



# Entry Form 2017 Annual Awards for Program Excellence

**Entry Deadline: Thursday, June 15, 2017, Midnight ET**

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email [awards@ncsha.org](mailto:awards@ncsha.org).**

**Entry Title:** Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

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**Category:**

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**Subcategory:**

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**Entry Summary:** A 15-word (max) summary of the program, project, or practice you are entering.

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**HFA:**

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**HFA Staff Contact:**

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**Phone:**

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**Email:**

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**Visual Aids:**

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF?    Yes        No

**Payment:**

My HFA is mailing a check to NCSHA.  
My HFA is emailing the credit card authorization form to [awards@ncsha.org](mailto:awards@ncsha.org).

### **An Ongoing Crisis**

Like most of the country, Illinois continues to experience the lasting effects of the Great Recession. Ten years since it began, the crisis has largely faded from the headlines as new foreclosure activity trends toward pre-recession levels, but a deeper look shows that the foreclosure burden is not gone from our communities. While some neighborhoods have recovered, many others – often those that can least afford it – are trapped in a cycle where foreclosures persist, negative equity is rampant, and long-term vacancies sit rotting. For every report that claims the end of the foreclosure crisis is [in sight](#), another notes that “we’re now at the point of [maximum vulnerability](#).”

There were 267,000 completed foreclosures in Illinois from 2007 to 2016, and there has been a lot of collateral damage.<sup>1</sup> In addition to the obvious financial and emotional tolls they impose on families, foreclosures have far-reaching ripple effects that threaten entire neighborhoods, especially in communities that experience a disproportionate share of them. Foreclosed homes are at a higher risk for becoming vacant or abandoned, and those that do are likely to become eyesores that attract crime, depress neighboring property values, and deter future investment in the local housing market. Whether it is a zombie foreclosure stuck in a lengthy legal process or a homeowner that walks away because they owe more than their home is worth, the outcome is the same. Local governments are forced to take on the cost of maintaining and demolishing another vacant property, and the price can be significant. A Harvard study on the municipal costs of foreclosures reported that local governments spend between \$5,000 and \$34,000 to secure, maintain and eventually demolish a single vacant home.<sup>2</sup>

### **Responding to the Challenge**

The scale of the problem is overwhelming for local governments, most of which do not have the resources or experience to address it alone. With hard hit municipalities across the state looking for answers, IHDA leveraged the federal Hardest Hit Fund (HHF) and state legislation designed to fight blight to offer a comprehensive collection of resources and programs designed to assist communities along the entire continuum of stabilization – from keeping families in their homes to reducing the stock of vacant properties to generating new demand in targeted markets. And to ensure local strategies match local conditions, we provide the entire package of data, staff, expertise, and funding to help homeowners and local governments effectively tackle their most urgent problems.

### **Community Revitalization Planning**

Assessing a community’s needs is the initial hurdle, and it can be difficult to determine the full extent of the problem without the right tools and experience. To provide support for cities as they create revitalization strategies and plan next steps, IHDA hired a Community Revitalization Specialist to work as a guide to local staff, municipal and county leaders, and community organizations. In addition, our Planning and Research staff gives local leaders access to the market data they need to accurately assess the housing situation in their community, advises on the resources available, and provides technical assistance as they apply for funding.

### **Revitalization and Repair**

In neighborhoods plagued by long-term vacancies and blight, maintenance and demolition is the most urgent need. IHDA works with local governments, land banks and non-profit organizations to offer programs that rebuild hard hit neighborhoods and improve quality of life for residents and neighbors.

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<sup>1</sup> CoreLogic. United States Residential Foreclosure Crisis: Ten Years Later.

<sup>2</sup> Harvard University, Joint Center for Housing Studies. The Municipal Cost of Foreclosures: A Chicago Case Study.

Using federal HHF funds and revenue generated by state legislation, IHDA provides local governments and non-profits with up to **\$35,000** per property to help maintain or demolish blighted and vacant homes, along with trainings and webinars to educate local officials on strategic approaches to demolition. Once cleaned and greened, the lots are then eligible to be sold to neighbors, converted to parkland or improved with landscaping.

### **Foreclosure Prevention**

More than three percent of Illinois homeowners are currently delinquent on their mortgage according to CoreLogic, and 11 percent of all homeowners in the state owe more than their home is worth. In most distressed markets, keeping these families in their homes is the next step toward curbing and eventually reversing the trend of foreclosure, vacancy and blight. Working with the U.S. Treasury, IHDA secured an additional award from the federal Hardest Hit Fund in 2016 and expanded the programs available under the HHF umbrella to offer three options: 1.) Up to \$35,000 in mortgage payment assistance for unemployed or underemployed homeowners; 2.) Up to \$50,000 in principal reduction assistance for homeowners with underwater mortgages; and 3.) Up to \$35,000 to assist senior homeowners at risk of defaulting on their reverse mortgages.

At two press conferences – the former with Illinois’ bipartisan Senate delegation and the latter in a city once dubbed the “Underwater Mortgage Capital of America” by the Wall Street Journal – IHDA re-opened the flagship HHF mortgage payment assistance program and introduced the new I-Refi program to help borrowers with underwater mortgages. Under the monthly mortgage assistance portion of the program, homeowners who have experienced an income reduction as a result of a qualifying hardship can receive up to **\$35,000** in reinstatement and ongoing monthly mortgage assistance for up to 18 months, giving them time to regain their financial footing without the immediate threat of foreclosure. To reduce the likelihood of long-term unaffordability, delinquency or default in neighborhoods where property values have yet to recover, the I-Refi program offers **\$50,000** in forgivable assistance for homeowners that have remained current on their payments but owe more than their home is worth. The program reduces the principal balance of the underwater loan to an amount that is in line with the actual value of their property and, once the loan is right-sized, refinances the borrower into a new loan at today’s lower interest rates.

And to help seniors at risk of losing their homes, IHDA offers a Reverse Mortgage Assistance Program, a resource designed to help homeowners with reverse mortgages avoid foreclosure due to an inability to pay the taxes and expenses associated with their loan. The program provides up to **\$35,000** to reinstate a homeowner’s delinquent property expenses and pays future taxes and insurance for up to two years. Through partnerships with loan servicers across the state, the program is marketed directly to reverse mortgage customers via direct mailings and phone campaigns.

### **Generating New Demand**

The final step toward revitalizing distressed neighborhoods is to encourage homebuyer activity, generating new demand to further stabilize home prices. New buyers are the engine of a healthy housing market, and when they are absent, the local market and property values both suffer. To address this, IHDA identified 10 distressed counties that continued to experience above average delinquency, negative equity and foreclosure rates – areas that would benefit most from increased homebuyer activity – and launched the 1<sup>st</sup> Home Illinois program offering **\$7,500** in down payment assistance for first-time homebuyers. By offering economic incentives that increase demand in areas of need, these

targeted counties get the boost they need to further stabilize property values and ensure the rebound continues.

### **Connecting Money and Municipalities**

With a holistic toolbox of helpful resources to for neighborhood stabilization in place, IHDA launched an information campaign targeted to local decision makers in distressed neighborhoods. For the first time, our annual conference featured an Empowering Communities track for municipal officials and staff, offering an opportunity to learn about IHDA's programs, discuss how to apply, and meet with Authority staff. The sessions were well attended by representatives from communities across the state, with several bringing real stories and presenting examples of their successful on-the-ground experience working with IHDA programs. IHDA's executive team and director-level staff later went on a speaking tour of community meetings and mayoral membership associations to promote the programs available to help hard hit homeowners, neighborhoods and entire communities. Finally, IHDA's Marketing team proactively met with the constituent service staff of state senators and representatives of recovering districts, clearing up any "too good to be true" apprehensions about the financial assistance offered and providing ready-to-use content for constituent communications.

### **Results**

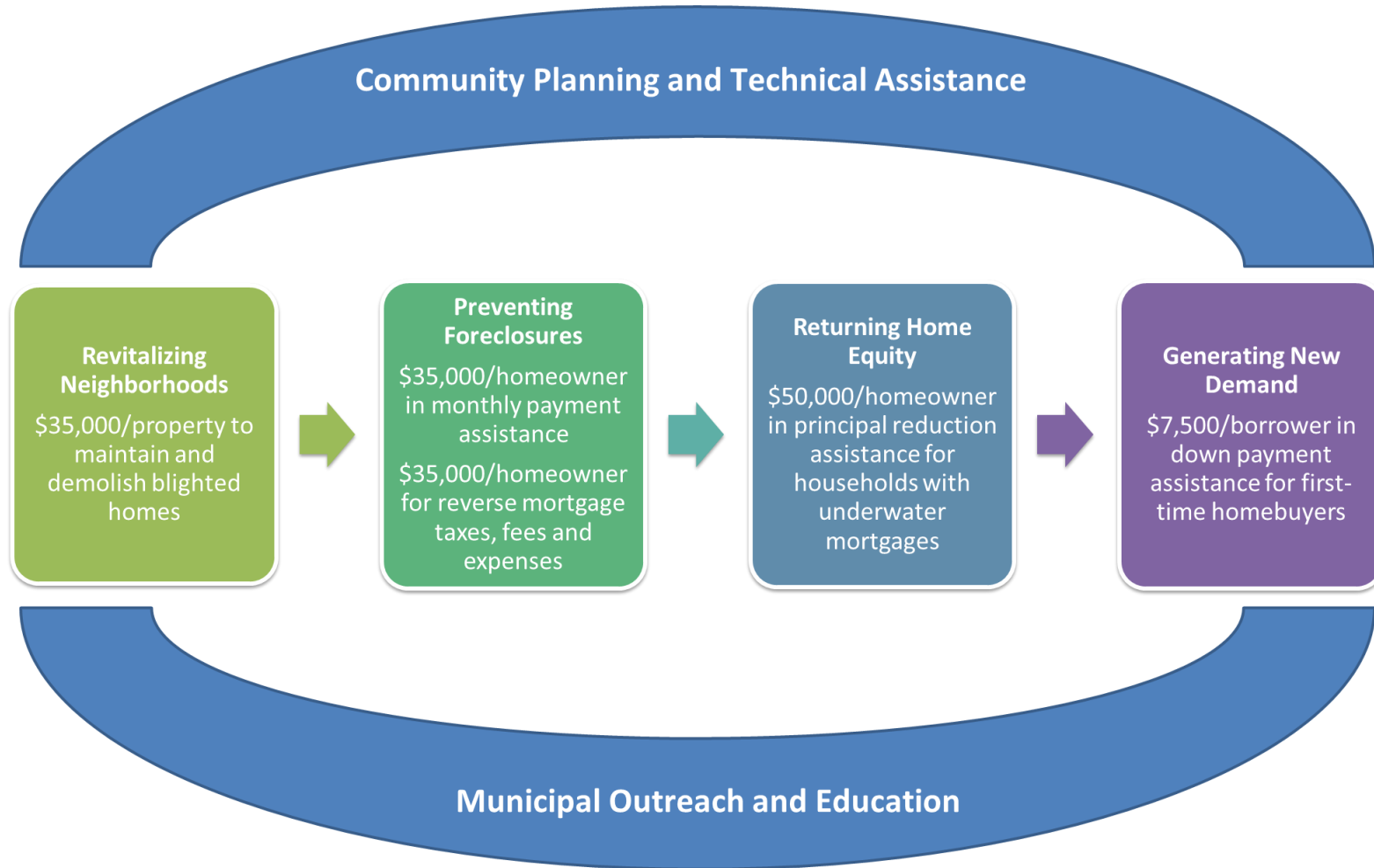
With the effects of the collapse in the housing market still felt in neighborhoods across Illinois, IHDA's recovery and revitalization programs have given local leaders the tools and support they need along the entire range of the recovery. Foreclosures are down, the number of households regaining equity in their homes is on an upward swing, and homebuyers are moving in to once struggling communities. IHDA's revitalization and repair programs have awarded \$23.2 million to help 115 cities, counties community development organizations and land banks to maintain or demolish 3,000 blighted properties in communities across the state, with more on the way. With problem properties converted into green space and parkland, entire neighborhoods see crime rates drop and property values improve. The city of Aurora – the second largest in the state – recently approved the IHDA-funded demolition of a deserted home that was the subject of 81 police calls in just one year.

The number of homes in some stage of the foreclosure process is 26 percent lower than it was just a year ago as the Hardest Hit program continues to provide relief to homeowners still working to get back on their feet. Since it re-launched in August of 2016, more than 1,900 homeowners have received \$20.7 million in financial help. Meanwhile, those who have remained current on their payments are escaping their negative equity through the I-Refi program. Since launching in August 2016, I-Refi households have received an average of \$38,000 to lower their mortgage balances and have refinanced into new loans that save them \$360 every month on their payments.

And the 1<sup>st</sup> Home Illinois program has been a catalyst for entire communities as local leaders work to improve property values. More than 7,000 homebuyers in 10 targeted counties have accessed nearly \$54 million in down payment assistance since the program launched, jumpstarting local markets everywhere from the Chicago suburbs to communities like Centralia, a city of 13,000 in Southern Illinois. The program has been at the center of Centralia's plan to encourage new buyers to put down roots and invest in their hometown, driving economic growth at a pace the city hasn't seen in years.

Illinois has a long way before the end of the crisis is truly in sight, but each of these programs goes a long way in providing needed support to our communities and relief to our struggling homeowners, addressing needs across the entire continuum of community revitalization.

## IHDA's Continuum of Care for Communities



# Aurora to tear down house that had 81 police calls in year



The city of Aurora has bought this house at 511 Seventh Ave. to tear it down and cede the property to the two neighbors on either side of it. (Steve Lord/The Beacon-News)

By **Steve Lord**  
Aurora Beacon-News

MAY 27, 2017, 9:12 AM

**T**he [Aurora](#) City Council has approved buying a deserted problem house on Seventh Avenue to tear it down.

Aldermen voted unanimously to spend \$25,000 to buy the house at 511 Seventh Ave., across the street from Our Lady of Good Counsel School, where there were some 81 police calls during 2015.

Chuck Nelson, the city's director of Neighborhood Standards, said the building "is eligible for demolition" under the Illinois Housing Development Authority's Abandoned Property Program. The city put in a \$25,000 bid to the bank that owned the property and the bank accepted it, Nelson said.

After a 2015 with the high number of police calls, there were less in 2016, Nelson said, but that was because it was vacant for about half the year.

The city participates in several programs with state or federal money involved that have to do with taking control of problem properties in neighborhoods, and either partnering with a non-profit to fix the property up and put it back on the market, or tear it down.

Sometimes, the tear-downs are replaced with a new house, or are developed into a park or community garden.

In the case of the house at 511 Seventh Ave., Nelson said the property will be divided and deeded to neighbors on each side of the house, to add to their properties.

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**This article is related to:** [Aurora](#)

# Illinois Hardest Hit program helps families struggling with mortgages



Hazel Crest homeowner Rainnese Butler with her 16-year-old son RaShaad, 13-year-old son Ryan and dog, Bear. (Francine Knowles / Francine Knowles)



By **Francine Knowles**

JUNE 9, 2017, 11:15 AM

**R**ainnese Butler was worried. Her once secure job as a procurement analyst working with manufacturing teams was cut in 2015. That left her unemployed for 18 months after which she could only find temporary jobs at significantly less pay.

The mother of two teen boys was six months behind in her mortgage and was in foreclosure on her Hazel Crest home.

She found help through the Illinois Hardest Hit program. The program is paying her past due mortgage and her monthly mortgage through next May.

While recent data shows foreclosures nationally dropped to their lowest levels since November 2005, many homeowners in the south suburbs and throughout the state remain at risk of losing their homes, and local housing agencies are helping them access the lifeline program.

The Hardest Hit program provides up to \$35,000 in much needed financial assistance to help homeowners avoid foreclosure at a time when many are still awaiting their personal economic recovery. The program offers a one-time payment of all past due mortgage payments, fees and penalties and or monthly mortgage payment assistance that pays 100 percent of monthly mortgage payments for up to 12 months. The financial assistance is provided as a five-year forgivable loan.

Years after the mortgage meltdown and housing market collapse, many communities are still dealing with the aftermath of foreclosed and abandoned properties and housing prices that haven't recovered. The Hardest Hit program, which is funded through the U.S. Department of Treasury and administered by the Illinois Housing Development Authority, is meant to help stabilize neighborhoods. The Treasury Department provided \$269 million in funds for the Illinois program that began accepting new applications last August.

Among the eligibility requirements, homeowners must have had at least a 15 percent reduction in income due to "a qualifying hardship event." Those hardships include unemployment, underemployment, decrease or loss of business income, the death or divorce of a spouse or title holder or loss of income due to disability or a health-related event. The event must have occurred after Jan. 1, 2010 and after the property was purchased. Income can't exceed 120 percent of the area median income, liquid assets can't exceed \$17,500 and the unpaid principal balance can't be more than \$500,000.

"Right now, it's granting me the opportunity to breathe and not worry about moving my children," said Butler, 45, of the program. "They've grown up in this neighborhood. They have their classmates here, just to not worry about having to move somewhere not familiar to them, and for them to have to reacclimate their whole lives with school, that would be a huge concern for me."

Butler, who currently receives unemployment benefits, has administrative, payroll and computer experience and obtained her commercial driver's license. She is optimistic about landing work over the next 12 months that will help her get back on her feet.

Illinois Hardest Hit applicants are matched with designated housing agencies throughout the state that prescreen applicants for eligibility and assist homeowners for free in preparing their applications and assembling the necessary supporting documents.

Butler received assistance applying for the program through Neighborhood Housing Services of Chicago's South Suburban office in East Hazel Crest.

"What we see out here is people are still struggling to make their mortgage payments," said Sandra Wells, director of the South Suburban office. "People are still losing their jobs. There are still events where people have

health issues. Mortgages are increasing due to taxes. The loss of income creates an issue. That continues to happen. I think this program is important if we want to keep stability in our communities."

During the first quarter of this year, more than 1,900 borrowers in Illinois received \$20.7 million in financial help through the program, according to figures from IHDA.

NHS' six offices in the metropolitan Chicago area have assisted with roughly 600 applications for the program since last August, said Sherry Smith, NHS home ownership consultant in the South Suburban office. Approximately 100 homeowners received financial assistance. Some applicants weren't eligible, others withdrew their applications, she said. She estimates 200 to 300 of NHS's current applications are eligible for funding.

The South Suburban Housing Center in Homewood, which provides housing counseling and education, has helped more than 140 homeowners gain funds through the program since last August, said John Petruszak, executive director.

"Demand is off the charts," he said.

According to ATTOM Data Solutions, Illinois had the fifth highest foreclosure rate in the country in April 2017, according to the most recent figures available. One in every 1,083 housing units in the state was in foreclosure, and Illinois was among seven states to post year-over-year increases in foreclosure starts with a 6 percent rise over April 2016.

NHS says it has been working to raise awareness of the Hardest Hit program through events in south suburban communities.

Housing counselors say pride, procrastination and inaction all too often prevent homeowners in need of foreclosure prevention help from seeking it out and taking advantage of it. Don't let that be you or someone you care about. If you need help or know of someone who does and meets the eligibility requirements, direct them to the Hardest Hit website.

Butler says she's spreading the word.

"I personally share my experiences and my blessing with this funding with everyone," she said. "I posted it on my Facebook page. I let my family members know if they are going through a hard time. The word needs to be out more."

I couldn't agree more. A lot of people are still hurting and badly need this support.

*[Fknowles.writer@gmail.com](mailto:Fknowles.writer@gmail.com)*

*Francine Knowles is a freelance columnist for the Daily Southtown*



# City of Centralia, Illinois Press Release

February 22, 2016

Mayor Tom Ashby  
Phone: (618) 533-7623

## **Centralia Announces \$665,000 in Grant Funding from Illinois Housing Development Authority**

Today the Director of Community Development, Gayla Harting, received notice that the city of Centralia is receiving a boost in its ongoing effort to remove blighted, vacant and unsafe homes through the Illinois Housing Development Authority's Blight Reduction Program application that was submitted in September 2015.

The City of Centralia has been selected for the funding under the Blight Reduction Program from the Illinois Housing Development Authority. Grant Funds totaling \$665,000 will be used to acquire, demolish and green blighted properties. The City will work with BCMW as their Non for Profit Partner with these funds.

“The program complements our already aggressive approach to handling these problem properties,” Director of Community Development and Planning & Zoning Administrator, Gayla Harting said.

The Blight Reduction Program (BRP) is used to decrease preventable foreclosure and stabilize neighborhoods by supporting Illinois units of government and their not-for-profit partners as they target blighted, vacant residential properties in specific communities for demolition, greening and eventual reuse or redevelopment. BRP will work to reduce blight for the end purpose of land reuse, repurposing and/or redevelopment that benefits the surrounding residential community and helps reduce foreclosure.

The City looks forward to working with IHDA in this opportunity to continue our efforts to remove blight and revitalize the neighborhood stabilization and promoting economic development in our city.