHDA has decided to use 90% of all funds (100% of all program funds) for rental housing. There is also an allowance to use up to 10% of all funds for general administration and planning costs. IHDA uses said funds for this purpose. In years when the national funding level falls below \$1 billion, 100% of program funds must be used to benefit extremely low-income households.

IHDA has been awarded \$26,875,161.00 since 2016 and has committed \$10,326,188 towards 61 units and is expected to fund an additional \$16,548,973 in 2020 to create an estimated 75 units of Permanent Supportive Housing.

### **Rental Housing Support (RHS) Program**

The Rental Housing Support (RHS) Program was created in July 2005 promote permanent housing through the funding of rent subsidies for extremely- and severely low-income households. It is a unit-based program for households at or below 30 percent area median income with 50 percent of the resources available set-aside for extremely low-income households at or below 15 percent area median income. IHDA administers the program overall, but contracts with Local Administering Agencies (LAAs) around the state who manage the program in their communities, including finding and screening eligible tenants.

The Rental Housing Support Program receives its funding from a \$10 charge on real estate document recording fees collected at the county level, with one dollar of the fee retained by the county.

Once drawn, the available funds support the addition of new Long Term Operating Support (LTOS) Program units. The LTOS program is part of the Rental Housing Support Program intended for affordable housing developments. The goal of the LTOS program is to increase the supply of affordable housing to households earning at or less than 30 percent of area median income by providing a long-term, unit-based rent subsidy. IHDA projects committing \$9,850,420 to the RHS program in 2020. Additionally, IHDA will be committing an additional \$2,894,968 to new LAA's to administer a total of 75 new units under the Re-Entry Special Demonstration.

Please see *Focus Area #2: Supportive Housing*, for further details on the RHSP – Long Term Operating Support part of this program. Listed below are the local administering agencies who currently work with the RHS Program and the areas that each covers.

<b>RHSP Local Administering Agencies (LAAs)</b>	
<b>Agency Name</b>	<b>Service Area</b>
Community Partnership for Affordable Housing	Lake County
CEDA	Suburban Cook County
DuPage Housing Authority	DuPage County (excluding Aurora)
Housing Authority of Henry County	Henry, Bureau, and Stark County
Housing Authority of Champaign County	Champaign County
Housing Choice Partners	Suburban Cook County
Illinois Association of Community Action Agencies	Henry, Mercer, Rock Island, Boone, Winnebago, Adams, Brown, Pike, Schuyler, Edwards, Gallatin, Hamilton, Saline, Wabash, Wayne, White, Bond, Clinton, Marion, Washington, Clay, Effingham, Fayette, Shelby, Moultrie, Christian, Montgomery, Franklin, Williams, Jefferson, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Jasper, Lawrence, Richland, Bureau, Carroll, LaSalle, Lee, Marshall, Ogle
Kankakee County Housing Authority	Kankakee and Will County
Kendall Housing Authority (handled by DuPage Housing Authority)	Kendall and Grundy County (excluding Aurora and Joliet)
Lazarus House	Kane County
Madison County Community Development	Madison County
McHenry County Housing Authority	McHenry County
Rock Island Housing Authority	City of Rock Island
Springfield Housing Authority	City of Springfield
St. Clair County IGD	St. Clair County

**Housing and Economic Development**

**Community Revitalization Technical Assistance Network**

In 2014, IHDA began offering technical assistance to communities and housing developers pursuing tax credits in Qualified Census Tracts (QCTs), R/ECAPS, and other areas of the state where Opportunity Area points from the QAP are not available. IHDA recognizes that there are large swaths of the state that are unable to undertake Community Revitalization no matter how permissive the process is. This is particularly true for smaller rural communities across Illinois that lack the capacity to plan in a formal way. To address this issue, IHDA began to formalize its processes as a Community Revitalization Network intended to help all communities throughout Illinois plan to meet their housing needs. This has been proven successful as the Community Revitalization Network has increased a competitive 9% LIHTC application’s score by an average of 7.3 points.

Since 2014, IHDA has expanded this network across the state to build upon and link to existing planning efforts, identify strengths and needs within the community, and generate localized capacity via a community revitalization strategy process. Partnerships, formalized through a signed scope of work, generally last longer than a year, and afford communities free planning services conducted by IHDA. Partnerships with IHDA result in a final Housing Needs Assessment planning document, which outlines data-driven strategies for accessing affordable housing resources. Communities also have the option for individual services, such as community outreach, development resources, housing stock surveys, funding strategies, or other recommendations if they believe it is a better fit for their community. As of December 2019, 118 projects/communities in the state have received some level of technical assistance from IHDA. IHDA’s Community Revitalization staff has served/is currently serving on 13 advisory groups that allow IHDA to provide partners and other organizations with community revitalization guidance.

In 2020, IHDA will continue to identify housing needs and resources throughout the State, improve service to hardest-to-house populations, and enhance statewide housing coordination and assistance, and much of this activity will be run through the expanding Community Revitalization Network. A network expansion is also

underway as IHDA is in the early stages of developing a centralized affordable housing tool designed to aid communities in identifying and assessing their affordable housing needs and market conditions, as well as available resources via a community resource and funding directory. Parts of this tool will be published in 2020 and IHDA anticipates them being used to help communities better address local issues by aligning and streamlining available services and resources and identifying areas of need.

In an ongoing effort to share data-driven, evaluative tools with low-capacity communities throughout the state, IHDA has developed a new market research tool to identify revitalization need. The Revitalization Impact Areas (RIA) tool utilizes current census data to identify salient indicators and market conditions that suggest a need for concerted community development planning. In 2020, IHDA intends to integrate this tool within the Community Revitalization scoring criteria under the Low Income Housing Tax Credit program to better connect and incentivize communities that could most benefit from revitalization planning to the Community Revitalization Technical Assistance program and the Low Income Housing Tax Credit program.

### LIHTC Community Revitalization Plans

Since 2014, IHDA reviewed Community Revitalization Strategies in conjunction with LIHTC Preliminary Projects Assessments (PPA) to explore how affordable housing can become incorporated in the overall economic development efforts in high-poverty and/or rural areas. Detailed Community Revitalization Strategies are an integral part of the LIHTC process and help IHDA find fundable applications based on community vision rather than market data.

A scoring incentive of up to 10 points is available to developers who submit Community Revitalization Strategy documentation with their LIHTC proposed project application. A transparent scoring and thresholds document is published with the QAP and this outlines specific planning requirements. IHDA's goal is to be permissive as possible while still obtaining meaningful documentation that can link a project with realistic local goals and activities.

Over the past four LIHTC funding rounds, for which Community Revitalization was a scoring category, IHDA has seen considerable growth in the number of proposed projects submitting planning documentation, increasing from ten applicants in the first round of 2016 to 28 applicants in the 2019 round. Overall, full applications with community revitalization have increased from 34.5 percent (2016 Round I) to 49.1 percent (2019 Round). IHDA expects to see the number of applications and awardees submitting with community revitalization to increase in the upcoming rounds. See the table below for more details on the overall growth of applicants with community revitalization.

Low Income Housing Tax Credit Community Revitalization Plans					
LIHTC Rounds	Full Applications Submitted	Full Applications with Community Revitalization	LIHTC Allocations Awarded	Awardees with Community Revitalization	Awardees that received CR TA
2016 Round I	29	10	11	3	-
2016 Round II	36	19	12	4	-
2017 Round	58	25	20	6	3
2018 Round	57	26	26	14	11
2019 Round	57	28	25	8	5

## Focus Area #2: Supportive Housing

A long-standing Focus Area intended to highlight strategies aimed at assisting those in need of permanent supportive housing (PSH), special needs populations and those transitioning into (or remaining in) community-based living settings with services that support their needs, including re-entering incarcerated populations, long-term care and the intersection between housing and health care.

IHDA and other service provider agencies are frequently called upon to assist with meeting the housing needs of other special needs populations. IHDA has funded housing for special needs populations for a number of years including: people experiencing or at-risk of homelessness, persons living with a disability, frail elderly, youth aging out of foster care or child-welfare involved youth, veterans and survivors of domestic violence, re-entry populations and persons living with HIV/AIDS. IHDA plans to continue to work jointly with other State agencies, housing providers and service providers within existing committees and advisory groups to gather information on the population, their housing needs and existing housing inventory available for all of these groups. This Focus Area, shaped by three Technical Plan strategies, summarizes the State's major efforts in the Healthcare and Human Services Transformation chart and provides details on other efforts to serve populations in need of supportive housing throughout in Illinois.

### Supportive Housing Technical Plan Strategies:

1. Identify ways to secure resources for supportive housing services for the purpose of increasing housing production.
2. Maximize use of funding sources for supportive housing service needs for elderly and special needs populations living in community-based housing.
3. Incentivize affordable housing development in communities of preference to meet the needs of supportive housing populations.

## Transforming Healthcare and Human Services

### Money Follows the Person

Since 2008, the Illinois Department of Healthcare and Family Services (IDHFS) has been a part of the federal Money Follows the Person (MFP) Demonstration Program. MFP is a federal demonstration program administered by Centers for Medicaid and Medicare Services (CMS). MFP provides an enhanced Medicaid match (for first year of community-based residency) to support transitions of seniors and persons with disabilities out of institutions and into eligible community-based settings.

The targeted populations include persons with physical disabilities (PD), developmental disabilities (DD), mental illness (MI), the elderly, persons with AIDS, those with Traumatic Brain Injury (TBI) and Colbert consent decree Class Members.

According to CMS, the MFP program was to complete referrals by July 2017, all transitions by December 31, 2017, and use all funds by 2020. IDHFS continues to meet with Illinois Department of Human Services (IDHS), Illinois Department on Aging (IDoA) and IHDA as the program comes to a close. At the end of the transition period, a cumulative 3,143 persons transitioned into community-based housing.

### Consent Decrees

#### *Ligas v Eagleson*

The Ligas v. Hamos lawsuit was filed in 2005 (now called Ligas v Eagleson) against IDHFS and the Department of Human Services (IDHS) on behalf of individuals with developmental disabilities who were residing in private, state-funded facilities (Intermediate Care Facilities for Persons with Developmental Disabilities or ICFs/DD) of nine or more persons or who were at risk of being placed in such facilities. The IDHS Division of Developmental Disabilities (IDHS/DDD) is the lead agency responsible for oversight of the Ligas consent decree, which includes two distinct groups of Class Members with developmental disabilities (DD) that affirmatively request a community-based setting:

- Persons residing in larger Intermediate Care Facilities of nine persons or more; or
- Persons who are living at home and who are on a Prioritization of Urgency of Need for Services (PUNS) list.

Currently, there are a total of about 16,800 people in the Class, with the number of Class Members fluctuating on a regular basis; As of November 1, 2019, 1,769 people living in ICFs/DD have become Class Members and 1,442 of them have initiated waiver services. Also as of November 1, 2019, there are approximately 8,065 people that have been authorized from the PUNS waiting list and 4,143 of them have initiated waiver services. The Ligas Defense has made initial contact with every class member at this time. The Court Monitor found the State out of compliance for two years; however, parties are continuing discussions about how transitions will continue after the six-year goal and how to improve service quality to return to compliance.

#### *Williams v Pritzker*

In 2010, a court-ordered consent decree was issued (originally known as Williams vs. Quinn) against the Governor, IDHS (and specifically its Division of Mental Health), IDHFS, and the Department of Public Health (IDPH). The decree required these agencies to transition qualifying and consenting residents of State-funded, non-Medicaid nursing homes (now designated as Specialized Mental Health Rehabilitation Facilities or SMHRFs) who wish to move into community-based housing with person-centered support services.

SMHRFs, formerly known as Institutes for Mental Disease (IMDs), face new regulations and licensing requirements focused on mental health rehabilitation; 21 of the 24 IMDs have transitioned to SMHRFs and one IMD has closed. SMHRFs are located in the Chicago metro area, Kankakee County, City of Peoria and City of Decatur. Most residents of SMHRFs have a primary diagnosis of Serious Mental Illness (SMI), with a high percentage having dual diagnoses of substance abuse or complex/co-morbid medical conditions. The Williams Consent Decree's settlement has a budget line item allocation specifically dedicated for Bridge Rental Subsidy to offset rental cost for Class Members. This comes from General Revenue Funds (GRF).

The State met and exceeded its first four annual goals, transitioning 1,312 people by 2015. The program's five-year plan ended June 30, 2016, with a cumulative total of 1,664. As of October 31, 2019, 2019, the State has transitioned 71 Class Members or 18% of its goal in FY2020 and a cumulative total of 2,704 Class Members.

While the State has worked on improved data collection and responses to varying demands for care, it was found 49% out of compliance (32% in compliance and 19% in partial compliance) in the Court Monitor's FY2019 report. The State made efforts to return to compliance in its FY2020 Implementation Plan by strengthening a state-wide program for diversion, and through joint efforts with the Colbert consent decree.

### ***Colbert v Pritzker***

The Colbert v. Pritzker (originally Colbert v. Quinn) lawsuit was filed in 2007 against the Governor, IDHS, IDHFS, IDPH, and the Department on Aging (DoA), The lawsuit was issued on behalf of persons living with disabilities who reside in skilled nursing facilities (SNFs) in Cook County that are inappropriately segregated from the community. The State agreed to comply with a court consent decree filed in November 2011. Originally led by IDHFS, the State decided to move the lead agency's role to the Illinois Department on Aging (DoA) in 2014 and has now moved its management to IDHS.

Under DoA's management, the State met its 2015 goal to transition 1,100 people by November 30 of that year. As of October 31, 2019, the State transitioned 94 Class Members, 20% of its FY2020 goal and a cumulative total of 2,479 Class Members.

The Defendant's Cost Neutral report produced in 2016 found that the State, on average, saved 37.5% of the funds it used per person in an institution once the person moved to the community. The parties negotiated and developed a cost neutral plan, as well as a consultant report created per the Court Monitor's request, that were both incorporated in an updated implementation plan. The court released the cost neutral plan agreements in November 2016 and the new implementation plan in March 2017.

The State has worked on improved data collection and responses to varying demands for care and was found 26% in compliance, 24% in partial compliance and 50% out of compliance in the Court Monitor's CY2018 report. The State made efforts to improve data collection and accuracy, as well as collaborate on increased service provider and housing capacity with the Williams consent decree in its FY2020 Implementation Plan.

### ***Joint Consent Decree Efforts***

Since the Colbert consent decree moved to DHS, there is much more collaboration between these consent decrees. With a new Olmstead Compliance Officer leading all consent decree efforts, there is a new RFA for service providers released, in hopes of improving service provider capacity and quality; quarterly service provider summits to collect feedback; focused meetings on key issues like housing and supported employment; and, connections to other state agencies for improved partnerships.

Both Williams and Colbert are participating in an Individual Placement and Supports (IPS) Supported Employment Initiative. IPS is evidence-based employment services for people with serious mental illness (SMI). DMH hired a program manager for this supported employment project, who visits community drop-in centers and engages Class Members to encourage them to participate. Both agencies are also contracting with the University of Illinois-Chicago's School of Nursing to provide in-person trainings and webinars on a variety of topics to help service providers improve transitions and become more aware of Class Member's chronic health needs.

## Transforming Healthcare and Human Services Chart

<b>Major Events in Healthcare and Human Services Transformation Initiatives Related to Olmstead Classes (November 2019)</b>				
<b>Impetus [Lead Agency]</b>	<b>Description</b>	<b>Populations Affected</b>	<b>Geography Affected</b>	<b>Eligible Community - Based Housing</b>
Money Follows the Person (MFP) [IDHFS]	Federal demonstration program providing enhanced Medicaid match (for waiver and State Plan services provided in first year of community residency) to support transitions of seniors and persons with disabilities out of institutions and into eligible community-based settings.	Persons with Mental Illnesses (MI), Developmental Disabilities (DD), Physical Disabilities (PD) and the Elderly currently living in Medicaid-funded assisted facilities.	Statewide	Scattered site supportive housing; single site supportive housing; Supportive Living Program (SLP); group homes of four beds or less (e.g., CILAs).
Ligas v. Eagleson Consent Decree* [IDHS - DDD]	State found in violation of Title II of ADA and Title XIX of Social Security Act for not appropriately housing persons with disabilities in least restrictive settings.	Residents living in private Intermediate Care Facilities for the Developmentally Disabled (ICFs-DD) of 9 beds or more and persons on a PUNS waiting list for services. Persons must request community-based services or community-based placement to be considered part of Class.	Statewide	Scattered site supportive housing; single site supportive housing; Community housing of no more than 8 beds. CILAs to be 4 beds or less to qualify for MFP enhanced match.
Williams v. Pritzker Consent Decree* [IDHS - DMH]	State found in violation of Title II of ADA, Section 504 of Rehab Act and Title XIX of Social Security Act for not appropriately housing persons with disabilities in least restrictive settings. Consent decree includes required transition goals.	Residents living in (Non-Medicaid) Institutes for Mental Disease (IMDs).	Statewide; 17/24 IMDs are in Cook County	Scattered site supportive housing; single site supportive housing. No more than 25% Class Members in any given development; Bridge Rental Subsidy as major source of rental assistance.
Colbert v. Pritzker Consent Decree* [IDHFS]	State found in violation of Title II of ADA, Section 504 of Rehab Act and Social Security Act Title XIX for not appropriately housing persons with disabilities in least restrictive settings. Consent decree includes required transition goals for housing and services.	Residents with disabilities living in Medicaid-funded Skilled Nursing Facilities (SNFs) in Cook County.	Cook County (only)	Scattered site supportive housing; single site supportive housing; Supportive Living Program (SLP); other appropriate affordable housing.
Facilities Closures [Governor's Office / IDHS]	In 2011, then-Governor Quinn moved to close several State operated facilities, not only as cost savings measures, but also (in the case of SODC's) to provide housing for persons with disabilities in the least restrictive settings.	Persons with Intellectual and/or Developmental Disabilities.	Statewide	ICFs-DD; CILAs; other affordable housing option.
<p>*In <i>Olmstead v. L.C.</i> (1999), the U.S. Supreme Court held that unnecessary institutionalization of people with disabilities is discrimination under the Americans with Disabilities Act (ADA). The decision also held that people with disabilities have the right to receive services in the least restrictive living environment. Based on this decision, three lawsuits were brought against the State of Illinois that may impact deinstitutionalization and rebalancing of long term care housing and services for development and rental assistance resources throughout the state. IHDA is not a named party to the lawsuits, but is making financial and technical assistance resources available to help meet the identified housing needs.</p>				

**Transforming Healthcare and Human Services Chart, Continued**

<b>Major Events in Healthcare and Human Services Transformation Initiatives Related to Olmstead Classes (November 2019)</b>		
<b>Impetus [Lead Agency]</b>	<b>Original Transition Goals, Program Status</b>	<b>Transition Goals, Program Updates</b>
<p>Money Follows the Person (MFP) [IDHFS]</p>	<p>Transitions include Colbert and Ligas Class Members, consumers transitioned through the CILs'/DRS' Community Reintegration Program (CRP) and persons moved due to the closure of some State facilities.</p> <p>The IL MFP program stopped accepting referrals as of 7/1/2017. All but two IL MFP transitions were completed by 12/31/2017.</p> <p>The remaining two transitions were completed in January 2018. Program funds will be available to follow up with transitioned MFP participants through September 2020.</p>	<p>3,177 individuals were transitioned through IL MFP. (DMH: 1,076, DD: 324, DRS: 982, DoA: 795) (Colbert: 1,568, Non-Colbert: 1,609).</p>
<p>Ligas v. Eagleson Consent Decree* [IDHS - DDD]</p>	<p>Original goal in 2011 was to provide community-based services or placement to 3,000 persons with DD currently living at home that are on the PUNS waiting list. This was over a 6 year period (ending in 2017) and to all persons interested in moving to the community from ICF/DDs.</p> <p>The State has made initial contact with every class member at this time. There are ongoing discussions about how transitions will continue and how to improve service quality, to bring the State back into compliance.</p>	<p>As of November 1, 2019, 1,769 people living in ICFs/DD have become Class Members and 1,442 of them have initiated waiver services.</p> <p>As of November 1, 2019, there are approximately 8,065 people that have been authorized from the PUNS waiting list and 4,143 of them have initiated waiver services.</p>
<p>Williams v. Pritzker Consent Decree* [IDHS - DMH]</p>	<p>The State reached and exceeded its cumulative annual goals with 282/256 in Year One; 643/640 by Year Two; at least 1,100/832 by Year Three; and, 1,312/1,306 by Year Four. At the end of Year Five, there was a cumulative total of 1,664 transitions. As of 10/31/2019, there is a cumulative total of 2,704 transitions.</p> <p>According to the latest Court Monitor's report, the State was 32% in compliance, 19% in partial compliance, and 49% out of compliance for FY19.</p>	<p>The State continued to transition Class Members after Year Five. As of 10/31/2019, the State has transitioned a cumulative total of 2,704 transitions. FY2020 transitions total 71, 18% of its 400 transitions FY2020 goal.</p>

**Major Events in Healthcare and Human Services Transformation Initiatives Related to Olmstead Classes  
(November 2019) - Continued**

Impetus [Lead Agency]	Original Transition Goals, Program Status	Transition Goals, Program Updates
Colbert v. Pritzker Consent Decree* [IDHFS]	<p>The initial Implementation Plan was approved by the judge on November 8, 2012. Evaluations began February 2013 but HFS did not meet the Year 1 transition goal of 300 by 11/8/2013. Department on Aging took over as lead agency in January 2014. A total of 794 Class Members transitioned by 5/31/2015 (goal was 500 by 11/8/2014 and 300 by 5/5/15). The State met a goal to transition 1,100 Class Members by 11/30/2015. DHS is now lead agency.</p> <p>According to the latest Court Monitor’s report, the State was 26% in compliance, 24% in partial compliance, and 50% out of compliance for CY18.</p>	<p>The State continued to transition Class Members after the 1,100 goal. As of 10/31/2019, the State has transitioned a total of 2,479 Class Members. FY2020 transitions total 94, 20% of its 450 transitions FY2020 goal.</p>
<p>All of the programs and consent decrees rely on the following housing resources: LIHTC; HOME; Affordable Housing Trust Fund; CDBG; CILA; Bridge Rental Subsidy (Williams and Colbert Class Members only); RHSP-Long Term Operating Support; HUD Section 811 Rental Assistance Demonstration; PHA-administered HCVs; PHA-administered PBVs; and/or, private housing resources.</p>		

**Public Housing Authority Preferences for Persons with Disabilities**

In early 2013, HUD's Office of General Counsel approved a statewide Coordinated Remedial Plan for the State of Illinois, which allows local public housing authorities (PHAs) to establish preferences on their Public Housing and/or Housing Choice Voucher waiting lists for Olmstead populations. PHAs provide a preference to persons living with disabilities who are participating in one of the three Illinois consent decrees (Colbert, Williams and Ligas) and those who are seeking to move out of a State-Operated Developmental Center (SODC).

PHAs must still revise their Public Housing Agency Plans to reflect the requested preference and request a waiver. The Statewide Housing Coordinator (SHC) from DHS has worked with several PHAs the past five years to submit these waivers and establish agreements for voucher and public housing unit set-asides. The SHC has worked to secure housing vouchers and public housing units through local public housing authorities including Cook County, the City of Chicago, Rockford, Decatur and Lake County. The table on the next page shows how many vouchers and public housing units that PHAs have committed to this effort as of July 2019.

PHA Preference Commitments for Persons with Disabilities					
Award Year	PHA	Match Type	Number	Special Conditions	Current # Acquired
2012	Chicago Housing Authority (CHA)	Housing Choice Vouchers (HCV) Project Based Vouchers (PBV) Accessible Public Housing units	Up to 60	Total of 400 vouchers or public housing units + additional 200 HCV	316 HCV
2012	Housing Authority of Cook County (HACC)	Low Income Public Housing (LIPH), Project Based Vouchers (PBV), Housing Choice Vouchers (HCV), Non Elderly Disabled (NED)/Mainstream Special Purpose Vouchers (SPV)	10% Annual Turnover + 10% of new PBV 35	Annual Turnover (LIPH, PBV, HCV) New PBV 1 <sup>st</sup> year approx. 120 units in total, annualized	33 HCV
2012	Rockford Housing Authority (RHA)	Housing Choice Vouchers (HCV) Public Housing Units	50 30	Non-elderly disabled, one time	Initiating process
2014	Decatur Housing Authority (DHA)	Low Income Public Housing (LIPH) Housing Choice Vouchers (HCV)	15 15	Turnover vouchers, one time only	5 HCV
2014	Housing Authority of Cook County (HACC)	Housing Choice Vouchers (HCV) Project Based Vouchers (PBV)	NA	Total of 60 turnover vouchers, annualized	Have not started
2014	Lake County Housing Authority (LCHA)	Housing Choice Vouchers (HCV)	100	Turnover vouchers	58 HCV

## Housing Resources

### Illinois Housing Search Website

ILHousingSearch.org is an online affordable housing locator that lists available affordable housing throughout the state. Users are able to search for housing by geographical location, size, price, accessibility features, amenities and other eligibility criteria. As of December 1, 2019, 7,738 landlords registered 136,033 units throughout the state, with 1,846 units available and 2,144 wait-listed units on the site. There have been 6.74 million searches since the website was created, with over 493,000 searches in 2019.

### State Referral Network

Created in 2007 originally within IHDA's LIHTC Program, the Statewide Referral Network (SRN) works to link populations already connected to services to affordable, available and supportive housing. SRN units are affordable for persons with extremely low-incomes (30% area median income). Eligible populations include persons living with disabilities, persons experiencing homelessness, persons at risk of homelessness and, new this year, persons at risk of institutionalization. LIHTC targeting was included in the 2015 QAP, the 2016-2017 QAP and the 2018-2019 QAP, with additional points awarded to projects proposing developments with SRN units. In the 2020-2021 QAP all non-elderly developments are required to set-aside a minimum of 10% of their units for the SRN and can score additional points for SRN units above 10%.

Embedded within the State of Illinois' housing locator website is a password-protected login through the Pre-Screening, Assessment, Intake and Referral (PAIR) module for SRN and Section 811 units. Launched in June 2015, the PAIR module is a waitlist management system that allows for the pre-screening of individuals for eligibility through an initial questionnaire, collecting more details of those who potentially qualify for intake onto a waiting list. The SRN Waiting List receives referrals through the module from various service providers: housing locators, transition coordinators and care coordinators. The Housing Waiting List Manager then facilitates the matching and referral of qualified applicants to properties with SRN units. There are over 1,800 units available within the SRN. As IHDA continues to create additional developments with SRN units, this number is expected to grow.

The Statewide Housing Coordinator (SHC) in coordination with IHDA primarily oversees the PAIR module and its SRN/811 application process and matching system. IDoA, IDHS and IDHFS are involved via an intergovernmental agreement.

### **HUD Section 811 Program**

The Section 811 Project Based Rental Assistance Demonstration Program assists low-income households with long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports.

In February 2013, the State was awarded \$12.32 million from HUD to provide up to 370 project-based vouchers to persons with disabilities who were coming out of nursing homes and other institutional facilities to help them transition back into the community. This money assists Illinois in its efforts to meet obligations set into place by the three consent decrees (Williams, Colbert and Ligas), as well as the Money Follows the Person Program and SODC closures. In March 2015, HUD announced it was awarding a second round of 811 funding. IHDA was awarded \$6.42 million, which will assist approximately 200 households. There is a 2019 NOFA out for a new round of 811 funding in 2020, allowing each awarded State up to \$7 million; IHDA intends to apply for this round of funding.

Through this 811 Demonstration Program, IHDA works with affordable housing owners to set aside units for eligible 811 populations through a Rental Assistance Contract (RAC). The 811 project-based rental assistance is provided to properties financed by several funding sources, including Low Income Housing Tax Credits (LIHTCs), HUD HOME funds and bond financing. This allows the 811 subsidies to help state and local governments strategically and systematically create integrated supportive housing units in regulated, affordable rental housing developments. Service providers working with eligible applicants can then access the Section 811 units by placing Class Members onto the PAIR module's 811 Waiting List within the ILHousingSearch.org web-based housing locator (anyone who is eligible for Section 811 is also eligible for the Statewide Referral Network waiting list).

A Section 811 Interagency Panel that includes IHDA, DHS, and HFS, meets regularly to review data and discuss interagency initiatives to improve access to 811 units. One of these initiatives involves determining what the communities of preference will be in each LIHTC Qualified Allocation Plan (the document that guides LIHTC awards). Proposed developments with SRN units building in communities of preference are awarded additional points in the QAP to encourage affordable housing development in those areas where eligible 811 applicants have moved and wish to move. The group also discusses HUD compliance matters, new reports that may be useful for program evaluation, training opportunities to use PAIR, and possible pilots to improve the PAIR module's function.

Since the start of the program, 290 units have been Board approved. and 216 are available in the PAIR system.

### **Illinois Long Term Operating Support (LTOS) Program**

On a per year basis, a minimum of 10% of the funding under the Rental Housing Support Program (RHSP), described in Focus Area #1, is available as the Long Term Operating Support (LTOS) Program. LTOS provides up to fifteen years of a long-term, project-based rent subsidy to newly available affordable units. This program works to increase the supply of affordable housing to households earning at or below 30% AMI.

From 2016 to 2018, IHDA posted a Long Term Operating Support Program (LTOS) request for application to give rental subsidies for 15 years to eligible landlords serving households referred through the Statewide Referral Network. LTOS grants were awarded to the highest scoring applications to bridge the gap between the contract rent and what extremely low-income households can afford to pay. Eligible developments had to be located outside the City of Chicago, meet the accessibility requirements listed in the Request for Application and commit to accepting tenants referred through the Statewide Referral Network in order to be considered. These new units were Board approved from May 2017 to September 2018 and totaled 132 units. Currently, IHDA is not expecting a new open LTOS round in 2020, however, up to \$5 million may be made available for approved projects as part of the Permanent Supportive Housing RFA round.

### The Re-entry Demonstration Rental Housing Support Program

As result of the 2018 Illinois Criminal Justice Information Act (Public Act 1000-0575 (730 ILCS 5/5-8A-4.2)), the Illinois Housing Development Authority and the Illinois Department of Corrections (IDOC) convened and jointly chaired a Re-entry Housing Working Group which aimed to identify possible actions to better meet the housing, employment and social services needs of those leaving or those who previously left the IDOC or county jails. Per the requirements of the Act, the Working Group also focused part of its work to “engage in re-entry planning to include individualized case planning for persons preparing to be released to the community.”

The Act additionally called for IHDA to create a rental assistance program that “shall be targeted to persons with disabilities who have a history of incarcerations, hospitalizations, and homelessness”. In 2019, IHDA, in partnership with IDOC, developed the Re-entry Demonstration Rental Housing Support Program which will provide rental assistance and social services for up to 100 individuals exiting the state prison system. Rental assistance will be provided to landlords in quarterly payments equal to the difference in the reasonable rent for the unit and the income-based portion of rent. IHDA provides rental assistance funds to Local Administering Agencies through a competitive Request for Application Process, while IDOC is responsible for providing referrals to social services agencies that specialize in individuals exiting the state prison system.

The Re-entry Demonstration Program is funded through the Rental Housing Support Program.. IHDA began accepting applications in late June of 2019 and has approved \$2,894,968 to new LAAs to administer a total of 75 units in 2020.

<b>Re-Entry Demonstration Program – Local Administering Agencies (LAAs)</b>			
<b>Agency Name</b>	<b>Service Area</b>	<b>Funding Amount</b>	<b>Units</b>
Housing Choice Partners of Illinois	Suburban Cook County	\$1,179,367	20
Winnebago County Housing Authority	Winnebago County	\$578,566	20
Winnebago County Housing Authority	Boone County	\$138,640	5
Winnebago County Housing Authority	Stephenson County	\$136,501	5
Community Partners for Affordable Housing	Lake County	\$374,220	10
Housing Authority of Champaign County	Champaign County	\$487,674	15
	<b>Total</b>	<b>\$2,894,968</b>	<b>75</b>

### Permanent Supportive Housing Development Request for Applications

IHDA released requests for application for a fifth round in 2018 and sixth round in 2019 for the Permanent Supportive Housing Development Program (PSH). The program funds developments that serve extremely low-income persons with disabilities, persons experiencing homelessness and other vulnerable populations. These developments contain no more than 25 units and are required to set aside a minimum of 10 percent of units for referrals through the Statewide Referral Network. Leveraging funds from a variety of State and federal sources, including but not limited to the national Housing Trust Fund, Affordable Housing Trust Fund, and HOME, the 2018 program round funded six developments.

In 2019 IHDA received 11 applications for its sixth round of PSH and IHDA estimates funding up to 180 additional units throughout the State. Application awards are expected to be finalized sometime in early 2020.

## Illinois Supportive Living Program

Illinois' Supportive Living Program is a Medicaid approved home and community-based assisted living option administered by the IDHFS that offers services to the elderly (65 and older) and persons with physical disabilities (ages 22-64). The aim of the program is to preserve privacy and autonomy while emphasizing health and wellness for persons who would otherwise need nursing facility care.

By providing personal care and other services, residents can still live independently and choose what services to receive. IDHFS currently operates this program through a Medicaid waiver, which allows payment for services that are not routinely covered by Medicaid. These include intermittent nursing, personal care, homemaking, laundry, maintenance, medication supervision, meals, social activities, recreation, arranging or providing transportation, health promotion and exercise and 24-hour staff to meet resident's scheduled and unscheduled needs. The resident is responsible for paying the cost of room and board at the SL community. In 2018, the number of operating Supportive Living Program projects increased from 152 to 153 providers, with capacity increasing from 12,777 apartments to 12,830. Of the 153 communities, eleven serve people ages 22 to 64 with physical disabilities. Fifty-two sites have been approved for the Supportive Living Program and are in various stages of construction and development, including two that will serve people with physical disabilities. Also included are forty Supportive Living Program dementia care settings. In all, there are Supportive Living Program communities in 74 counties in Illinois. The Centers for Medicare and Medicaid has defined Illinois' program as meeting the requirements of a "community-based setting." Supportive Living Program providers are among the State's nine current Medicaid waivers.

## Health and Housing

### Care Coordination Plan and Managed Care

Public Act 96-1501 ("Medicaid Reform") required that 50% of Illinois Medicaid clients be enrolled in some type of care coordination program by January 1, 2015. Illinois now has approximately 76% of the Medicaid population enrolled into a care coordination program.

Care Coordination manages the care needs of an individual by providing the client a medical home with a primary care physician, referrals to specialists, diagnostic and treatment services, behavioral health services, inpatient and outpatient hospital services, dental services and, when appropriate, rehabilitation and long term care services. The benefits of care coordination include better health for the member and a better quality of life for the member at a reduced cost.

IDHFS currently operationalizes two care coordination programs: the HealthChoice Illinois Program and the Medicare Medicaid Alignment Initiative (MMAI) Program.

A description of Illinois' two care coordination programs is provided below:

#### ***HealthChoice Illinois Program***

The HealthChoice Illinois Program is a mandatory program for most Medicaid recipients who have full Medicaid benefits. As of October 1, 2019, enrollment under HealthChoice Illinois was 2,134,535. HFS holds contracts with 6 MCOs to serve the HealthChoice Illinois population.

HealthChoice Illinois covers all 102 counties in Illinois.

The following 6 health plans participated in the HealthChoice Illinois program in 2019:

- Blue Cross Blue Shield of Illinois (Statewide);
- CountyCare (available only in Cook County);
- IlliniCare Health Plan (Statewide);
- Meridian Health (Statewide);
- Molina Healthcare of Illinois (Statewide); and
- NextLevel Health (available only in Cook County).

In July 2019, the HealthChoice Illinois program was expanded for a certain group of individuals. The Managed Long Term Services and Supports (MLTSS) Program became a statewide program for beneficiaries receiving full Medicare (both Part A and Part B) and Medicaid benefits, are not enrolled in the Medicare-Medicaid Alignment Initiative (MMAI) program, and reside in a nursing facility or are in the following [Home and Community-Based Services \(HCBS\) waivers](#): Supportive Living Program, Persons with Disabilities, Persons with HIV or AIDS, Persons with Brain Injury, and Persons who are Elderly.

MLTSS is a mandatory managed care program. Eligible beneficiaries cannot opt-out. Medicare is the primary payer for dual eligible beneficiaries, including HealthChoice Illinois MLTSS enrollees; the MLTSS plan covers some long term supports and services, along with some mental health and transportation services. All HealthChoice Illinois MLTSS enrollees who live in a county with a [Medicare-Medicaid Alignment Initiative \(MMAI\)](#) health plan may choose to enroll in MMAI instead of MLTSS at any time.

### **Medicare/Medicaid Alignment Initiative (MMAI)**

In 2013, Illinois and the federal Centers for Medicare and Medicaid Services (CMS) signed a Memorandum of Understanding that approved the *Medicare/Medicaid Alignment Initiative* (MMAI). MMAI is an effort to reform the way care is delivered to clients who are eligible for Medicare and Medicaid services (dual eligible) by providing coordinated care.

In October of 2019, MMAI was operational in the Greater Chicago Region and parts of the Central Illinois Region. There are 6 MCOs providing services under MMAI. As of October 1, 2019, the enrollment under MMAI was 56,068.

MCOs providing services under MMAI are responsible for covering all Medicare and Medicaid services, including Long Term Services and Supports. Enrollees can opt out of MMAI at any time, as well as re-enroll at any time; however, enrollees that receive Long Term Services and Supports and request to opt out of MMAI are required to participate in the HealthChoice Illinois program. The HealthChoice Illinois health plans cover a limited service package for Long Term Services and Supports. All other services will be covered by Medicare and Medicaid fee for service.

The following six plans participate in the MMAI program in 2019:

- Aetna Health Plan (Greater Chicago Region);
- Blue Cross Blue Shield of Illinois MMAI (Greater Chicago Region);
- Humana Health Plan (Greater Chicago Region);
- IlliniCare Health Plan (Greater Chicago Region);
- Meridian Health (Greater Chicago Region); and
- Molina Healthcare of Illinois (Central Illinois Region).

## **Homelessness**

### **Illinois Interagency Council on Homelessness**

The Illinois Interagency Council on Homelessness (ICH) is a group of stakeholders across the State interested in collaborating on homelessness policy and programs. ICH currently meets and specifically works with the Illinois Cooperative Agreement to Benefit Homeless Individuals (CABHI) program grant and the Department of Human Service's Substance Use Prevention and Recovery Division runs the CABHI grant.

The purpose of the Illinois Cooperative Agreement to Benefit Homeless Individuals (CABHI) program is to enhance or develop the Illinois infrastructure and treatment service systems in order to increase capacity to provide accessible, effective, comprehensive, coordinated/integrated and evidence-based treatment services. CABHI will also provide permanent supportive housing, peer supports; peer navigator(s), and other critical services to persons who experience chronic homelessness with substance use disorders or co-occurring substance use and mental disorders.

In 2013, the original CABHI grant helped facilitate the ICH by creating the State Plan to Reduce Chronic Homelessness. It affirmed six core values and set goals for the ICH to achieve with the CABHI grant. The first

grant ended in September 2017 and Illinois received a new CABHI grant in the Fall of 2017. This grant led to the creation the new State Plan to Support Families and Unaccompanied Youth Experiencing Homelessness. This plan has the same core values but focuses on families and unaccompanied youth experiencing homelessness. Its key goals include increasing leadership, collaboration and civic engagement, increasing access to stable and affordable housing for the target populations, increasing economic security, and increasing health and stability.

### **Focus Area #3: Leadership and Capacity Building**

As budgets enacted by state and federal legislatures contain changes to programs, coordination efforts between governmental and non-governmental entities is crucial to effectively implement streamlined affordable housing planning efforts and policies to maintain adequate funding. Information below highlights local and state affordable housing planning efforts, as well as state and federal legislative changes.

The Leadership and Capacity Building Focus Area draws from actions and strategies that are identified in the 2020 ACHP Technical Plan, which lays out the long-term planning goals of the Housing Task Force. In this Focus Area, four Technical Plan strategies provided the framework for the current programs and recommended efforts included in this section.

#### Leadership and Capacity Building Technical Plan Strategies:

1. Develop a better understanding of the specific and unique housing needs of all Illinois residents, and prioritize state and federal resources, where possible
2. Track federal and State legislation.
3. Promote equal access to quality housing for the full diversity of Illinois households.
4. Prioritize the preservation of federally assisted housing at risk of expiring

## Leadership and Capacity Building

### Affordable Housing Planning and Appeal Act

The Affordable Housing Planning and Appeal Act (AHPAA) encourages affordable housing production in communities (municipalities with populations over 1,000) throughout the state by requiring communities with less than 10% affordable housing stock (known as ‘non-exempt’ communities) to participate in activities that promote affordable housing. Non-exempt communities are required to produce and approve an affordable housing plan 18 months after the date of notification of their non-exempt status. While there are no major enforcement processes included in this law, it codified the state’s intent in providing affordable housing.

AHPAA also established the Governor–appointed State Housing Appeals Board (SHAB), which is responsible for hearing appeals received from developers who feel that one of their development proposals had been unfairly denied, or unreasonable conditions were placed upon the tentative approval of the development to make it economically infeasible to carry out, by a non-exempt local government.

IHDA, as the administering agency of AHPAA, has produced the non-exempt local communities list in 2003, 2013 and, most recently, in December of 2018. Using data from the U.S. Census Bureau’s American Community Survey (ACS), 46 communities were identified as being non-exempt. Of those, only one community was not previously listed on the 2013 non-exempt list. Throughout 2020, IHDA will continue to provide technical assistance to local governments who need assistance creating and submitting their affordable housing plans, which are due to IHDA in June of 2020.

IHDA also encourages affordable housing development in AHPAA communities through its Qualified Allocation Plan. Once again, LIHTC applications under the 2020-2021 QAP for projects located within AHPAA non-exempt communities are now incentivized by being awarded 2 points.

### “Downstate” and Rural Capacity-Building

Given IHDA’s statewide mission, it has always sought funding and innovative uses of that funding to assist under-funded “downstate” communities in identifying and meeting affordable housing goals. While IHDA remains open to new programming for communities downstate, the Community Revitalization Technical Assistance Network offered through SPAR, has been one of the most successful downstate endeavors.

IHDA will continue to pursue funding opportunities and provide technical assistance to carry out capacity-building efforts in rural communities and small cities located outside of the Chicago metropolitan area. These communities have shown an interest in preserving and expanding their affordable housing stock and options, and are utilizing TA to:

- Strategize future planning and investment;
- Establish linkages to ongoing initiatives for Economic Development, Education, Health Care, Food Access, and overall community development;
- Identify realistic housing needs and goals for the community;
- Coordinate with state, regional, and federal agencies, as well as local organizations, to help meet the planning and implementation needs of the community;
- Identify potential funding sources for plan implementation;
- Identify financially feasible models for meeting housing needs (to be enacted locally);
- Become a calling card for the community to attract investors;
- Form a working advisory group to supervise ongoing implementation of planning strategies; and
- Strategically plan for future tax credit development sites, if a desired outcome.

Since the formalization of the TA Network in 2018, nearly 48 percent of those receiving technical assistance have been in downstate/rural Illinois. Of the 19 projects/communities that are currently in the discussion phase of community revitalization, over 73 percent of those are located in downstate/rural Illinois. In 2019, three new communities in downstate/rural Illinois signed Scopes of Work with our Technical Assistance Program, which has resulted in currently active and on-going community planning in five communities. In an effort to increase opportunity throughout the state, the Community Revitalization team has

developed/published 13 planning tools/documents for communities to use when considering community revitalization efforts:

- Community Revitalization Website
- Technical Assistance Request Form
- Community Revitalization FAQ
- Community Revitalization Planning Checklist
- Community Revitalization Scope of Work
- Community Needs Assessment Survey
- Community Stakeholder List
- Housing Stock Survey
- Housing Needs Assessment
- Community Revitalization Work Plan and Timeline
- IHDA Resources & Programs in Your Area
- Community Planning and Funding Resources
- IHDA/Community Revitalization Glossary

## Homes For a Changing Region

In May 2018, the Metropolitan Mayors Caucus (MMC), in partnership with the Metropolitan Planning Council (MPC) and Chicago Metropolitan Agency for Planning (CMAP), was awarded a planning and technical assistance grant as part of the Homes For a Changing Region program. The 2-year grant, funded by the Affordable Housing Trust Fund in the amount of \$380,240, targets 10 communities throughout the Northeast Illinois region, and seeks to provide short-term housing analysis, strategic planning assistance that address barriers to affordability and expand housing choice.

IHDA's role is to provide assistance and input in various stages of the program. The Homes team will provide housing needs assessments for each selected community and work to convene housing experts and experienced practitioners in the field who are familiar with the challenges and issues specific to each community. Together, these will ultimately inform solutions-driven actions plans and strategies and recommendations that will help guide local leaders through the implementation process.

The community selection process continues with action plans for Antioch, Bridgeport-Canaryville and Naperville already completed. Future planning engagements in 2020 include Broadview, Sauk Village, Oak Forest, and Summit.

## Affirmatively Furthering Fair Housing (AFFH)

On July 16, 2015, HUD published the final rule on "affirmatively furthering fair housing". The rule encouraged a more engaged data-driven approach to assessing fair housing and related planning actions. This rule also established a standardized fair housing assessment and planning process to give jurisdictions and PHAs a more effective means to affirmatively further fair housing for the purposes of complying with the Fair Housing Act, a certification signed annually by all HUD grantees, including PHAs.

Formerly known as the Analysis of Fair Housing Impediments (AFHI), this new plan was renamed the Assessment of Fair Housing (AFH). For CDBG and HOME grantees, it was tied to the Consolidated Plan and was to be due prior to the submission of the grantee's next Five-Year Plan. PHAs, for the first time, were required to develop their own individual plans, or can become part of their jurisdiction's AFH. PHA assessments was first to be due to HUD prior to submission of each PHA's next Five-Year Agency Plan.

IHDA serves as the coordinating agency for the State Consolidated Plan and the next Five-Year Plan, for calendar years 2020-2024, was tentatively due on November 15, 2019, but has been delayed due to HUD policy prohibiting submission of Consolidated Plans until Congress has passed a full appropriations bill, HUD has announced formula grant allocations, and grantees are provided 60 days from then to submit documents. The first AFH was initially due approximately nine months prior to this date, or February 15, 2019. Then, on January 5, 2018, HUD extended the deadline for submission of an AFH by local government program participants until the next Five-Year Plan due after October 31, 2020. However, on May 23, 2018, HUD issued three notices:

- The first notice advises that HUD is withdrawing the January 5, 2018 notice;
- The second notice advises that HUD is withdrawing the Assessment Tool for Local Governments; and

- The third notice advises that Consolidated Plan participants must legally fulfil their obligation to affirmatively further fair housing by way of the Analysis of Fair Housing impediments (AFHI).

At this time, States and all HUD grantees, including local governments, are not currently required to submit an AFH, but must continue to comply with existing obligations to affirmatively further fair housing. Until the State is required to submit an AFH, it will continue to provide its AFFH Consolidated Plan certification in accordance with the requirements that existed prior to August 17, 2015. As such, IHDA will continue to report on the State's actions to address its previously identified fair housing impediments in the State's Consolidated Plan Annual Action Plans and Annual Performance Reports.

IHDA continues to take or plans to take further actions to facilitate the Analysis of Impediments. These include:

- Identification of barriers based on data analysis and research on current laws, rules, and policies; and
- Describing possible State actions to address these areas; and
- Continuing to work with its other State partner agencies and other interested parties to provide more detail to its plans in the upcoming months.

IHDA has also been taking on related actions beyond the AFH. IHDA views these measures as representative of sound policy and plans to continue these activities into the future:

1. **Opportunity Areas** (discussed in full in both the 2018 and 2019 Annual Comprehensive Housing Plans) – IHDA has determined Opportunity Areas based on poverty level and other indicators measuring access to jobs. Opportunity Areas are updated annually upon availability of census data and IHDA has maintained an open-door policy on incorporation of data sets that best represent the State of Illinois. Opportunity Areas and Proximate Opportunity Areas in close proximity with demonstrable connection are currently incentivized in the Qualified Allocation Plan with up to 10 points.

IHDA continues to research the possibility of changing to an Opportunity Index that would incorporate additional factors into the Opportunity measurement (i.e. education, environmental health, etc.). This index would be circulated for public comment and discussion before adoption by IHDA. All Opportunity Area related research and materials are published on the IHDA webpage at: <https://www.ihda.org/developers/market-research/opportunity-areas/>.

2. **Community Revitalization Planning** – IHDA will continue including a scoring criteria to the QAP (equal to up to 10 points) for community revitalization planning efforts in qualifying areas that demonstrate affordable housing development as part of a concerted effort to increase opportunity. This effort expands the standard requirements for the content of community revitalization plans, including those involving a project proposed in a Qualified Census Tract, to include economic revitalization efforts and other localized efforts. Projects located in Racially or Ethnically Concentrated Areas of Poverty (RCAPS/ECAPs) also are required to develop and submit a community revitalization strategy. And finally, to improve targeting of assistance to the most distressed areas, IHDA has developed “Revitalization Impact Areas” as part of the above scoring, which now also incentivize projects that are proposed in a State-designated Opportunity Zone. Additionally, IHDA now has a Community Revitalization team which provides and coordinates technical assistance throughout the state and oversees the community revitalization scoring efforts.
3. **Concentration and Preservation Metrics** – IHDA has incorporated different market metrics into its review of Preliminary Project Assessments and LIHTC applications since 2012. IHDA utilizes the Affordable Rental Unit Survey (ARUS) which serves as an estimator of rental affordability (independent of rent restrictions) for each census tract throughout the state. Additionally, IHDA publishes and maintains an Affordability Risk Index (ARI), a tool designed to determine the need to preserve affordability by measuring change over time in key market metrics. Proposed developments located in census tracts identified by the ARI as being at risk of affordability loss are incentivized with up to 5 points in the QAP. The ARUS and ARI maps and methodologies are published here: <https://www.ihda.org/developers/market-research/>.

4. **Additional QAP Changes** – IHDA’s 2020-2021 QAP generally maintains previous review and scoring criteria; however, IHDA is always exploring how to make the QAP more responsive to State actions that affirmatively further fair housing. These include:
  - Maintaining the point category for ICC's Universal Housing Design standards as part of its building standards;
  - Mandating a higher-than-required 10%/2% accessibility standard for all rental housing projects;
  - Highlighting requirements to applicants for action steps in Affirmative Fair Housing Marketing Plans (AFHMPs) to evidence outreach efforts to reach "those groups least likely to apply;"
  - Providing priority scoring for projects located in AHPAA communities;
  - Mandating a minimum 10% of units be set aside for use with the Statewide Referral Network;
  - Continuing the point category for a 10-20% set-aside for supportive housing populations, those being defined as persons with disabilities (a protected class) and/or homeless and at-risk persons and families;
  - Requesting local government support but eliminating any mandated documents. Use of local approval, Consolidated Plan Consistency Certifications, local HOME/CDBG funding and other public participation documentation as ways to positively reward applicants; and
  - Continuing to incentivize projects which include allowable sources of all federal and state project-based rental assistance (up to 8 points), and that provide for deeper income targeting (up to 8 points).
  
5. **Rental Housing Support (RHS) program/Re-Entry Special Demonstration Program** – IHDA administers this program with housing and services providers serving the re-entry population to assist individuals who are exiting the State prison system. It is a rental assistance program targeted to extremely-low and severely-low income (15-30% AMI or below) individuals who are elderly and/or disabled who are being released from incarceration, as well as individuals enrolled in a graduated reintegration program with a post-release plan that includes employment.

**Proposed actions outside of IHDA include the following:**

- Continue to coordinate technical assistance with IDHS to identify and work with PHAs interested in participating in the remedial preferencing policy for persons with disabilities, which was approved by HUD, as well as PHAs which are providing a match (via public housing units or rental assistance vouchers) to IHDA’s Section 811 program to further expand housing opportunities;
- Assist DCEO, in establishing AFFH actions which can be carried out by units of general local government, and CDBG-eligible grantees, including passage and enforcement of fair housing ordinances;
- Work with IDHS-DMH and IDoA to continue implementation of the Bridge Rental Subsidy Program, a rental assistance program for persons with mental illness and elderly persons with disabilities who are moving from institutions into community-based housing;

**Economic Impact Analysis/IHDA Economic Impact Report**

For every Illinois State Fiscal Year, IHDA's Department of Strategic Planning and Research (SPAR) produces an Economic Impact Report to assess the economic impact of new housing and rehabilitation construction generated through the Authority's various single and multifamily housing programs. These reports include data on the Authority's new construction and housing rehabilitation activities and the homeownership assistance IHDA provided under its various housing programs. This report measures the expected impact of this activity on employment, local business income and wages and taxes.

IHDA finalized its 2019 Economic Impact Report in December 2019. For FY2019, IHDA’s single and multifamily programs helped in the creation of an estimated 6,158 full-time jobs in construction and construction-related industries. The Authority’s activity also generated nearly \$538 million in federal, state and local taxes and fees,

as well as local business income and wages. This, with the addition of a return of \$60 million federal tax dollars to the State, demonstrates that the Authority is a major contributor to the economic and financial health of Illinois.

### **Illinois' Broadband Advisory Council and "Connect Illinois"**

The Illinois General Assembly created the Broadband Advisory Council (BAC) to expand and ensure broadband access to all Illinois citizens and businesses, including unserved urban and rural areas. Research on the access/barriers faced by low-income households (at or below 135% of federal poverty) will inform recommendations to eliminate these barriers, and provide equitable broadband access to all Illinois residents and businesses, regardless of location or income. Administered by DCEO, representation on the BAC includes other State agencies, municipal and public housing authority representatives, and industry professionals. As part of the efforts supporting universal broadband access, the Illinois Housing Development Authority (IHDA) has required mandatory broadband capability as a construction requirement for a number of years, mandating installation of broadband infrastructure in all new construction and substantial rehabilitation rental properties of four or more units. The BAC is to report to the general assembly by January 1, 2020 with its findings, and progress in implementing the act's provisions.

"Connect Illinois" is a \$420 million statewide broadband expansion under the State's "Rebuild Illinois" capital investment program that recognizes the importance of high-speed broadband internet as a necessity for economic progress and educational attainment throughout the State. Targeted to towns and counties in those regions "left out" of the digital revolution, a statewide Broadband Strategic Plan will identify opportunities to serve all Illinoisans, including students, seniors, low-income households, rural communities and small businesses, under three major focus areas covering telehealth, education, and economic development. Rebuild Illinois will dedicate \$400 million to building infrastructure connecting communities across the state to high-speed internet, and invest \$20 million in the Illinois Century Network, an existing broadband network serving K-12 public schools, higher education, public libraries, museums, state and local governments, and the health care community.

These efforts coincide with ongoing initiatives by HUD, the Federal Communication Commission, and the Governors Rural Affairs Council, to increase Internet and Broadband access in Illinois.

### **Opioid Prevention and Intervention**

On September 6, 2017, the Governor issued Executive order 2017-05, establishing the Governor's Opioid Prevention and Intervention Task Force. It was tasked with developing and implementing a comprehensive opioid action plan to prevent further spread of the crisis, treat and promote recovery of individuals with opioid use disorder, and respond effectively to avoid opioid overdose deaths. It further recognized that substance abuse disorder was a disease. The task force was co-chaired by the Lieutenant Governor and the Illinois Department of Public Health Director, and included ten other State agencies, primarily human services, criminal justice, and regulator agencies.

IHDA participated on an ad-hoc basis to discuss housing-related issues. IHDA cannot fund transitional housing, which is the general nature of most housing recovery facilities/homes, but recommended use of the IDHS group homes model as well as contacting local homeless Continuum of Care agencies where appropriate.

In Illinois, opioid overdoses have killed nearly 11,000 people since 2008. In 2018, nearly 2,000 persons died of overdoses - almost twice the number of fatal car accidents. The State completed its first Action Plan in late 2018. It addressed health care providers, local agencies, law enforcement, community groups, individual citizens, and national partners. The three major focus areas were prevention, treatment and recovery, and response.

The Governor's Rural Affairs Council also discussed the opioid misuse crisis in its 2019 annual report, concentrating on its impact in rural communities on criminal justice and economic development, as well as the greater distances to emergency services or health care facilities, and the relative lack of recovery options, not to mention the crisis of rural hospital closures.

## Natural Disaster Recovery and Resilience: Illinois' Efforts and Plans

While the Illinois Emergency Management Agency (IEMA) is the State's designated disaster response/recovery/planning agency, a number of other State agencies have played an active role in this area. Below is a summary of recent efforts as well as future actions planned, especially to address increasing the State's resiliency to natural hazards.

- DCEO has historically served as the State's CDBG agency, so has administered related HUD-CDBG Disaster Recovery funding, which has included the development of a CDBG-DR Action Plan. These funds are limited to use in areas with federally-declared declarations, and generally come from supplemental appropriations approved by Congress.
- DCEO also administers a Disaster Response program under its regular State CDBG Program, which is targeted to provide interim assistance to local governments when the Governor declares a State disaster. It represents approximately 7% of the state's annual allocation.
- IHDA administered HOME disaster funds in 1993-1994, mostly used for relocation and buyouts of properties in flood-prone areas. It also was a DCEO sub-grantee in 2011 of CDBG-DR funds to administer the affordable rental housing component of the State's program.
- IHDA has also worked with IEMA a number of years ago to develop the housing chapter of its State Disaster Response Plan. This effort needs to be revisited and should also include DCEO and other impacted agencies, including services providers.
- The Illinois State Water Survey and the Illinois State Geological Survey have both conducted past studies on flooding and related solutions/options. Both are affiliated with the University of Illinois at Urbana-Champaign.
- The Illinois Department of Natural Resources (IDNR) was tasked with staffing a report under the Urban Flooding Awareness Act, which was released in 2015. It included factors that impact flooding, including climate change, defined the prevalence/cost/trends of urban flooding and evaluated existing county stormwater programs and policies, and included significant data analysis.
- IDNR also administers the National Flood Insurance Program (NFIP), which encourages local governments to avoid development in flood-prone areas.
- IEMA also administers a number of funding options under its mitigation programs. These include Flood Mitigation Assistance, Hazard Mitigation Grants, Pre-Disaster Mitigation Program, and its Severe Repeated Loss Program. It also administers a Hazard mitigation Planning Grant. All of these programs are funded through the Federal Emergency Management Agency (FEMA). It also operates the Ready Illinois Program, a comprehensive effort across State agencies to make resource available to local communities to recover from devastating floods.
- With any future allocations of CDBG-RDR funding, the State plans to consider a more robust funding of disaster resiliency efforts to better prepare local governments, residents, and businesses in hazard reduction efforts. Recently introduced legislation, i.e., the Reforming Disaster Recovery Act of 2019, would make the CDBG-DR funding permanent, require a significant set-aside for disaster mitigation activities, require closer coordination between HUD/SBA/FEMA, require sharing of data, directly address homelessness housing assistance, limit reconstruction in flood-prone areas, and more significantly address disaster recovery and resiliency efforts through this funding.

## Opportunity Zones

Opportunity Zones ("OZs") were authorized by the Tax Cuts and Jobs Act of 2017 and were designed to spur economic development and job creation in distressed communities. It allows investors to re-invest unrealized capital gains on projects located in eligible low-income Census tracts, which are the same ones designated

under Treasury's CDFI and new Markets Tax Credit (NMTC) Programs. The governor in each state was authorized to designate 25% of these census tracts as opportunity zones. In Illinois, IHDA assisted DCEO in identifying and mapping the location of the eligible areas, and DCEO reached out to major stakeholders (including local governments, community organizations, economic development organizations, and chambers of commerce) before recommending to the Governor those areas that would have the greatest economic impact on the State's most needy citizens, including an equitable geographic distribution. This process also reviewed QT designations, Dunn & Bradstreet business listings, natural/man-made amenities, existing infrastructure, crime rates, investment longevity, and equity/inclusion.

This resulted in 327 of the 1,305 eligible low-income census tracts to finally be selected/designated. DCEO has also developed a mapping tool on its website providing the exact location of each OZ in the state.

Eligible projects considering locating or expanding in OZs are available to businesses (stocks or ownership interest), real estate (new construction or substantially improved), and other assets (e.g., new equipment). A business must derive 50% or more of its gross income from the active conduct of a trade or business in the OZ. Incentives include tax deferral of capital gains invested in OZs, tax reduction of investments held in OZs for 5+ years, and tax exemption (new gains made through OZ investment funds held 10+ years). Examples include business infrastructure, venture capital funds, operating business private equity, and enhancement for other federal tax credit transactions.

As OZs are basically a private investment, it is more difficult to establish meaningful incentives for encouraging development in OZs. Below is a brief outline of the major efforts being considered by the State:

- There is approximately \$3 billion in economic development funding is being made available over a 5-year period to DCEO under the Rebuild Illinois Program, the State's recently approved capital investment program. Over half of these funds are already authorized via appropriations line-items to specific projects, leaving more than \$1 billion available for other statewide efforts. It should also be noted that the funding for this overall program is being derived from multiple sources (including new and increased fees), so will take time to capitalize sufficiently for the state to go to the bond markets to raise funding. DCEO plans to develop an RFP/NOFO-type approach for its application process once it outlined the wide range of eligible activities and projects but plans to deploy capital funds to encourage development in OZs as a major factor. This could include loans, matching funds, and grants as is appropriate. Other factors that will be considered are tie-ins with other utilities and infrastructure work, as well as leveraging with other programs. DCEO may also incentivizing development in OZs through the application review/scoring/prioritizing of funding through its other economic/community development programs.
- IHDA's major rental housing development program is the Low Income Housing Tax Credit (LIHTC) Program, which provides tax credit equity to developers of eligible affordable rental housing. Tax credits are generally syndicated/sold to investors, and the equity raised is used to lower the project's debt service. It is a 10-year credit with a 15-30 year affordability period, so doesn't match well with the OZ incentive timeframe. However, IRS allows projects located in QCTs (which includes the vast majority of OZs) are eligible for a 30% "boost" in their eligible basis for calculating credits. In addition, IRS requires such projects to submit a concerted community revitalization plan. IHDA has also established a Community Revitalization scoring factor in its LIHTC application process, which strongly encourages similar planning for projects in distressed areas, as well as those in Racially/Ethnicity Concentrated Areas of Poverty (R/ECAPs). These are intended to improve the area's overall economic condition and become more competitive for other public/private funding, including properties located in opportunity Zones. Under the LIHTC Program, these are considered "High Revitalization Impact Areas", and such applications are awarded competitive scoring points under the state's 2020-2021 Qualified Allocation Plan.
- IHDA also is a member of the National Council of State Housing Agencies (NCSHA), which represents State HFAs and has been very active in promoting affordable housing and OZs. It has been maintaining an Opportunity Zone Fund Directory, which at last reading included 183 funds expected to raise \$44 billion in OZ investment. IHDA is actually participating in one of them, the Community Investment Corporation's Opportunity Investment Fund, which includes five banks (BMO Harris, CIBC,

MB Financial, Northern Trust, and Byline Bank), the City of Chicago, IHDA, and Benefit Chicago, a local nonprofit.

- IHDA also is encouraging developers of projects in OZs to take advantage of FHA's reduced mortgage insurance application fees for multifamily developments coming to IHDA for first mortgage financing. In addition, HUD also recently issued guidance under its Rental Assistance Demonstration (RAD) Program that creates new rent flexibility for RAD and Voluntary Conversion projects, allowing them to set higher rent levels, up to an additional \$100 per unit per month. IHDA has had major experience in working with multifamily housing developers to access IHDA financing/assistance, which often is leveraged with FHA insurance, HUD funding, and related credit enhancements to make these project as more financially feasible, including RAD projects using both 4% and 9% tax credits.

## Federal Legislation

### Appropriations

Congress lifted the budget caps and increased the debt ceiling in the summer/fall, allowing both domestic and defense spending to increase and not be subject to the funding sequestration triggered by the Budget Control Act of 2011, which seems to get extended every two years to avoid this action. The house passed 10 of 12 appropriations bill in late summer, but the Senate did not take action on them until about mid-October, with the Senate Appropriations Committee passing them through but still without as full Senate floor vote. As FFY 2020 started on October 1, 2019, Congress had to pass a Continuing Resolution extending until November 21, then a second one which expires on December 20 of this year. To avoid a full or partial federal government shutdown on the latter date, Congress will likely take one of the following actions:

- Actually pass a full appropriations bill by that date which covers all 12 separate appropriations (an omnibus bill)
- Passage of a smaller group of bills, which would allow covered agencies to fully operate (the THUD and USDA bills have already been paired with two others in the Senate for this possible action)
- Pass another, likely long-term CR that goes until March or possibly for the balance of FFY 2020
- The outstanding issues appear to be the HSA appropriations bill (Border Wall funding), the pending impeachment hearings, and the need to include "anomalies" in the final spending bill which account for necessary funding increases (e.g., rental assistance), The House bill is currently \$1.5 billion over the Senate's for the THUD bill, so increase in HOME and CDBG proposed in the house are likely victims, as both have top agree to final allocations in Conference Committee.
- Programs most impacted by a potential federal government shutdown include most grant programs (e.g., CDBG, HOME, ESG, HOPWA), Project-Based Rental Assistance, Housing Choice Vouchers (including PBVs), Section 202 Elderly and Section 811 Persons with Disabilities housing, and local private non-profit fair housing enforcement grantees

### Legislation

#### Tax Credits

There are two major bills in Congress that would have a major beneficial impact on the LIHTC program, and nation's largest and most successful program for developing affordable rental housing. They are:

- **Affordable Housing Credit Improvement Act of 2019 (S.1703/H.R. 3077):** Provides major provisions, including: increasing the per capita cap by 50%, phased in over five years; enacting a minimum 4% rate for acquisition and bond financing deals; improvements on targeting hard-to-serve communities, high-cost communities; preservation of existing housing; rural areas and financial feasibility; and authorizing bond recycling to increase available resources. Even with strong bipartisan support, not likely to pass as a stand-alone bill. NCSHA's strategy is to include as an amendment to a year-end tax extenders bill, or attach it to the THUD appropriations bill, if that happens soon.

- **Save Affordable Housing Act (S. 1956/H.R. 3479):**  
Closes an unintended loophole by eliminating the qualified contract option for LIHTC properties on a going-forward basis, which in its current form has resulted in the premature loss of over 10,000 housing units after only 15 years, even with a 30-year extended use agreement. The bill also corrects the current QC provisions in the existing statute by allowing fair market value to be used in the evaluation of these requests, not just the non-low income portion.
- **Neighborhood Homes Investment Act (H.R. 3316/no companion Senate bill filed yet):**  
It creates a new tax credit addressing for-sale single family housing to mobilize private investment to build and substantially rehabilitate homes for moderate and middle-income homeowners, especially targeted to communities where property values are too low to support the cost of new construction, which makes it difficult to attract and retain homeowners. Would be State-administered and modeled after LIHTC and NMTC programs. Targeted to: eligible neighborhoods (elevated poverty rates/lower incomes/modest home values); helping long-time homeowners in gentrifying neighborhoods; allows homeowner household incomes up to 140% AMI; minimum rehab is \$20,000.

### Other Housing Legislation

Here is a brief recap of major pending bills not meant to be all-inclusive:

- **American Housing and Economic Mobility Act (S. 3503/H.R. 1737):**  
A comprehensive policy and authorization bill, calling for major increases in Housing Trust Fund, Capital Magnet Fund, rural housing programs Indian housing block grant, and new Middle-Class housing Emergency Fund. Expands down payment assistance programs for African-American borrowers; strengthens and expands the Community Reinvestment Act (CRA); and improves HCV program, including prohibiting source of income restrictions. Also provides \$10billion in grants to local governments that amend their land use ordinances to allow development of more affordable housing.
- **Green New Deal for Public Housing Act (S. 2876):**  
Invests up to \$180 billion over ten years to retrofit and rehabilitate all of the nation's public housing stock, which currently has over a \$35 billion shortfall and increases each year. The goal is to eliminate carbon emissions in federally owned housing and provide job training and work opportunities to public housing residents. Creates seven new programs under a single application process for PHAs, including workforce development, energy efficiency improvements, recycling, water quality, and emergency disaster response. Eliminates the Faircloth Amendment, which has prohibited PHAs from increasing the number of PH units in their system. Targeted to reverse the long-term disinvestment in and decline of public housing. Establishes a right to housing by law.
- **Housing As Infrastructure Act:**  
Infuses \$100 billion into the development and preservation of affordable housing, with \$70 billion earmarked for public housing rehabilitation and development. Co-sponsored by both Senators Durbin and Duckworth.
- **Public Housing Emergency Response Act:**  
House and Senate bill that would provide a \$70 billion appropriation to address the backlog of PHA Capital Fund maintenance and repairs
- **Homes For All Act:**  
Invests \$1 Trillion to create 9.5 million new public housing apartments.
- Other substantive bills included coverage of reauthorizing the National Flood Insurance Program; extending the new Markets Tax Credit Program; Opportunity Zones reforms and reporting; homeless assistance; fair housing; and re-entry programs.

### Regulations

There are a number of key HUD and other rules in almost, proposed, or final form, including:

- HAS Public Charge final rule which restricts HUD housing assistance to non-citizens
- HUD's Mixed Family Immigrant Status proposed rule
- HUD's Disparate Impact proposed rule/RFI
- Pending proposed rules from Treasury/FRB/FDIC/OCC on the Community Reinvestment Act
- GSE and FHA housing finance reform-Possible administrative actions, proposed rules, and proposed statutory changes to take Fannie Mae and Freddie Mac out of conservatorship; restructured and more limited federal guarantor role; possible elimination of affordable goals, and ongoing concern regarding continuance of Housing Trust Fund and Capital Magnet Fund, which per HERA of 2008 come from a percentage of GSE profits.

## State Legislation

The 101<sup>st</sup> Session of the Illinois General Assembly was one of the busiest and most productive in recent memory, with a number of housing-related bills being proposed and passed into law. Below is a brief summary of this legislation:

- **PA 101-0029:**  
This was the \$5 billion Reinvest Illinois capital funding program, which includes a \$200 million allocation to IHDA for affordable housing grants, loans, and investments for low-income families, low-income senior citizens, low-income persons with disabilities, and at-risk displaced veterans.
- **PA 101-0439:**  
The Immigrant Tenant Protection Act, which prohibits landlord immigration status disclosure, prohibits harassment, allows such tenants legal defense, and creates a defense to unlawful convictions based on immigrant status.
- **PA 101-0280:**  
Amends the Homeless Prevention Act to remove major restrictions on use of grant funds for rent, mortgage payments, and security deposits; also increases the percentage (15%) for administrative costs and case management expenses.
- **PA101-0181:**  
Creates the Property Tax Relief Task Force, which is to submit a final report to the Governor and general Assembly by 12/31/2019.
- **PA 101-0565:**  
Amends the Illinois Human Rights Act to generally prohibit the use of arrest records (not convictions) from precluding persons from engaging in housing and in real estate transactions.
- **PA 101-0410:**  
Amends the Mobile Home Landlord and Tenant Rights Act to clarify actions related to abandoned or repossessed properties, including priority order of lienholders and utility providers.
- **PA 101-0518:**  
Creates the Assistance Animal Integrity act and requires defined housing providers to provide for reasonable accommodations for qualifying persons needing service or assistance animals.
- **PA 101-0432:**  
Amends the Contractor Prompt Payment Act by establishing a statutory 10% limit on retainage in construction contracts up to 50% completion, dropping to 5% after 50% complete.
- **PA 101-01667:**  
Amends the Children and Family Services Act by establishing an intergovernmental agreement to intercept and divert youth in care from experiencing homelessness, incarceration, unemployment, and other similar outcomes. The IGA is between DCFS DHS, HFS, ISBOE IDOC, IDJJ IDPH, and the Illinois Urban Development Authority; the latter is a State-created agency that has never been funded or

otherwise functioned. IHDA has participated in a number of programs involving transitioning youth and grandparents raising grandchildren. The Act also encourages PHAs to apply for and operate HUD-funded Family Unification rental assistance programs.

- **PA 101-0396:**  
Clarifies short sales of residential properties in foreclosure which involve a community development financial institution.
- **PA 101-0169:**  
Amends the Property Assessed Clean Energy Act (PACE) to provide numerous technical amendments, including the abating/mitigating the use of lead water supply pipes.
- **PA 101-0469:**  
Amends the DCEO and IDHS enabling laws to establish a Youth Training & Education in the Building Trades Program.
- **PA 101-0250:**  
Creates the Health in All Policies Act which directs the UIC-School of Public Health and IDPH to convene a workgroup to review legislation and make new policy recommendations on health services and local government collaboration. The Act also includes the Governor's Office, DCEO, IDoA, CJIA, HFS, State Superintendent of Education, and other statewide and local organizations/agencies, but not IHDA, which should be included to improve linking housing to health care and to work closer with hospitals on affordable housing initiatives.

#### **Pending Bills in Illinois General Assembly - 2020**

- **HB 3624/SB 2132**  
Creates the Clean Energy Jobs Act, which proposes to place Illinois on a path to 100% renewable energy by taking advantage of the falling costs of wind and solar power, while growing the clean energy economy by creating quality jobs and economic opportunities. The Act also provides for the expansion of existing utility company-funded electric and gas energy efficiency programs established under the Future Energy Jobs Act, including those targeting affordable rental and homeowner housing.
- **HB 2192:**  
Establishes the Rent Control Act; repeals Rent Control Pre-Emption Act of 1997; establishes six regional rent control boards, specifically targeted to 60%-120% AMI or below households; each Board is elected and has specific statutory requirements; does not currently include an exemption from federal (HUD) or State (IHDA)-mandated rent levels required under most affordable housing programs.
- **SB 2052:**  
Amends the Local Government Property Transfer Act; makes needed technical corrections to expand local government authority to deal with abandoned and blighted properties via intergovernmental agreements; also authorizes municipalities to file liens on such properties to cover related costs.
- **SB 2097:**  
Amends the Property Tax Code; provides further authority to municipalities and counties and other taxing districts to address blighted properties, including ongoing maintenance; allows local property tax abatements for qualifying revitalization efforts; also prohibits waiver of liens filed by local governments to recover costs.
- **HB 3066:**  
Amends Property Tax Code by providing a homestead exemption to homeowners negatively impacted by natural disasters.
- **HB 3068:**

Amends Property Tax Code by providing a homestead exemption for veterans, which would carry over to the surviving spouse.

- **SB 2092:**  
Amends the Counties Code by changing the Rental Housing Support Program State surcharge from \$9 to \$18 that a county recorder must collect for mortgage recordation fees; would double available funding for this rental assistance program targeted to extremely low-income households.
- **HB 0206:**  
Amends the Housing Authorities Act which currently provides wide authority to PHAs to refuse or recertify applicants, current tenants, and other household members who have been convicted of a drug-related criminal offense by requiring a documented individualized assessment and consideration of all mitigating circumstances, including rehabilitation.
- **HB 3332:**  
Amends the Illinois Income Tax Act; creates a credit for taxpayers who own residential property and enter into or renew a lease agreement with a qualified renter, defined as a person who has been convicted of a crime in Illinois or elsewhere; credit to be set at 15% of annual rent paid to the owner.
- **HB 1722:**  
Amends Illinois Housing Development Act; provides that an approved (grantee) community-based organization cannot use Foreclosure Prevention Program funds to provide legal representation or advice in a civil proceeding or court-sponsored mediation services.
- **HB 3360:**  
Amends Code of Civil Procedures to further clarify foreclosure filing fees.
- **HB 0873:**  
Creates the Metro East Development Act; creates a regional development authority that covers Madison, Monroe, Randolph, and St. Clair Counties; includes appointment of 12 member board by Chair, DCEO, IHDA, IFA, and Governor's Office; details specific authority, including procurement of debt and bonds, execution of deeds, and demolition and removal of buildings.

In addition, the following are key dates in 2020 announced by the Illinois General Assembly and posted on its website at [www.ilga.gov](http://www.ilga.gov):

- **January 8<sup>th</sup>** - Convening of House and Senate for 101st Session (perfunctory)
- **January 29<sup>th</sup>** - Governor's State of the State Address
- **February 14<sup>th</sup>** - Deadline for Filing of House Bills and Substantive Senate Bills
- **February 19<sup>th</sup>** - Governor's Budget Address
- **March 17<sup>th</sup>** - Primary Elections
- **May 31<sup>st</sup>** - ILGA Adjournment Day

## **Focus Area #4: Innovative Use of Resources and Strategies**

With persistent challenges in providing funding and resources required to adequately serve the affordable housing needs in Illinois, it is a fiscal and policy imperative to both maximize efficiency and prioritize equity. In this Focus Area, we explore strategies that seek to increase efficiency in affordable housing production and preservation and work to provide cutting edge housing at a lower cost. Through research and planning it is the intention of the Housing Task Force to continually update this Focus Area with new ideas and innovations as they develop or become known.

The Innovative Use of Resources and Strategies Focus Area also draws from existing and new actions and strategies that are identified in the 2020 ACHP Technical Plan, which lays out the long-term planning goals of the Housing Task Force. In this Focus Area, three updated Technical Plan strategies provide the framework for the current programs and recommended efforts included in this section.

### Innovative Use of Resources and Strategies Technical Plan Strategies:

1. Encourage affordable housing developers to incorporate appropriate energy efficient systems and materials into their projects.
2. Explore innovative solutions to addressing the rising costs in developing affordable housing.
3. Enact an informed and strategic expansion of accessibility standards for persons with disabilities and elderly/mobility impaired persons.

## Sustainable Building and Green Investment

### Illinois Low Income Home Energy Assistance Program (LIHEAP)

The Illinois Low Income Home Energy Assistance Program (LIHEAP) is designed to assist eligible low-income households by providing a one-time benefit to be used for energy bills. The amount of payment is determined by income, household size, fuel type and geographic location.

LIHEAP, administered by DCEO, is funded by the U.S. Department of Health and Human Services and the State of Illinois. Energy Assistance is provided through local Community Action Agencies or not-for-profit agencies throughout the state. In 2020, DCEO estimates \$205,835,193 will assist 300,000 households.

### Home Weatherization Assistance Program

The Illinois Home Weatherization Assistance Program (IHWAP) is designed to help low-income households save on energy costs while increasing the comfort of their homes. Its mission is to insulate the dwellings of low-income persons, particularly the elderly, persons with disabilities, families with children, high residential energy users and households with a high-energy burden, in order to conserve needed energy and to aid those persons least able to afford higher utility costs. In 2020, DCEO estimates \$48,257,966 will be committed to assisting 2,750 individuals and households in Illinois.

### Qualified Allocation Plan: 2020-2021 - Incentives for Energy Efficiency Building

Under IHDA's recently approved 2020-2021 QAP, proposed projects will earn more if they integrate green features. Specifically, incentives are provided for projects that include additional elements from the Sustainable Design Checklist, a list of green features that will enhance a building's energy efficiency and improve building quality.

Alternately, projects can also earn additional points if they gain certification for a high-performance building by achieving 'Net Zero Capable' status as approved by the Authority. Incentives are also provided for commitments to obtaining sustainable certifications from the U.S. Green Building Council LEED, the Enterprise Green Communities or the ICC/ASHRAE 700 National Green Building Standard certification.

## Accessible Design

### Home Accessibility Program

Funded by the Illinois Affordable Housing Trust Fund, IHDA's Home Accessibility Program (HAP) provides assistance to low-income and very low-income senior citizens and persons with disability to prevent premature or unnecessary institutionalization. HAP provides aid to qualifying households through competitive grant awards to units of local government and non-profit agencies. These entities then work to reserve and oversee forgivable loans for individuals within their community to make modifications to allow them to remain in their homes. Households must be at or below 80% of the area median income (AMI), must have at least one elderly person with a physical limitation or person with a disability. Qualifying households are eligible to receive up to \$25,000 in assistance.

Home Accessibility Program (HAP) Completed, Current, and Planned Funding Rounds				
Funding Round	Time Period	Money Awarded	Number of Awards	Loans Reserved
Round 1	March 2017 - March 2019	\$2.98M	15	103
Round 2	May 2019 - May 2021	\$3M	15	11 to date
Round 3	CY 2021 (Expected)	TBD	TBD	TBD
<b>2020 Projection</b>	<i>Round 1 concluded in CY 2019 Q1, disbursing approximately \$1.8 million, and assisting 103 households. Round 2 began in CY 2019 Q2 and is expected to assist 100 households. Round 3 is anticipated to begin in CY 2021.</i>			

### Rural Development Home Repair Loan and Grant Programs - Section 504

The U.S. Department of Agriculture Rural Development office administers the Rural Development Home Repair Loan and Grant Section 504 Program that provides emergency repair assistance to individuals who live in rural areas with a population fewer than 10,000. This program provides low-interest loans to income-eligible homeowners of all ages and grants to individuals over age 62 who meet specified income criteria. The Section 504 program assists with home repairs and making homes accessible for people with disabilities and mobility impairments.

### Specially Adapted Housing Grant for Veterans

The Illinois Department of Veterans' Affairs (IDVA) administers the Specially Adapted Housing Grant, which is a benefit available to veterans or service members who are entitled to disability compensation for permanent and total service-connected disability due to:

1. The loss, or loss of use, of both lower extremities such as to preclude locomotion without the aid of braces, crutches, canes or a wheelchair;
2. Blindness in both eyes having only light perception, plus loss or loss of use of one lower extremity;
3. The loss, or loss of use, of one lower extremity together with residuals of organic disease or injury, or the loss or loss of use of one upper extremity;
4. The loss, or loss of use, of both upper extremities, so as to preclude use of the arms at or above the elbows; and
5. The permanent and total disability is due to a severe burn injury (as so determined).

Funded through the Illinois Affordable Housing Trust Fund, eligible veterans or service members may receive an IDVA grant not more than 50 percent of the cost of a specially adapted house, up to the aggregate maximum amount allowable by law. The current maximum grant amount allowable is \$63,780. IDVA projects committing \$223,000 to the program in 2020, assisting 15 individuals.

## Appendices

### Appendix A: Glossary of Terms, Acronyms, and Agencies

<b>State Agencies and Departments</b>	
<b>CDB</b>	Illinois Capital Development Board
<b>CFPB</b>	Consumer Financial Protection Bureau
<b>CMS</b>	Illinois Department of Central Management Services
<b>CMMS</b>	Center for Medicare and Medicaid Services
<b>DCEO</b>	Illinois Department of Commerce and Economic Opportunity
<b>DCFS</b>	Illinois Department of Children and Family Services
<b>IDJJ</b>	Illinois Department of Juvenile Justice
<b>DMH</b>	IDHS Division of Mental Health
<b>GOMB</b>	Governor's Office of Management and Budget
<b>HTF</b>	Illinois Housing Task Force
<b>IDFPR</b>	Illinois Department of Financial and Professional Regulation
<b>IDHFS</b>	Illinois Department of Healthcare and Family Services
<b>IDHR</b>	Illinois Department of Human Rights
<b>IDHS</b>	Illinois Department of Human Services
<b>IDNR</b>	Illinois Department of Natural Resources
<b>IDoA</b>	Illinois Department on Aging
<b>IDOC</b>	Illinois Department of Corrections
<b>IDOR</b>	Illinois Department of Revenue
<b>IDOT</b>	Illinois Department of Transportation
<b>IDPH</b>	Illinois Department of Public Health
<b>IDVA</b>	Illinois Department of Veterans Affairs
<b>IEPA</b>	Illinois Environmental Protection Agency
<b>IHDA</b>	Illinois Housing Development Authority
<b>ISTHA</b>	Illinois State Toll Highway Authority
<b>SHWG</b>	Supportive Housing Working Group

<b>Federal/State/Local/and Other Partners</b>	
<b>AAAs</b>	Area Agency on Aging – Local organizations that provide services and programs for seniors.
<b>CAAs</b>	Community Action Agencies.
<b>CHDOs</b>	Community Housing Development Organizations - a designated non-profit with the federal HOME program.
<b>CIC</b>	Community Investment Corporation.
<b>CIL</b>	Centers for Independent Living - Local organizations that provide services and programs for people with disabilities to help them live more independently.
<b>COC</b>	Continuum of Care.
<b>CRN</b>	Chicago Rehabilitation Network – A non-profit technical assistance provider and advocacy agency.
<b>CSH</b>	Corporation for Supportive Housing – A non-profit technical assistance provider for homeless and special needs housing and services.
<b>FHA</b>	Federal Housing Administration.
<b>FHLBC</b>	Federal Home Loan Bank of Chicago .
<b>GNHSTF</b>	Governor’s Nursing Home Safety Task Force.
<b>GRAC</b>	Governor’s Rural Affairs Council.
<b>GSE</b>	Government Sponsored Enterprise (Most commonly referring to FHLB, Fannie Mae, Ginne Mae, & Freddie Mac).
<b>HUD</b>	U.S. Department of Housing and Urban Development.
<b>IIRA</b>	Illinois Institute for Rural Affairs.
<b>IMHPAC</b>	Illinois Mental Health Planning and Advisory Council.
<b>LAAs</b>	Local Administering Agencies under the Rental Housing Support Program.
<b>LSHAC</b>	Lead Safe Housing Advisory Council.
<b>LSHSTF</b>	Lead Safe Housing State Task Force.
<b>NCSHA</b>	National Council of State Housing Agencies.
<b>NGA</b>	National Governors Association.
<b>OAG</b>	Illinois Office of the Attorney General.
<b>OASAC</b>	Older Adults Services Advisory Committee.
<b>OHCS</b>	Office of Housing Coordination Services.
<b>OMB</b>	U.S. Office of Management and Budget.
<b>PHA</b>	Public Housing Authority.
<b>Reentry Working Group</b>	Governor’s Statewide Community Safety & Reentry Commission.
<b>TA Providers</b>	Technical Assistance Providers.
<b>USDA-RD</b>	U.S. Department of Agriculture-Rural Development Office.
<b>SPAR</b>	Office of Strategic Planning and Reporting.

## **Funding Programs and Projects**

### **Build Illinois Bond Fund / Capital Fund**

Created in 2009 by the Illinois General Assembly, the Illinois Affordable Housing Capital Fund was a \$100,000,000 appropriation for affordable housing grants, loans and investments for low-income families and persons. An additional \$30,000,000 was appropriated specifically to assist veterans at-risk of being and low-income persons with disabilities. In 2019, \$200 million was allocated for statewide affordable housing initiatives as part of the Rebuild Illinois state capital bill. IHDA is currently working with the Governor's office to finalize a 5-year Capital Budget Plan.

### **CCRS**

Community Care in Residential Settings (IDoA)

### **CDAP**

Community Development Assistance Program, grants for home repair (State CDBG).

### **CDBG**

Community Development Block Grant, the HUD-funded federal block grant program.

### **CDBG Disaster Recovery Program**

Federally authorized disaster recovery programs (1771 ("Midwest") and 1800 ("Ike")) are available in designated counties within Illinois. These recovery programs require an affordable housing creation and preservation component. Over \$64 million available for housing programs from CDBG Disaster Recovery programs is anticipated to be available in eligible areas. Administered by DCEO and IHDA.

### **HERA**

Housing and Economic Recovery Act of 2008 – A federal law designed to address the sub-prime mortgage crisis, passed by the United States Congress on July 24, 2008. Authorizes, among other programs, the Neighborhood Stabilization Program.

### **HHF**

Hardest Hit Fund – provided targeted emergency mortgage assistance to families experiencing unemployment or underemployment in states hit hard by the economic and housing market downturn. Illinois had been awarded over \$440 million in HHF funding (through TARP) in 2010. In 2011 IHDA began to utilize the HHF funds to assist Illinois homeowners struggling to pay their mortgages due to job loss or income reduction. IHDA's HHF-HELP Program closed September 2013 but reopened in August 2016 after the Authority secured an additional award of \$269 million in federal HHF funding. In April of 2019, IHDA closed the application portal for the HELP program and on December 31, 2019, IHDA made final application approvals. In 2020, remaining payments will still be made to homeowners with monthly mortgage payment assistance.

### **HOPWA**

Housing Opportunities for Persons with AIDS – Federal funding to provide short term rent and mortgage utility assistance and other supportive services to people living with HIV/AIDS. Administered at the State level by IDPH.

## **Funding Programs and Projects Continued.**

### **GRF**

(State) General Revenue Funds, coming from general collected State tax revenues, not dedicated funds.

### **IHWAP**

The Illinois Home Weatherization Assistance Program – A DCEO-administered program designed to help low-income households insulate their homes, save on energy costs and alleviate negative affects disproportionately felt by high residential energy users and households with a high-energy burden. .

### **LIHEAP**

Low Income Home Energy Assistance Program – A DCEO-administered program designed to assist eligible low-income households by providing a one-time benefit to be used for energy bills.

### **LIHTC**

Low Income Housing Tax Credit – Provides federal income tax credits to investors for the development of affordable income multifamily rental housing.

### **MCC**

Mortgage Credit Certificates – A tax credit for first-time homebuyers through the creation of an income tax deduction that reduces a household's federal income tax liability, which allows the household to have more available income to make mortgage payments.

### **MRB**

Mortgage Revenue Bonds – Tax-Exempt bond financing for first-time homebuyers or rental housing, both income qualified.

### **MRF**

Mortgage Resolution Fund – In 2011, IHDA agreed to fund a direct loan modification program called the Mortgage Resolution Fund (MRF) with up to \$100 million of the State's Hardest Hit Funds. Through the MRF, HHF monies were used to purchase delinquent home loans directly from lenders and capital market traders at net present value. Each qualifying mortgage debt was brought into alignment with current home values.

### **Housing Trust Fund (HTF)**

Authorized by the HERA, this State-administered resource is used to provide funds to build, preserve and rehabilitate affordable rental housing for extremely- and very low-income households. Of the total funding, 75% of funds benefit persons or households at 30% AMI or below and must go to rental housing. A maximum of 10% of funds can be used for single-family homeownership/home repair programs.

### **NSP**

Neighborhood Stabilization Program – HERA authorized HUD funding to address the mitigation of vacant and foreclosed properties in communities. Three rounds funded by HUD.

### **RHSP**

Rental Housing Support Program – State-funded rental assistance program to assist extremely- and severely low-income households. Funded through a fee on mortgage recording documents at the county level, the RHSP includes the Long Term Operating Support (LTOS) rental subsidy program. RHSP also provides funding for IHDA's Re-entry Demonstration Rental Housing Support Program.

## Other Relevant Terms

### AHPAA

Affordable Housing Planning and Appeal Act – State law which calls for communities with less than 10% total affordable housing stock to adopt and implement local affordable housing plans.

### Care Coordination Plan

Illinois Medicaid's 2-year plan for meeting State law requirement to move at least 50% of its Medicaid clients into care coordination by January 1, 2015. Under this plan, the goal was to have 2 million out of 3 million clients (or 66%) under the care of a certified Managed Care Entity.

### Choice Neighborhoods Initiative

A HUD initiative, which replaced HOPE VI, that provides competitive grants to PHAs and non-profits for the "transformation, rehabilitation and replacement needs of both public and HUD-assisted housing," in addition to other activities designed to strengthen and transform surrounding neighborhoods.

### Colbert v. Pritzker Case

Lawsuit filed on behalf of persons with disabilities who are unnecessarily confined to skilled nursing facilities (SNF) nursing homes. The consent decree implementation plan was agreed upon in November 2012. Cost to State must be budget neutral.

### Continuum of Care (CoC)

A local or regional group of homeless services and housing providers required under HEARTH Act funding to ensure local/regional priority needs are being annually addressed. Illinois has statewide coverage.

### Comprehensive Housing Planning Act

Illinois Public Act 94-965 provides that the State of Illinois shall prepare, and be guided by, an annual comprehensive housing plan that specifically addresses certain underserved populations. Created the Housing Task Force.

### EAH

Employer Assisted Housing – Public/Private assistance provided to prospective homebuyers through their employer and a public agency. Promotes live-near-work goals via Executive Order 2003-18, which established a statewide Housing Task Force to develop a comprehensive State housing plan, encourage joint state agency funding and establish six Priority Populations (underserved).

### CRP

A Community Revitalization Program is a locally approved intentional effort that is likely to lead to measurable increases in access to employment, living wage jobs, healthcare, supportive services, community amenities, transportation, quality and affordable housing stock. The most effective CRPs involve community stakeholders, including residents, employers and elected officials, in planning and implementing community revitalization efforts for the benefit of the entire community.

## **Other Relevant Terms, Continued.**

### **HEARTH Act**

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act – A federal law passed in 2009 that extends resources to communities to be used for preventing and/or re-housing homeless persons or persons facing homelessness. The HEARTH Act changes the current Emergency Shelter Grant Program to the Emergency Solutions Grant (ESG) Program and almost doubled the amount for ESG to 20 percent of the total for homeless assistance. The HEARTH Act consolidates the federal Supportive Housing Program, Shelter Plus Care and the Section 8 Moderate Rehabilitation/Single Room Occupancy Program into a single Continuum of Care program. Communities now apply to one program, rather than three, reducing the administrative burden and increasing flexibility and local decision-making. In addition, a rural homelessness program was created.

### **HUD Lead Safe Housing and EPA Remodeling and Repair Rules**

These rules require lead-based paint hazard reduction and lead safe work practices in all single-family and multifamily residential property and housing built before 1978, the year lead-based paint was banned nationally for residential use. HUD and EPA regulations set lead-hazard elimination requirements that emphasize eliminating lead in house dust. HUD regulation specifically requires dust-sample testing after paint is disturbed to make sure the home is lead-safe. These Regulations affect residential or rental property owners and managers, general contractors and specialty trade contractors such as painters, plumbers, carpenters and electricians.

### **ILHousingsearch.org**

An interagency, statewide housing locator system launched in 2009 to allow those seeking housing to search for and landlords with vacant units the ability to list rental properties at no cost. ILHousingSearch.org is an interactive web portal designed to allow users to search the most current listings by a wide range of criteria including: rent range, accessibility features, location, bedrooms, screening criteria, acceptance of vouchers, school district, allowance of pets, deposits and fees and proximity to transit. The housing locator is supported by a call center with a toll-free number to assist users, and support property owners or managers with registration and property listing in order to maintain the most current listings possible. Funded by IHDA, IDHS, IDHFS and IDoA.

### **Ligas Consent Decree**

In the *Ligas v. Eagleson* Consent Decree, plaintiffs held that they were segregated and institutionalized in private State-funded Intermediate Care Facilities for People with Developmental Disabilities (ICFDDs) which provide on-site long-term care services for individuals with developmental disabilities. The case was settled on June 15, 2011.

## **Other Relevant Terms Continued.**

### **Money Follows the Person**

A federal rebalancing demonstration program enacted by the Deficit Reduction Act (DRA) of 2005. Part of a comprehensive strategy to assist states in collaboration with stakeholders, to make widespread changes to their long-term care support systems by allowing people who need long-term care to live in their own homes and communities or in a setting of their choice. MFP is administered by IDHFS.

### **NOFA – Notice of Funding Availability**

An announcement of the availability of targeted funding, frequently used by State and federal agencies.

### **Norman Decree**

Judicial decree requiring adequate funding to support wards of the State. Implemented by DCFS.

### **RFP**

Request for Proposals for targeted funding, or to procure certain types of assistance.

### **RFA**

Request for Application – Similar to the previously referred to NOFA process.

### **Section 1115 Waiver**

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services the authority to waive provisions of major health and welfare programs authorized under the Act, including certain Medicaid requirements, and to allow a state to use federal Medicaid funds in ways that are not otherwise allowed under federal rules. The authority is provided at the Secretary's discretion for demonstration projects that the Secretary determines promote Medicaid program objectives. There are comprehensive Section 1115 Medicaid waivers that allow broad changes in eligibility, benefits, cost sharing and provider payments. There also are more narrowly drawn Section 1115 waivers, as well as Section 1915 Medicaid waivers that focus on specific services and populations.

### **Supportive Housing Working Group**

A working group created by the Housing Task Force in 2007 to evaluate and present a common understanding of barriers and best practices for an increased and improved development of supportive housing.

### **State Referral Network**

Tied primarily to IHDA's Low Income Housing Tax Credit (LIHTC) Program, IHDA developed the Statewide Referral Network (SRN) in 2008, as an overlay on the housing locator system. The SRN is a program that links vulnerable populations to affordable housing across Illinois. Eligible populations include persons with disabilities, persons experiencing homelessness and persons at-risk of homelessness.

### **TIF**

Tax Increment Financing – Municipalities in Illinois have the authority to undertake public and private redevelopment projects in blighted areas via Tax Increment Financing (TIF) districts. There are several TIF mechanisms that may apply to affordable housing: local issuance of bonds to fund public improvements; reimbursement of development expenses; and use of tax increment revenues to pay for up to 50 percent of the direct cost of construction of new housing units to be occupied by low- and very low-income households.

## **Other Relevant Terms Continued.**

### **Williams Consent Decree**

The Williams v. Pritzker lawsuit was filed in 2005 by two people with mental illness residing in large, private State-funded facilities called Institutions for Mental Diseases (“IMDs”). The plaintiffs alleged that they were needlessly segregated in IMDs and the State of Illinois had violated the ADA and denied them the opportunity to live in integrated settings where they could lead more independent and more productive lives in their own communities. On September 30, 2010 the Judge gave final approval of the Consent Decree which requires the State to implement a service plan and meet a variety of annual benchmarks towards providing Community-Based living arrangements for persons with mental illness.

## Appendix C: (310 ILCS 110/) Comprehensive Housing Planning Act

(310 ILCS 110/) Comprehensive Housing Planning Act.

(310 ILCS 110/1)

Sec. 1. Short title. This Act may be cited as the Comprehensive Housing Planning Act.

(Source: P.A. 94-965, eff. 6-30-06.)

(310 ILCS 110/5)

Sec. 5. Definitions. In this Act:

"Authority" means the Illinois Housing Development Authority.

"Interagency Committee" means the Interagency Committee of the State Housing Task Force, which shall consist of the following members or their senior staff designees: the Executive Director of the Authority; the Secretaries of Human Services and Transportation; the Directors of the State Departments of Aging, Children and Family Services, Corrections, Commerce and Economic Opportunity, Emergency Management, Financial and Professional Regulation, Healthcare and Family Services, Human Rights, Juvenile Justice, Natural Resources, Public Health, and Veterans' Affairs; the Director of the Environmental Protection Agency; a representative of the Governor's Office; and a representative of the Governor's Office of Management and Budget.

"State Housing Task Force" or "Task Force" means a task force comprised of the following persons or their designees: the Executive Director of the Authority; a representative of the Governor's Office; a representative of the Lieutenant Governor's Office; and the Interagency Committee. The Governor may also invite and appoint the following to the Task Force: representatives of the U. S. Departments of Housing and Urban Development (HUD) and Agriculture Rural Development; and up to 18 housing experts, with proportional representation from urban, suburban, and rural areas throughout the State. The Speaker of the Illinois House of Representatives, the President of the Illinois Senate, the Minority Leader of the Illinois House of Representatives, and the Minority Leader of the Illinois Senate may each appoint one representative to the Task Force. The Executive Director of the Authority shall serve as Chair of the Task Force. The Governor shall appoint a housing expert from the non-governmental sector to serve as Vice-Chair.

(Source: P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/10)

Sec. 10. Purpose. In order to maintain the economic health of its communities, the State must have a comprehensive and unified policy for the allocation of resources for affordable housing and supportive services for historically underserved populations throughout the State. Executive Order 2003-18 shall be codified into this Act. The purposes of this Act are to accomplish the following:

(1) address the need to make available quality housing at a variety of price points in communities throughout the State;

(2) overcome the shortage of affordable housing, which threatens the viability of many communities and has significant social costs, such as homelessness, concentration of poverty, and unnecessary institutionalization;

(3) meet the need for safe, sanitary, and accessible affordable and community-based housing and supportive services for elderly persons and people with disabilities and other populations with special needs;

(4) promote a full range of quality housing choices near job opportunities, transit options, and related amenities;

(5) meet the needs of constituencies that have been historically underserved and segregated due to barriers and trends in the existing housing market or insufficient resources;

(6) facilitate the preservation of ownership of existing homes and rental housing in communities;

(7) create new housing opportunities and, where appropriate, promote mixed-income communities;

(7.5) maximize federal funding opportunities for affordable housing or the services people need to maintain their housing with required State funding, such as, without limitation, for federal Continuum of Care networks and HOME Investment Partnerships Program project sponsors; and

(8) encourage development of State incentives for communities to create a mix of housing to meet the needs of current and future residents.

(Source: P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/15)

#### Sec. 15. Annual Comprehensive Housing Plan.

(a) During the period from the effective date of this Act through December 31, 2026, the State of Illinois shall prepare and be guided by an annual comprehensive housing plan ("Annual Comprehensive Housing Plan") that is consistent with the affirmative fair housing provisions of the Illinois Human Rights Act and specifically addresses the following underserved populations:

(1) households earning below 50% of the area median income, with particular emphasis on households earning below 30% of the area median income;

(2) low-income senior citizens;

(3) low-income persons with any form of disability, including, but not limited to, physical disability, developmental disability, intellectual disability, mental illness, co-occurring mental illness and substance abuse disorder, and HIV/AIDS;

(4) homeless persons and persons determined to be at risk of homelessness;

(5) low-income and moderate-income persons unable to afford housing that has access to work opportunities or transportation options;

(6) low-income persons residing in communities with existing affordable housing that is in danger of becoming unaffordable or being lost;

(7) low-income people residing in communities with ongoing community revitalization efforts; and

(8) other special needs populations, including people with criminal records and veterans experiencing or at risk of homelessness.

(b) The Annual Comprehensive Housing Plan shall include, but need not be limited to, the following:

(1) The identification of all funding sources for which the State has administrative control that are available for housing construction, rehabilitation, preservation, operating or rental subsidies, and supportive services.

(2) Goals for the number, affordability for different income levels, and types of housing units to be constructed, preserved, or rehabilitated each year for the underserved populations identified in subsection (a) of Section 15, based on available housing resources.

(3) Funding recommendations for types of programs for housing construction, preservation, rehabilitation, and supportive services, where necessary, related to the underserved populations identified in subsection (a) of Section 15, based on the Annual Comprehensive Housing Plan.

(4) Specific actions needed to ensure the coordination of State government resources that can be used to build or preserve affordable housing, provide services to accompany the creation of affordable housing, and prevent homelessness.

(5) Recommended State actions that promote the construction, preservation, and rehabilitation of affordable housing by private-sector, not-for-profit, and government entities and address those practices that impede such promotion.

(6) Specific suggestions for incentives for counties and municipalities to develop and implement local comprehensive housing plans that would encourage a mix of housing to meet the needs of current and future residents.

(7) Identification of options that counties, municipalities, and other local jurisdictions, including public housing authorities, can take to construct, rehabilitate, or preserve housing in their own communities for the underserved populations identified in Section 10 of this Act.

(c) The Interagency Committee, with staff support and coordination assistance from the Authority, shall develop the Annual Comprehensive Housing Plan. The State Housing Task Force shall provide advice and guidance to the Interagency Committee in developing the Plan. The Interagency Committee shall deliver the Annual Comprehensive Housing Plan to the Governor and the General Assembly by January 15 of each year or the first business day thereafter. The Authority, on behalf of the Interagency Committee, shall prepare an Annual Progress Report by April 1 of the following year to the Governor and the General Assembly on the progress made toward achieving the projected goals, as defined in paragraph (2) of subsection (b), of the Annual Comprehensive Housing Plan during the previous calendar year. These reports shall include estimates of revenues, expenditures, obligations, bond allocations, and fund balances for all programs or funds addressed in the Annual Comprehensive Housing Plan.

(d) The Authority shall provide staffing to the Interagency Committee and the Task Force. It shall also provide the staff support needed to help coordinate the implementation of the Annual Comprehensive Housing Plan during the course of the year. The Authority shall be eligible for reimbursement of up to \$300,000 per year for such staff support costs from a designated funding source, if available, or from the Illinois Affordable Housing Trust Fund.

(Source: P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/20)

Sec. 20. State Housing Task Force. The State Housing Task Force shall:

(1) (Blank).

(2) Create necessary subcommittees and appoint subcommittee members and outside experts, with the advice of the Task Force and the Interagency Committee.

(3) Ensure adequate public input into the Annual Comprehensive Housing Plan.

(4) Involve, to the extent possible, appropriate representatives of the federal government, local governments and municipalities, public housing authorities, local continuum-of-care, for-profit, and not-for-profit developers, supportive housing providers, business, labor, lenders, advocates for the underserved populations named in this Act, and fair housing agencies.

(5) Have input into the development of the Annual Comprehensive Housing Plan and the Annual Progress Report prepared by the Authority.

(Source: P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/25)

Sec. 25. Interagency Committee. The Interagency Committee and its member agencies shall:

(1) Provide interagency coordination and funding efforts to facilitate meeting the purposes of this Act, including the housing needs of priority populations;

(2) Be responsible for providing the information needed to develop the Annual Comprehensive Housing Plan as well as the Annual Progress Report.

(3) Develop the Annual Comprehensive Housing Plan.

(4) Oversee the implementation of the Plan by coordinating, streamlining, and prioritizing the allocation of available production, rehabilitation, preservation, financial, and service resources.

(Source: P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/30)

Sec. 30. (Repealed).

(Source: P.A. 94-965, eff. 6-30-06. Repealed by P.A. 99-564, eff. 7-15-16.)

(310 ILCS 110/90)

Sec. 90. (Amendatory provisions; text omitted).

(Source: P.A. 94-965, eff. 6-30-06; text omitted.)

(310 ILCS 110/99)

Sec. 99. Effective date. This Act takes effect upon becoming law.

(Source: P.A. 94-965, eff. 6-30-06.)