

For Immediate Release
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Illinois Housing Development Authority Launches New Program to Support Emerging Housing Developers

*Funding will promote capacity building and equity in affordable
housing development*

CHICAGO – The Illinois Housing Development Authority (IHDA) Board of Directors has approved an award of \$5 million to launch the Next Generation Capacity Building Initiative (Next Gen), a new program designed to expand the talent pipeline and increase diversity within the housing development field and related industries. The grant award will be made to the Local Initiatives Support Corporation (LISC), who will use the funds to provide capital, training, and technical assistance that will expand access to housing resources administered by the state, with a focus on reducing barriers to entry for developers of color in the Low-Income Housing Tax Credit (LIHTC) program. This joint initiative between IHDA and LISC is part of the Authority’s continuing efforts to support the capacity and growth a diverse pool of affordable housing developers in Illinois.

“When we invest in our people, we invest in the future of Illinois,” **said Governor JB Pritzker**. “Programs like the Next Generation Capacity Initiative are reducing barriers to entry for our most underrepresented workers and developers while building more affordable housing for those who need it the most. Illinois has an incredibly talented and skilled workforce, and we’re committed to ensuring everyone has a fair chance to succeed.”

“The Next Gen program will support a talented but underrepresented group of developers that have historically faced higher barriers to participation in state and federal programs,” **IHDA Executive Director Kristin Faust said**. “IHDA believes that greater diversity among the state’s development partners will lead to more inclusive outcomes for residents and greater community engagement in the developments we fund, and we are grateful to partner with LISC in this innovative approach that will

increase access to key financial and technical resources that have been out of reach for many.”

The LIHTC has long been the primary engine behind the development of affordable housing and provides most of the capital available to developers of affordable housing each year. However, the technical knowledge, high cost of entry, and relationships required to develop tax credit properties has historically made it challenging for new developers, and particularly developers led by Black, Indigenous, or People of Color (BIPOC), to access this resource. The Next Gen initiative seeks to address this disparity by lowering the systematic barriers BIPOC developers encounter in three key ways.

First, IHDA will use Next Gen grant funds to establish a pre-development loan fund administered by LISC to support the pre-construction and planning costs necessary to establish project design, scope, site control, and other early costs.

Second, an in-depth training series will be provided to program participants. This will include 160 hours of training curriculum delivered by LISC on affordable housing development and housing tax credits, with additions to provide specific training on IHDA’s tax credit program and processes. LISC will also coordinate networking opportunities for participants to connect with seasoned industry professionals.

Third, project specific technical assistance will be provided to each BIPOC developer or development team who receives a loan from the pre-development loan fund as they work on their proposal and move their project along IHDA’s application process. The technical assistance will be curated to participants’ specific needs with a focus on building their capacity and potential development project.

"LISC is proud to partner with IHDA to create Next Gen, which will provide meaningful funding, training and technical assistance to developers of color," **said Angela Bolden, Executive Director of LISC Central Illinois.** "This initiative will lower barriers to entry for the next generation of diverse developers while creating much-needed affordable housing for Illinois' communities."

The launch of the Next Gen initiative builds on several steps taken by IHDA to increase diversity among affordable housing developers participating in the state’s LIHTC program. These include introducing incentives for having a BIPOC-led firm on the development team, as well as additional incentives for projects demonstrating proactive racial equity work related to development planning processes. In IHDA’s most recent LIHTC application round, 100 percent of approved applications had BIPOC participation on the development team.

IHDA expects the developer application process to begin in Fall 2023, with participant selections and training beginning in early 2024. More information on the application process, participant eligibility, and program details will be available at LISC Central Illinois (www.lisc.org/central-il/programs/build-physical-environment/).

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About the Illinois Housing Development Authority

IHDA (www.ihda.org) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation in 1967, IHDA has allocated \$18 billion and financed approximately 255,000 affordable housing units for residents of Illinois.