



The State of the State on Affordable Housing

Presented By:

Audra Hamernik

Executive Director, Illinois Housing Development Authority



The Illinois Housing Development Authority

- **IHDA's Mission:** to create and preserve affordable housing throughout Illinois.
 - ❑ Quasi-government
 - ❑ Self-funded
 - ❑ Mission driven lender

- **Footprint on the State:** IHDA has invested over \$18 billion dollars throughout IL, and created over 255,000 units of affordable housing.
 - ❑ Single-family (6,000 new homes in FY18)
 - ❑ Multi-family (4,000 new apartments in FY18)





IHDA Mortgage

- Introducing the **IHDA Access Program**
- Three sub-programs:
 - ❑ 4% Forgivable (up to \$6,000, 10-years)
 - ❑ 5% Deferred (up to \$7,500, 30-years)
 - ❑ 10% Repayable (up to \$10,000, 10-years)
- Less restrictive, giving you more options to help your borrowers find the right program for their situation.
- What we require:
 - ❑ Minimum credit score of 640
 - ❑ Maximum debt to income ratio of 45%
 - ❑ Homeownership counseling prior to close required for all borrowers on loan
 - ❑ Property must become the borrower's primary residence.

UP TO \$10,000 IN DOWN PAYMENT ASSISTANCE*

IHDA Access Forgivable
Up to \$6,000 in Down Payment Assistance
forgiven monthly over 10 years.

IHDA Access Deferred
Up to \$7,500 in Down Payment Assistance
provided as an interest free loan. Repayment
deferred for 30 years.

IHDA Access Repayable
Up to \$10,000 in Down Payment Assistance
provided as an interest free loan. Repayment
due monthly over 10 years.

Find a qualified lender at www.IHDAmortgage.org or call (877) 456-2656

IHDA MORTGAGE
Providing housing opportunities for 30+ years

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*Maximum IHD assistance amount is subject to program restrictions.





Reminder: 1stHomeIllinois is Still Available

- Assistance Amount:
 - \$7,500 in down payment assistance
- Term:
 - 5 years forgivable
- Repayment:
 - No monthly repayment
 - Assistance is forgiven pro-rata on a monthly basis over five years.
- Eligible Counties:
 - Cook
 - Marion
 - St. Clair
 - Winnebago

1STHOMELLINOIS

- \$7,500 cash assistance for down payment & closing costs
- 30-year, fixed rate mortgage with a competitive interest rate
- FHA, Conventional, VA & USDA
- Only available in the following counties:
 - Cook
 - Marion
 - St. Clair
 - Winnebago

ELIGIBILITY:

- First-time homebuyer or anyone who has not owned a home in the last three years (Veterans are exempt)
- Income and purchase price limits apply

Ready to get started? Find a qualified lender at WWW.IHDAMORTGAGE.ORG or call 1-877-456-2656.

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 Providing housing opportunities for 30+ years

FUNDS ARE LIMITED. ACT NOW!

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Multifamily Rental Housing

- IHDA lends to developers to build or rehabilitate apartments.
- Our investments result in quality developments serving community's working families, veterans, seniors and persons with special needs
- Over the past five years, IHDA has invested **\$760 million** and leveraged **\$2.5 billion** to create and preserve **17,776 units** of affordable rental housing
- Monitors **120,000+ units** in **1,300 developments** each year



Multifamily Financing Resources

- Primary administrator of the Low-Income Housing Tax Credit in Illinois.
- Gap Financing
 - “One-Stop Shop” approach
 - Tax-Exempt Bond/Risk-Share/4% LIHTC financing
 - Taxable Bond Financing
- Administrator of regulated affordable housing in Illinois
 - Illinois Affordable Housing Trust Fund
 - HOME Investment Partnership Program
 - Illinois Affordable Housing Tax Credits
 - National Low-Income Housing Trust Fund
- Rental Assistance:
 - Section 811 Supportive Housing for Persons with Disabilities
 - Rental Housing Support/Long-Term Operating Support Program



Improving Access to Housing in Areas of Opportunity

- Goal is to guide development to new or underserved areas of the state.
- Many areas that have a need for affordable housing are filled with barriers that make it expensive, time consuming, and difficult to develop.
 - High land costs
 - Local opposition
 - Excessive fees
- IHDA rolled out new incentives to encourage development in areas where there is a need for affordable housing, yet high potential barriers and opposition.



Opportunity Areas

- Communities with low poverty, high access to jobs, low concentrations of existing affordable rental housing.
- Intended to increase access to housing in areas with better public services and employment opportunities.
- Communities or census tracts are identified annually and retain the designation for at least four years as long as they continue to meet the identification criteria.



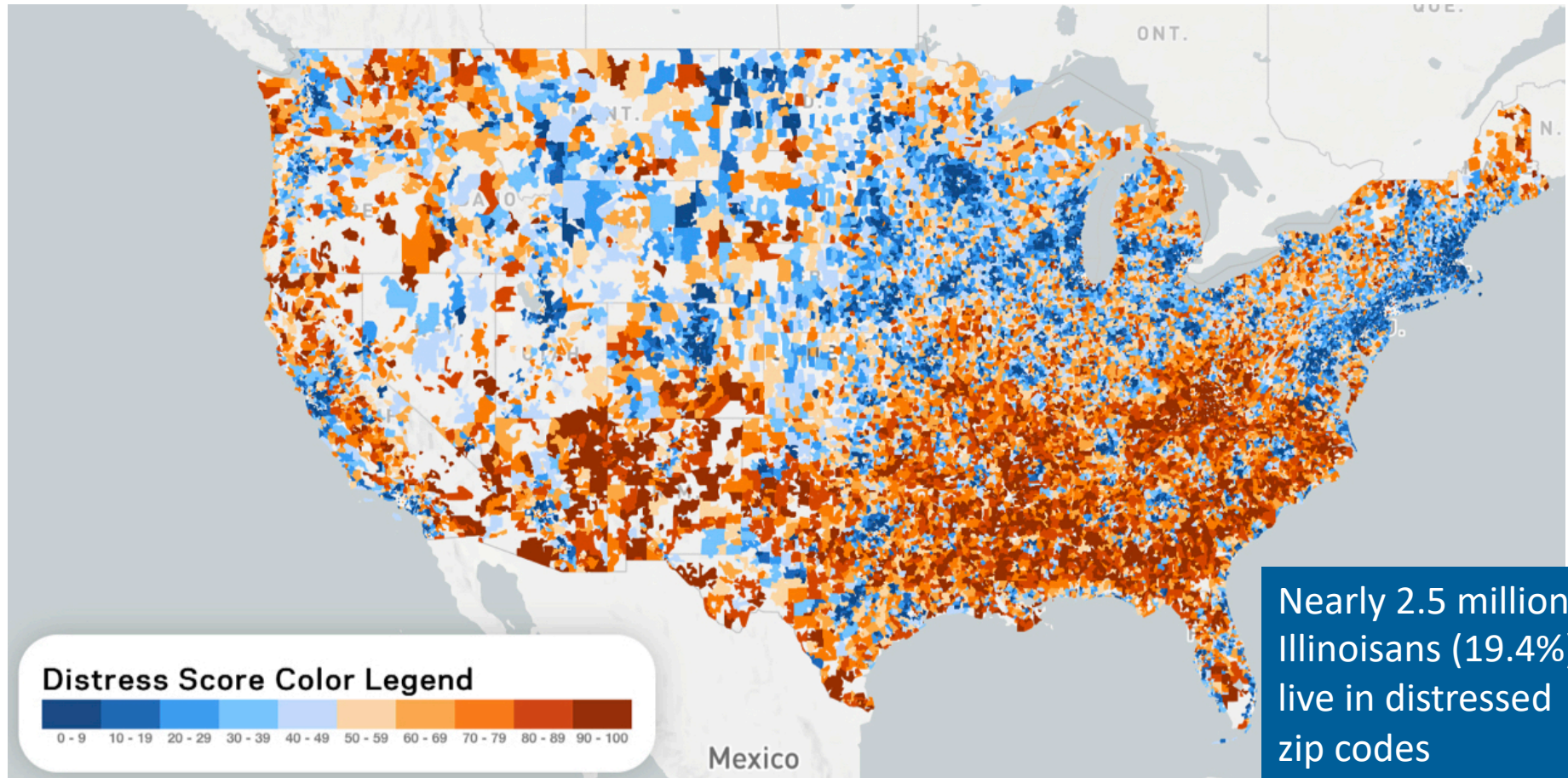
Community Revitalization Efforts

- **Balancing Act:** An important balance to Opportunity Areas that encourages development in communities aiming to revitalize themselves.
- Provide low-resourced communities with Technical Assistance, leading to:
 - Access to employment
 - Living wage jobs
 - Healthcare
 - Supportive services
 - Community amenities (i.e. parks and schools)
 - Transportation
- Allows IHDA to explore how affordable housing can become incorporated in the overall development efforts in high-poverty and/or rural areas.



Why Opportunity Zones and Why Now?

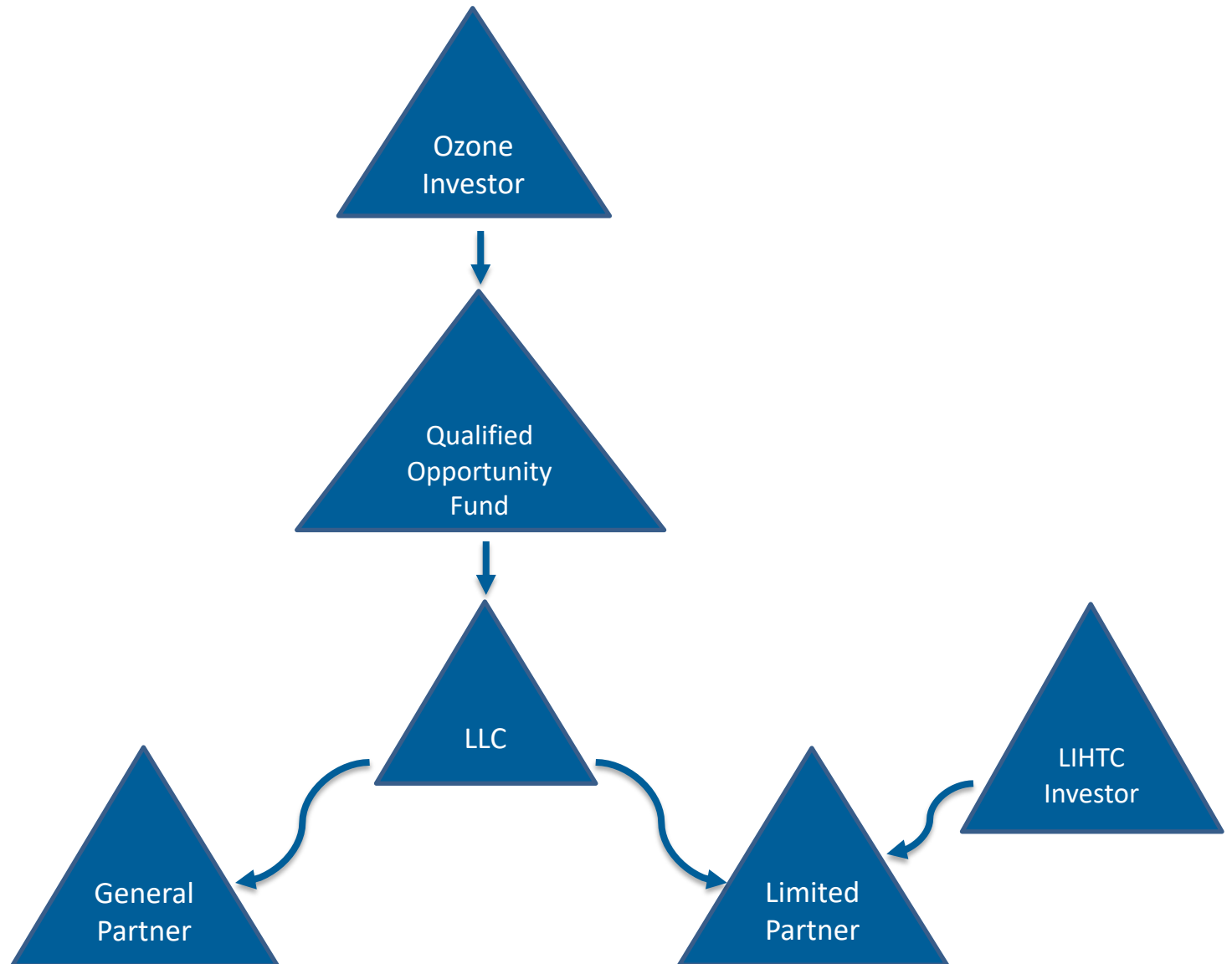
- 52 million Americans (1 in 6) live in economically distressed communities



- Illinois has 327 designated O-Zones.



Typical Housing Structure





IHDA & Opportunity Zones

- **Likely Housing Projects**

- **New Construction and Substantial Rehab**

The rehabilitation of an existing development that involves costs in excess of 75% of the value of the building after rehabilitation. Substantial rehabs typically involve the replacement of at least one of the building's major systems, e.g. new plumbing, heating, electric, roofing, or siding

- **Adaptive Reuse**

A change of use or occupancy for an existing building. For example, existing (or vacant) schools, industrial buildings, or libraries are often converted into housing

- **Mixed Use**

A development that blends residential housing with commercial or other uses. For example, a multi-story development that incorporates retail or office space on the first floor with residential uses on upper floors



Housing Example

Sources	Uses
First Mortgage - \$3M	Acquired Land - \$1M
LIHTC Equity - \$13M	Construction - \$16.5M
Ozone Equity - \$2M	Soft Costs - \$1.5M
HOME Funds - \$1.5M	
FHLB - \$500,000	
Total = \$20M	Total = \$20M



Noteworthy

- **Time is of the essence**
 - Shovel ready now
 - Ends in 2029
 - 10 year back
- **Need regulations**
- **Attract investors**
 - Ozone and LIHTC likely the same



Affordable Housing Planning & Appeal Act

- Signed into law in 2003 to encourage local governments to incorporate affordable housing in their communities as they grow or redevelop.
- IHDA was named the state administering agency and provides guidance, tools and updates to communities in compliance with the Act.
- Under the Act, IHDA identifies communities of over 1,000 people where less than 10 percent of the housing stock is considered affordable.
- Affordability is judged by the percentage of year-round housing units in a community that are affordable to:
 - Homeowners making 80 percent of the area median income
 - Renters with 60 percent of the area median income.



Affordable Housing Planning & Appeal Act

Affordable Housing Plans

- Non-exempt communities are required to produce and adopt affordable housing plans that identify three key components:
 - ❑ The number of additional units needed to achieve an affordability rate of 10%
 - ❑ Locations where affordable housing could best be constructed
 - ❑ Incentives that could be provided to attract affordable housing to their jurisdiction
- ✓ **IHDA receives the plans, reviews them and makes observations as to their completeness.**
- ✓ **IHDA staff are always available to the non-exempt communities to answer questions, present on IHDA's affordable housing programs, or to advise on the resources available to increase the amount of affordable housing in a community.**
- ✓ **Gets communities thinking about affordable housing**
- ✓ **Turns that thinking process into results**



Rent Control

SB 3512

- 1997: The ILGA passes the Rent Control Preemption Act, prohibiting local governments from enforcing rent control policies in Illinois.
- 2017: State Representative Will Guzzardi sponsors a bill that aimed to simply repeal the ban, which would allow local governments to consider measures to regulate rents.
- 2018: State Senator Mattie Hunter proposes the Rent Control Act.
 - ❑ Repeals the Rent Control Preemption Act
 - ❑ Establishes a two-tier rent control system
 - ❑ Establishes a process for regulating rent control throughout the state in the form of mandatory county-level Rent Control Boards
 - ❑ Amends Illinois Income Tax Act to establish two new state tax credits for owners of rent-controlled units



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