

Illinois Rental Housing Support Program Funding Allocation Task Force Meeting

Meeting Details

Date/Time: Monday, April 29, 2024 @ 11:00 AM to 12:00 PM

Meeting Format: All meetings of the Illinois Rental Housing Support Program Funding Allocation Task Force will be held in a virtual format. Attendance will be facilitated by Microsoft Teams. Please use the below information to join the meeting through one of the virtual access options.

- **Join on your computer, mobile app or room device**
 - [Join the meeting now](#)
 - Meeting ID: 255 744 259 561
Passcode: bGHKUY
 - [Download Teams](#) | [Join on the web](#)
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 - [+1 872-267-6689,470136787#](#) United States, Chicago
 - Phone Conference ID: 470 136 787#
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Appointees:

John Ackerman, appointed by the Minority Leader of the Illinois Senate

Representative Curtis J. Tarver, appointed by the Speaker of the Illinois House

Steven Fox, appointed by the Minority Leader of the Illinois House

Kristin Faust, Executive Director, IHDA

Annissa Lambirth-Garrett, appointed by the Chicago Low-Income Housing Trust Fund

Mary Keating, representing Local Administering Agencies, Chicago Metro

Alan Zais, representing Local Administering Agencies, Small Metro

Andy McGill, representing Local Administering Agencies, Rural

John Mirkovic, representing Illinois County Clerks and Recorders, Metro

Josh Langfelder, representing Illinois County Clerks and Recorders, Small Metro

Lori Gadbois, representing Illinois County Clerks and Recorders, Rural

Lissette Castaneda, representing non-profit housing advocacy organizations

Christine Kahl, representing non-profit housing advocacy organizations

Lori Baker, representing Governor Pritzker's Office

Don Harmon, President of the Illinois Senate

Karen Stukel, Will County Recorders

Agenda

- 11:00 AM Attendance, Roll Call, Welcome and Introductions**
- 11:05 AM Election of Chairman and Vice Chairman**
- 11:15 AM Request for Applications (RFA) for Re-Entry Local Administering Agencies (LAAs) in Summer 2024**
- 11:20 AM Discussion of 2020 Census Information**
- 11:30 AM Discussion of John Ackerman's Proposal (attached)**
- 11:45 AM RFA Process**
- 11:50 AM Public Comment**
- 12:00 PM Adjourn**



Illinois Rental Housing Support Program Funding Allocation Task Force

April 29, 2024



AGENDA

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| 11:05 AM | Election of Chairman and Vice Chairman |
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| 11:20 AM | Discussion of 2020 Census Information |
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| 11:45 AM | RFA Process |
| 11:50 AM | Public Comment |
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Program Information

- An interagency initiative designed to meet the housing needs of individuals exiting Illinois Department of Corrections (IDOC) facilities.
- Launched mid July 2020
- Use RHS funding to provide housing placement and rental assistance for 75 program participants over a three-year period to aid in their community integration

Key Accomplishments

- 136 referrals to date from IDOC
- 56 of the anticipated 75 participants served to date (35 current, 25 program exits)
- \$1.6M subsidy funds disbursed to date
- 2 participant moved out and bought their own home.

Next Steps

- Fall 2024 – Release new RFA to solicit for new LAA's with strong partnerships with social service providers with experience serving formally justice involved individuals



Funding for the RHS Program, is based on the collection of a \$18 real estate recorded document fee collected by IDOR.

*** Distribution to City of Chicago (43%)**

Reserve Deposit (5%)

Funding of LTOS Awards (10%)

Funding of LAA Grants & Renewals

IHDA Admin Fee (7%)

The above items must all be allocated annually out of each appropriation based on receipts & availability of funds.

*Per the Act, IHDA transfers a proportionate share of the annual Program Receipts to the City of Chicago to operate the RHS Program within that municipality.



2020 Census Data

		<u>City Payment</u>	<u>% of Payment</u>	<u>Notes</u>
FY19	TOTALS			
Rental Housing Support Surcharge	\$ 12,353,053.50			
Totals	\$ 12,353,053.50	\$5,311,813	43%	
FY20				
Revenue/ Surcharge	\$ 13,492,743.00			
Sams Administrative Agency				
Statutory Transfers				
Totals	\$ 13,493,244.00	\$5,802,095	43%	
FY21				
Revenue/ Surcharge	\$ 18,758,964.00			
Sams Administrative Agency				
Statutory Transfers				
Totals	\$ 18,758,964.00	\$8,066,355	43%	
FY22				
Revenue/ Surcharge	\$ 16,602,183.00			
Sams Administrative Agency				
Statutory Transfers	\$ 1,000,009.00			
Totals	\$ 17,602,192.00	\$7,568,943	43%	
FY23				
Revenue/ Surcharge	\$ 10,765,143.00			
Sams Administrative Agency				
Statutory Transfers				
Totals	\$ 10,765,143.00	\$4,629,011	43%	
FY24				
Revenue/ Surcharge	\$ 13,715,758.80	\$1,517,443		Monthly Average
		\$18,209,318		Projected Receipts
Statutory Transfers				
Totals	\$ 13,716,048.80	\$6,737,448	37%	Projected City Payment



Anticipated Date	Task
Fall 2024	Release RFA
Fall/ Winter 2024/2025	Technical Training & Virtual Concept Meetings
Spring 2025	IHDA RFA Review and Recommendations for Approval
Spring 2025	Board Approval

** - Contingent upon recommendations from the Task Force*



PUBLIC COMMENT



ADJOURN



CHICAGO LOW-INCOME HOUSING TRUST FUND

Program Summary
as of June 30, 2023

Overview

The Chicago Low-Income Housing Trust Fund (“CLIHTF”) has been a provider of funding for affordable rental housing in the City of Chicago (the “City”) for over 30 years. CLIHTF is a quasi-governmental 501(c)(3) not-for-profit corporation formed by ordinance of the Chicago City Council in 1989 and has served as the Local Administering Agency (“LAA”) to the City under the Rental Housing Support Program (“RHSP”) Act since the RHSP Act’s inception in 2007. CLIHTF provides rental subsidies directly to property owners, for the benefit of households in Chicago earning at-or-below thirty percent (30%) of area median income (“AMI”) (“Qualified Households”).

CLIHTF rental assistance helps Qualified Households afford safe, decent rental housing, resulting in higher neighborhood occupancy levels and reduced tenant turnover, and providing rental stability and predictability to landlords and tenants. Tenants in stable housing situations are better able to work toward self-sufficiency as contributing members of their communities, and children in stable housing situations tend to do better in school and have more positive life outcomes. CLIHTF rental assistance also contributes to economic diversity in neighborhoods experiencing gentrification and helps to reduce foreclosures and vacancies in neighborhoods challenged by economic disinvestment.

Proceeds from the RHSP Act play an essential role in CLIHTF’s mission. CLIHTF also receives Affordable Housing Opportunity Funds (“AHOF”) pursuant to the Chicago ARO Ordinance, and at times receives funding directly from the Chicago Department of Housing in the form of City Corporate Funds.

CLIHTF-supported units are categorized in and funded under two programs: the Rental Subsidy Program (the “RSP”) and the Multi-Year Affordability through Up-front Investment (“MAUI”) Program.



Rental Subsidy Program

The RSP provides rental assistance through a typically annual agreement with property owners within Chicago. RSP Contracts are renewable at the end of their term for landlords in good standing with their responsibilities. RSP subsidies are approved for a given number of units in a building, generally not to exceed 30% of the total units in any such building. Qualified Households apply directly to CLIHTF-supported landlords for available subsidized units.

CLIHTF currently supports 2856 units. Approximately ½ of the units in RSP are restricted to households living at-or-below 15% AMI. The breakdown of CLIHTF units by AMI is as follows:

Income Tiers:	Units	Percent of Units
0-15% AMI	1289	45%
15-30% AMI	1567	55%

The number of RSP units supported by RHSP Act funding varies from year-to-year, depending on the amount of funding received by CLIHTF, with the remainder of RSP-Unit subsidies supported by AHOF or other funding sources. As an average across the entire RSP portfolio, the cost to CLIHTF of subsidizing a rental unit in the City is around \$5,800 per year, though there are significant variances in that figure depending on unit size and household income.

Unit sizes are broken down as follows:

Breakdown of Units:	Units	Percent of Units
Beds (not RHSP-funded)	75	3%
Studios/SROs	1,129	40%
1-Bedrooms	683	24%
2-Bedrooms	488	17%
3-Bedrooms	368	13%
4-Bedrooms	113	4%

7% of RHSP Act funding received by CLIHTF goes toward administrative expenses associated with the administration of the RSP units. A minimum of 10% of RHSP Act funding received by CLIHTF goes toward the MAUI Long-Term Operating Subsidy (“LTOS”) program.



Multi-Year Affordability through Upfront Investment

MAUI provides project funding in one of two types to a project: (i) a long-term financing forgivable construction grant or (ii) an LTOS commitment, with term-of-contract funding escrowed upfront. Each type of MAUI project includes an approximately 15 to 30-year term Regulatory Agreement. MAUI is available to established property developers and owners that offer affordable housing to households living at or below thirty percent (30%) of the AMI. MAUI typically restricts a minimum of ½ of the units in each project to households living at-or-below 15% AMI.

CLIHTF uses a minimum of 10% of its annual RHSP Act funding allocation for MAUI LTOS projects, with a lookback period permitted to aggregate funds. AHOF funding and other funding sources are also used for LTOS and long-term financing projects.

As of June 30, 2023, CLIHTF has 477 active MAUI units. 141 of those units were funded by City AHOF or Corporate funds, with the remaining 336 funded with State RHSP Act funding. Of the units funded with RHSP Act funding, 173 units are supported by LTOS and 163 are long-term financing units with rents capped at levels affordable to 30% AMI and 15% AMI households. RHSP Act funding was historically used to support long-term financing projects as well as LTOS projects but is presently deployed only toward LTOS projects.

As of June 30, 2023, there were ninety-three (93)* additional affordable units anticipated to be created from MAUI projects that are approved for funding but have yet to close, and one project under construction with CLIHTF funding supporting 18 units.

*Since June 30, 2023, two of the projects mentioned above with CLIHTF funding supporting a total of 31 units have closed and are under construction.

Rental Housing Support Program Allocation Proposal

Moving forward, the Rental Housing Support Program Allocation Formula needs to be overhauled to provide the equitable distribution of Grant Funding throughout the State of Illinois. The proposal attached will fix this immediately while safeguarding current existing long-term commitments of funding support.

Over a decade ago, the original legislation outlined a \$9.00 fee. This \$9.00 fee and the allocation formula attached to the original \$9.00 fee would remain the same under this proposal for the time being. In 2023, an additional \$9.00 fee was implemented. This new \$9.00 fee is the portion immediately impacted by a new allocation formula proposed here. Over the next decade, first at 5 years in 2028 and then 10 years in 2033, the old allocation formula will be reduced and the new formula will eventually replace it. In 2033, any remaining funding left in the “Current IHDA Program” will be distributed equally to each of the 27 regions.

With that understanding established, the new Allocation Formula would be \$4.50 directed to the new region in which it was collected and \$4.50 retained by the Recorder of Deeds Office for grant distribution within that county.

I have divided the State of Illinois into 27 Regions that each collect over \$600,000 of funding for this program. This “Regional Portion” of the funding will be collected by the Illinois Housing Development Authority. The IHDA and the Recorder of Deeds Offices in each region will then distribute the Regional Funded Grants each year. The IHDA will establish rules for grant distribution with an emphasis on a wide range of funding possibilities. A focus will be on individual Housing Authorities advocating for their grant request through their Recorder of Deeds. Grant Funding rewarded from the Regional Portion will be delivered by the Recorder of Deeds in which the project exist. Any region not allocating all of their funding by the end of each year will be distributed by the IDHA to other regions equally for the next coming year.

The portion retained by each individual Recorder of Deeds will be available for them to distribute as they determine for Rental Housing Support. Each Recorder of Deeds will maintain a detailed record of their distribution of this funding and provide this detailed record to the IHDA each year. This “County Withheld” portion cannot be used by the county to offset office staff or resources and cannot be used by the receiver of the funding for staff or administrative services. Any Recorder of Deeds that does not allocate all of their funding by the end of each year will be distributed by the IHDA to their region for the next coming year.

2023 Funding Allocation

Current IHDA Program: \$9.00

Regional Portion: \$4.50

County Withheld: \$4.50

2028 Funding Allocation

Current IHDA Program: \$6.00

Regional Portion: \$6.00

County Withheld: \$6.00

2033 Funding Allocation

Current IHDA Program: \$0

Regional Portion: \$9.00

County Withheld: \$9.00