



# Entry Form 2018 Annual Awards for Program Excellence

**Entry Deadline: Friday, June 15, 2018, 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.

Extending Blight Reduction

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**Category:** Legislative Advocacy

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**Subcategory:** State Advocacy

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**Entry Summary:** A 15-word (max) summary of the program, project, or practice you are entering.  
Data-driven advocacy saves critical community revitalization funding in a difficult political environment.

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**HFA:** Illinois Housing Development Authority

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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).

## ***Introduction***

Since the launch of the Abandoned Property Program (APP) in 2013, the Illinois Housing Development Authority has provided more than \$11.5 million to help municipalities, counties and land banks transform blighted properties into assets. Funded by a fees paid by banks with each foreclosure they file, the program has reimbursed local governments for the expenses incurred cutting neglected weeds and grass, trimming trees and bushes, installing fences to protect the public, or demolishing abandoned homes within their jurisdiction. In just five years, the program has made critical maintenance possible on 3,260 unduplicated properties, much to the relief of neighbors, strained municipal budgets, and property values in counties across the state. A study conducted in Cleveland found that for every \$1 spent on demolition, there was a return of over \$13 in value for nearby properties in high functioning markets and a decline in mortgage foreclosure of nearly 3%, bringing tangible relief to neighborhoods still fighting the ongoing effects of the housing crisis.

Funding for the program is derived from fees paid to local County Clerk's offices by banks and lending institutions, which are determined on a sliding scale based on how many foreclosures they file each year. The fees, which range from \$50 to \$500 per filing, are small but important contributions that ensure local governments do not bear the full burden of maintaining abandoned homes in their community. Despite the success of the program, the state statute that mandated the filing fee was set to sunset on December 31, 2017, putting this vital program at serious risk of termination. With blighted and abandoned properties continuing to menace cities and counties across Illinois, this program needed to be preserved, and the only way to accomplish this would be through the passage of an extension through the Illinois General Assembly.

## ***Need***

At the time, Illinois was still home to the fifth worst foreclosure rate in the country, a rate still higher than its pre-recession level. To make matters worse, many of these foreclosures were occurring in the same neighborhoods (clustered), further exasperating the problem of decreased home values and abandoned properties.

And while local conditions have improved since the peak years of the crisis, lower foreclosure rates today do not negate the vacancies and blight that resulted from the foreclosures that have already occurred during the past decade. There were 267,000 completed foreclosures in Illinois from 2007 to 2017, according to CoreLogic, with 12,400 households losing their homes in 2016 alone. Unsurprisingly, the Abandoned Property Program is consistently oversubscribed and very popular with municipalities, especially those outside the Chicago metropolitan area that lack the funds to eliminate blight on their own.

## ***Springfield***

The bill to extend the APP funding source was filed in January 2017 with the State Senate.

While it would seem like a no-brainer that a popular program with many mayors and managers across Illinois would have no problem flying through the Illinois General Assembly, the issue lay with the funding source: the banks. The banking lobby fought tooth and nail to ensure they would not have to continue paying 'burdensome' fees for every foreclosure they filed in Illinois.

To further complicate the matter, Illinois was in the middle of two-year budget impasse between the General Assembly and the Governor's office; therefore, little progress was made on a number of legislative agendas.

Opponents to the bill used various scare tactics to attempt to dissuade legislators from supporting the legislation. To combat this, IHDA staff and municipal leaders joined together to aggressively fight back against the claims made against the program. A factsheet was developed highlighting the vacancy issues plaguing Illinois, letters of support were drafted from mayors of cities both large and small, and we took to the Capitol in Springfield to lobby legislators in person about the need to continue funding this vital program for hard hit Illinois neighborhoods. State senators and representatives were bombarded with briefings on how the program works, testimonials from grateful constituents, and studies showing the effects of vacant properties in their districts. Ultimately, the message emphasized the importance of the program not only through the lens of blight and lost property values, but in terms of lost tax revenue, increased crime, and diminished odds of future investment and jobs in the communities they serve if the program was allowed to expire.

### ***Final Passage***

On May 2, the bill passed in its third reading in the Senate 31-21 and was sent to the House, seen by most to be the more difficult chamber to navigate. With session ending on Memorial Day, the clock was ticking to lobby members to push the bill through while they were still debating a budget bill that had not been passed since 2015. The situation in Springfield was very tense, with the General Assembly controlled by a party opposite the Governor. Trust was low and the budget impasse was taking its toll on everyone, from staff to lobbyists to members.

The banking lobby again pressured members, especially Republican members, to vote no on the bill or, at the minimum, delay action on the bill and hope it dies in committee. Luckily, key sponsors of the bill were in the House leadership and were strong advocates of the legislation. Supported by data and testimonials provided by IHDA's legislative staff, they were instrumental in advancing the bill through the house when very little else was moving. Were it not for their efforts, the bill would have never gotten to and passed committee on May 24<sup>th</sup>.

With less than a week in session, time was running out for a full floor vote (and Governor's signature) to ensure the program could survive as communities throughout the state continue to rebuild. On the second to last day of regular session, the bill was put to a vote for third reading and passed on a nearly party-line vote.

A last ditch effort was made by the banking lobby to persuade the Governor to veto the bill, as the legislation did not pass with a veto-proof majority in either chamber. IHDA staff met with legislative and policy teams in the Governor's office to advocate on behalf of the legislation, even though the majority

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of the Governor's party voted against it. With data and public support on our side, the Governor's office was convinced, and the extension became law with Governor Rauner's signature on August 25, 2017. The legislation ensures the APP program will survive for another two years, providing critical support to the communities hit hardest by the housing crisis until it is time to start the fight again.

### Percent Change in Vacant Homes 2000-2015



