

COVID-19 Affordable Housing Grant Program

Illinois Housing Development Authority
Legislative Advocacy: State Advocacy

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The Illinois Housing Development Authority (IHDA) was created by the State legislature in 1967 with a mission to finance the creation and preservation of affordable housing in Illinois. IHDA is a self-supporting, mission-driven bonding authority that serves low- and moderate-income people and populations that often face barriers to finding quality, affordable homes near employment, education, and other community amenities.

For the past 55 years, IHDA has played a central role in the state's affordable housing system. We provide housing financing and planning services to every part of the state – urban areas, suburban towns and rural communities – and to households and communities who otherwise might not be served.

In total, IHDA administers nearly 20 state and federal housing resources designed to provide more affordable housing options to low- and moderate-income households. In times of need, however, IHDA has been called upon to help. During the Great Recession, IHDA was tasked with administering the Hardest Hit Fund program and with the COVID-19 pandemic, the Emergency Rental Assistance and Homeowner Assistance Fund programs. With the concern over the slowing of affordable housing development, IHDA was once again called to help with an immediate and acute housing issue facing Illinois' most vulnerable.

The COVID-19 Affordable Housing Grant Program (CAHGP) was created in conjunction with the Governor and Illinois General Assembly to provide IHDA with valuable State and Local Fiscal Recovery Funds (SLFRF) allocated to Illinois in the American Rescue Plan Act (P.L. 117-02). The Illinois General Assembly gave IHDA a sum of \$75 million initially to see if the program could succeed. IHDA made the program a success, and now are actively advocating for additional funds to continue our mission and help provide affordable housing throughout Illinois.

Background

Per the National Low Income Housing Coalition, Illinois needs an estimated 293,354 additional units to address the shortage of affordable units for extremely low-income renters. With 73% of extremely low-income renter households severely cost burdened, there is a dire need to construct more affordable housing throughout our state.

The COVID-19 pandemic created new and serious challenges in the creation and preservation of affordable housing. Developments under construction experienced supply chain disruptions, workforce shortages and a sharp rise in prices of construction-related materials. This led to delays and increased developmental costs resulting in developments seeing delays from months to years.

To compound that, IHDA (as did all HFAs) simply had less Low-Income Housing Tax Credits (LIHTC) to allocate because of the sunset of 12.5 percent LIHTC increase provision that included in 2018 Consolidated Appropriations Act.

Altogether this put additional strain on traditional funding resources available to fill underwriting gaps, and many affordable housing developments were suddenly no longer economically feasible. This was only going to exacerbate the housing issue for Illinois' most vulnerable.

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With the passage of the American Rescue Plan Act of 2021, IHDA quickly got to work to explore if there were any options available to help with the increasingly larger financing gaps these developments were facing. As we did during the Great Recession with the American Recovery and Reinvestment Act of 2009 — that included creation of the Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program (TCEP) — IHDA wanted to find a way to get these developments financially feasible found within this massive stimulus package.

It was in the State and Local Fiscal Recovery Fund language that IHDA believed it had found a solution. Specifically, the portion of SLFRF that stated:

- The use must address an identified public health or negative economic impact of COVID 19.
- The use must target a population impacted or disproportionately impacted by the identified harm.
- The use must be related and reasonably proportional to the extent and type of identified harm.

With the belief we could use these funds, IHDA made a pitch to Governor JB Pritzker, and he quickly backed our plan and assisted discussions with legislative leaders to craft legislation to provide a vehicle to send SLFRF funds to IHDA.

Through this critical legislative work, the passage of Public Act 102-0175 established the COVID-19 Affordable Housing Grant Program (CAHGP). The CAHGP program requires that IHDA grant funds to provide gap financing on Low-Income Housing Tax Credit developments.

The legislation directs IHDA to prioritize developments:

- in areas disproportionately impacted by COVID-19 or in areas of opportunity;
- involving contracts with disadvantaged and underrepresented businesses;
- involving project labor agreements; and
- involving contracts with a registered apprenticeship program.

The state of Illinois received \$8.1B in SLFRF to support its response to and recovery from the COVID-19 public health emergency, with significant competition for these vital dollars. The initial round of CAHGP was appropriated \$75 million in the budget as a quasi-pilot program to determine the extent of the demands for this funding.

CAHGP Round 1

Before the change in guidance from HUD regarding SLFRF for LIHTC developments, structuring these grants was a challenge to ensure we meet all the regulatory requirements and restrictions that came with these blended funding sources. IHDA legal and finance teams, however, quickly established a process to make for efficient closings.

No matter the hurdles, the IHDA Board quickly approved \$73.5 million from CAHGP to fund 21 developments containing 1,104 total units that otherwise would not have been viable and would not have started construction due to rising construction costs and interest rates. The developments were spread out in 18 cities across 12 counties in Illinois. CAHGP funds leveraged a range of other resources including state and federal tax credits, Illinois Affordable Housing Trust Fund loans, local, county and state HOME loans, local tax Increment financing funds, ComEd Energy Efficiency grants and more.

IHDA proved CAHGP could effectively kick-start stalled projects, and it was now time to advocate for more funding.

Additional Funding Advocacy

When the latest session of the Illinois General Assembly began to meet in Springfield, IHDA made a request to come before the Housing Committee with the Illinois House with a twofold purpose: to give a general update on our COVID-19 emergency housing programs and begin planting the seeds to ask for additional funding for CAHGP. Executive Director Kristin Faust met with the committee and then began speaking with the committee chairperson and others involved in the appropriations process to advocate for additional funding.

We also scheduled meetings with the Governor's staff, the Governor's Office of Management and Budget and House and Senate leadership and then specifically met with Representatives and Senators whose districts benefited from the initial round of CAHGP to highlight the impact. We knew there was a lot of competition for SLFRF funds, as many agencies and outside groups gave their pitches for the increasingly scarce funds. IHDA staff kept the pressure on our key members as they began to draft the budget.

As tends to be the norm in Springfield, despite assurances and promises, nothing was set in stone until the draft bill language was introduced, usually in the waning days of session, with both houses introducing their own versions. The CAGHP number fluctuated from a low of \$0 to \$75 million to a high of \$250 million, and the final language allocated \$150 million for the program.

The final number was higher than was internally anticipated, so this was a huge legislative victory for IHDA.

Conclusion

Once IHDA was allocated this additional funding, the agency opted to divide the funding to \$75 million per year over two years to ensure equal coverage for the program and developments. As of this writing, IHDA has committed nearly \$51 million in CAHGP to 13 developments throughout Illinois that will help create or preserve 609 affordable units.

Through proactive advocacy to Governor Pritzker and the Illinois General Assembly, IHDA was able to turn \$0 into \$225 million to help Low-Income Housing Tax Credit developments that may have otherwise not been able to close. CAHGP will help us create and/ or preserve thousands of units of affordable across Illinois for our most vulnerable.



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Pritzker Administration Provides Nearly \$75 million for Affordable Housing Development

COVID-19 Affordable Housing Grant Program Will Support the Creation of More Than 1,000 Units for Families, Seniors, and Individuals with Disabilities

CHICAGO – Governor JB Pritzker and the Illinois Housing Development Authority (IHDA) Board announced conditional awards using \$75 million in federal funds to provide vital gap financing and complete underwriting for affordable housing developments that may have otherwise not been built due to financial challenges brought on by the COVID-19 pandemic. Funded through the COVID-19 Affordable Housing Grant Program (CAHGP), IHDA is providing grants to 19 affordable developments across Illinois that will create or preserve 1,023 units of affordable housing. The program is the state’s latest effort to ensure the construction and rehabilitation of affordable housing continues to move forward during a time of unprecedented need among low- and moderate-income households.

“Doubling down on supply is a key component of bringing affordable housing to everyone, and I’m proud of this \$75 million investment that will build more than 1,000 new units for residents across Illinois,” **said Governor JB Pritzker.** “This funding will help close the gap between construction and completion for more than a dozen new developments, which will in turn serve as the home base for Illinois families to build their lives.”

The COVID-19 pandemic created new and serious challenges in the creation and preservation of affordable housing as supply chain disruptions, workforce shortages and rising prices of construction-related materials caused delays and increased development costs. This market instability put additional strain on traditional funding resources available to fill underwriting gaps, and many affordable housing developments were suddenly no longer economically feasible.

“The COVID-19 Affordable Housing Grant Program is creating hundreds of new, safe affordable housing opportunities that may have otherwise never happened without the help of Governor Pritzker and the Illinois General Assembly,” **said IHDA Executive Director**

Financing the creation and preservation of affordable housing

Kristin Faust. “These developments will help address the need for affordable housing in communities throughout Illinois, and we look forward to continuing this work that furthers the state’s recovery.”

To address the shortfalls, the Illinois General Assembly appropriated \$75 million to the COVID-19 Affordable Housing Grant Program (P.A. 102-0175) administered by IHDA in 2021. This grant program was designed to provide vital funding for housing developments that have been awarded federal Low-Income Housing Tax Credits to overcome increased costs related to the pandemic.

“It’s a great thing to bring more new affordable housing for seniors into the community,” **said Majority Leader Greg Harris (D-Chicago).** “We want to be sure there are good options in our neighborhood for seniors who want to live here and enjoy all Uptown has to offer.”

“Affordable housing is one of the most important tools we have in revitalizing our communities and combating systemic issues rooted in poverty,” **said House Speaker Emanuel “Chris” Welch (D-Hillside).** “I’m incredibly proud to see my community, the Village of Bellwood, donate land for the construction of this living facility for seniors as we further our mission to ensure all Illinois residents have an affordable, safe place to call home.”

“The COVID-19 pandemic has initiated unforeseen challenges to well-developed public and economic systems. This project will create an opportunity to help senior residents with proper living or a new start,” **said Senate Majority Leader Kimberly A. Lightford (D-Maywood).** “With this brand-new housing enterprise, the Village of Broadview and surrounding area seniors will have access to a transformed space that will offer activities, guest speakers, one-on-one assistance, and more.”

CAHGP was funded through Coronavirus State and Local Fiscal Recovery Fund (SLFRF), which were authorized in the American Rescue Plan Act (P.L. 117-2) in March 2021. The state of Illinois received \$8.1 billion in SLFRF to support its response to and recovery from the COVID-19 public health emergency.

“The COVID-19 Affordable Housing Grant Program has been one of the best tools that the state of Illinois has to create affordable housing,” **said State Senator Robert Peters (D-Chicago).** “Access to housing has been a historic inequity in many of our communities, and awards like this help the most vulnerable secure quality housing where they otherwise would be unable to do so. I will continue to work with my colleagues in Springfield to ensure the most vulnerable have increased access to affordable housing.”

“The announcement of the Plan for Transformation is so exciting and deeply needed, as many will find refuge in the new housing units,” **said Majority Caucus Chair Mattie Hunter (D-Chicago)**. “Initiatives like this will undoubtedly foster a better community environment and bring relief to countless Chicagoans. It’s great to see the affordable housing initiative I worked on come full circle.”

"Access to safe, affordable housing can transform a person's life and lead to better health, employment and socioeconomic outcomes," **said State Representative Lamont J. Robinson (D-Chicago)**. "This critical investment will undoubtedly benefit so many families and individuals in need. I am grateful to the IDHA, CHA and the Governor for their work to support affordable housing within our city and I look forward to seeing its positive effects in the years to come."

"Providing safe and affordable housing to low-income Illinoisans is absolutely vital to the future of our state," **said State Representative LaToya Greenwood (D-East St. Louis)**. "I worked closely on this project and I firmly believe in the revitalizing influence of new opportunities in East St. Louis and the Metro East area, and sustainable housing is foundational to creating them. I thank the Governor and IHDA for recognizing the need and taking steps to ensure that all Illinoisans have access to a permanent place to live."

“Zion Development has been a long-standing fixture in the Rockford community, having created Rockford’s first permanent supportive housing development at Longwood. I applaud Zion for its role in helping to end the affordable housing crisis, and for working to provide affordable housing opportunities in our revitalized downtown region,” **said State Representative Maurice West (D-Rockford)**.

“Since the start of the pandemic, Illinois has been a national leader in delivering emergency housing assistance to residents impacted by the health and economic effects of the pandemic”, **said State Senator Steve Stadelman (D-Rockford)**. “The COVID-19 Affordable Housing Grant Program is the next step in these efforts to make sure Illinois continues to rebuild as a stronger, more inclusive state.”

"109 new affordable apartments for seniors and veterans changes a lot of lives for the better," **said State Representative Barbara Hernandez (D-Aurora)**. "Those 109 people can now live out their lives with greater privacy and independence. That's 109 more people who, when dealing with illnesses, will have their own space to recover and visit with their families. Directly helping Illinoisans this way is unequivocally a good use of taxpayer dollars and I thank Governor Pritzker for his leadership."

"We have always needed more affordable housing options for families and individuals and the pandemic only increased that need," **said State Representative Anna Moeller (D-Elgin)**. "Working together at the federal, state and local levels we provided resources during

the pandemic to help people stay in their homes and apartments. And now we are investing in new housing developments to meet long-term needs for the future. I welcome Hanover Landing to our community and look forward to more affordable housing opportunities being announced here and across the state from our efforts."

"Housing is a fundamental human right, and it's important that we make sure everyone can afford a roof over their head," **said State Senator Cristina Castro (D-Elgin)**. "By developing supportive housing and offering programs for people with disabilities and individuals moving on from homelessness, this investment in Hanover Landing will make our community stronger and serve individuals who need it most."

As of June 2022, the IHDA Board conditionally approved the following developments to receive funding from the initial tranche of the COVID-19 Affordable Housing Grant Program:

835 Wilson (Chicago): Brinshore Development will turn a vacant lot in the Uptown neighborhood into a new, six-story mid-rise apartment building with a total of 73 residential units for seniors. The building will include a resident roof deck, garden, covered parking and additional ground-floor amenity space.

Arthur Homes (Arthur): Arthur Homes will bring 32 units of affordable housing through a mix of duplexes, triplexes and quadplexes for local veterans, families and persons with disabilities. Sponsored by Christian County Integrated Community Services, each unit will feature an attached garage, in-unit laundry and a balcony/patio.

Bellwood Senior Apartments (Bellwood): The Village of Bellwood is donating the land to Evergreen Redevelopment LLC to construct an 80-unit, 4-story building for seniors. Residents will benefit from on-site management, laundry facilities, a fitness room, a community room and garden area. In addition, Housing and Human Development Corporation will provide resident activities, guest speakers, and one-on-one assistance, as needed.

Crescent Place (Arlington Heights): The Housing Trust Group, LLC will construct a 40-unit affordable housing building on a vacant lot in Northwest Arlington Heights. The development will include 20 one- and 20 two-bedroom units and will be built to National Green Building Standards (NGBS).

Diamond Senior Apartments of Peru (Peru): 3 Diamond Development will bring 60 units for LaSalle County seniors across ten new single-story townhouse buildings. Each unit will feature modern appliances and the development will have a community and fitness room for residents.

Fox Valley Apartments (Aurora): The City of Aurora is donating the former Lincoln Elementary School and Mary A. Todd School to Visionary Ventures to be adaptively redeveloped into 47 units of affordable housing. The Lincoln site, originally built in 1892, will be renovated into 14 units with an additional new-construction building adding 22 more adjacent to the former school. The Todd site, constructed in 1934, will be transformed into 11 units of housing and will contain an on-site health clinic for area low-income families.

Hanover Landing (Elgin): Hanover Landing is a supportive housing development that will serve residents living with disabilities and those exiting homelessness. UP Holdings will develop the 40 unit, fully furnished new construction building that will offer both on-site and off-site services through Hanover Township to allow for residents to live independently.

Lincoln Lofts Phase II (Bloomington): The Zion Development Corporation will bring 54 units of affordable housing for those earning at-or-below 60% Area Median Income for McLean County. The development will include a mix of one-, two- and three-bedroom units and feature a fitness and community room.

Longwood Garden Apartments (Rockford): Longwood Garden Apartments will rehabilitate the five-story Longwood Plaza Senior Apartments. The Zion Development Corporation will create a new mix of 1- and 2-bedroom units for seniors along with the rehabilitation of the underground garage, common areas, mechanical, electrical, elevators and plumbing systems throughout the building. All 64 units will contain universal design features and energy efficient appliances/equipment. The building will include amenities for seniors such as a wellness program, a fitness room, nursing/services office, a community space and an outdoor garden.

Millbrook Townhomes (Cherry Valley): Located just east of CherryVale Mall, Bear Development will construct 15 townhomes consisting of 60 units of affordable housing for those earning at-or-below 60% Area Median Income for Winnebago County. The development will also feature a playground for children and a community building.

Mundelein Senior (Mundelein): This new-construction development will provide 46 units of affordable housing for low-income seniors with each unit having project-based rental assistance provided by the Lake County Housing Authority. Sponsored by the DeBruler Company, Mundelein Senior will have a recreation room, art/activity room, library and a business center.

Oakwood Shores 3-1 (Chicago): The Chicago Housing Authority (CHA) will donate land to the Community Builders to construct two buildings providing 51 units. Part of CHA's "Plan for Transformation", Oakwood Shores will have 19 units with rental assistance for families.

Prairie View at Heyworth (Heyworth): The new construction of 30 single-family homes in a mixture of two- and three-bedroom units. Developed by Regional Housing Development, Inc., each home will have an attached garage and three of the units will be accessible and another six adaptable.

Rolling Acres Apartments (Marion): Rolling Acres Apartments will consist of 56 units spread over 28 duplex homes across 10 acres. Budsluck Investments will bring this much-needed affordable housing to Marion for those earning at-or-below 60% Area Median Income for Williamson County.

Shimer Square Phase 2 (Mount Carroll): The redevelopment of the former college campus will continue as the Rock Island Economic Growth Corporation will convert the former McKee, Hostetter and Dezendorf dormitories into 51 housing units, 46 of which will be affordable. This is the second of five phases to adaptively reuse the buildings into a mixture of housing, business and community amenities.

The Grove Apartments (Rochelle): The Grove Apartments will be a two-story, 30-unit rental residence providing family-sized two- and three-bedroom apartments for those earning at-or-below 60% Area Median Income for Ogle County. The New Directions Housing Corporation is sponsoring the development, which will feature a fitness and game room, residential garden plots and patio seating.

The New Broadview (East St. Louis): The development will consist of the renovation of the former Broadview Hotel into 109 affordable apartments for seniors and veterans. Originally built in 1927, Efficacy Consulting, LLC and Community Lifeline will undertake the hotel's redevelopment just steps from downtown and a MetroLink station. The New Broadview will be home to a Transit Oriented District Senior Service Center that will provide wellness and education services to seniors. The service center will also feature a Veteran Viable Options (VVO) program operated through The Joseph Center that will provide unique life skills and counseling-VA connection services.

The Villas at Prairie Vista (Bloomington): Christian Community Integrated Community Services (CCICS) will construct 24 new duplexes containing 48 units. The unit mix includes 2- and 3-bedroom floor plans serving households between 30-60% Area Median Income. Amenities include porches/patios/balconies, an Energy Star-rated ceiling fan, walk-in closets and a microwave in every unit.

Wheeling Workforce Housing (Wheeling): The Wheeling Workforce Apartments will be a new-construction, multifamily property comprised of 53 units spread amongst 14 one-, 12 two- and 27 three-bedroom units located along the Des Plaines River. The General Capital Group will develop the five-story residential building which will include a

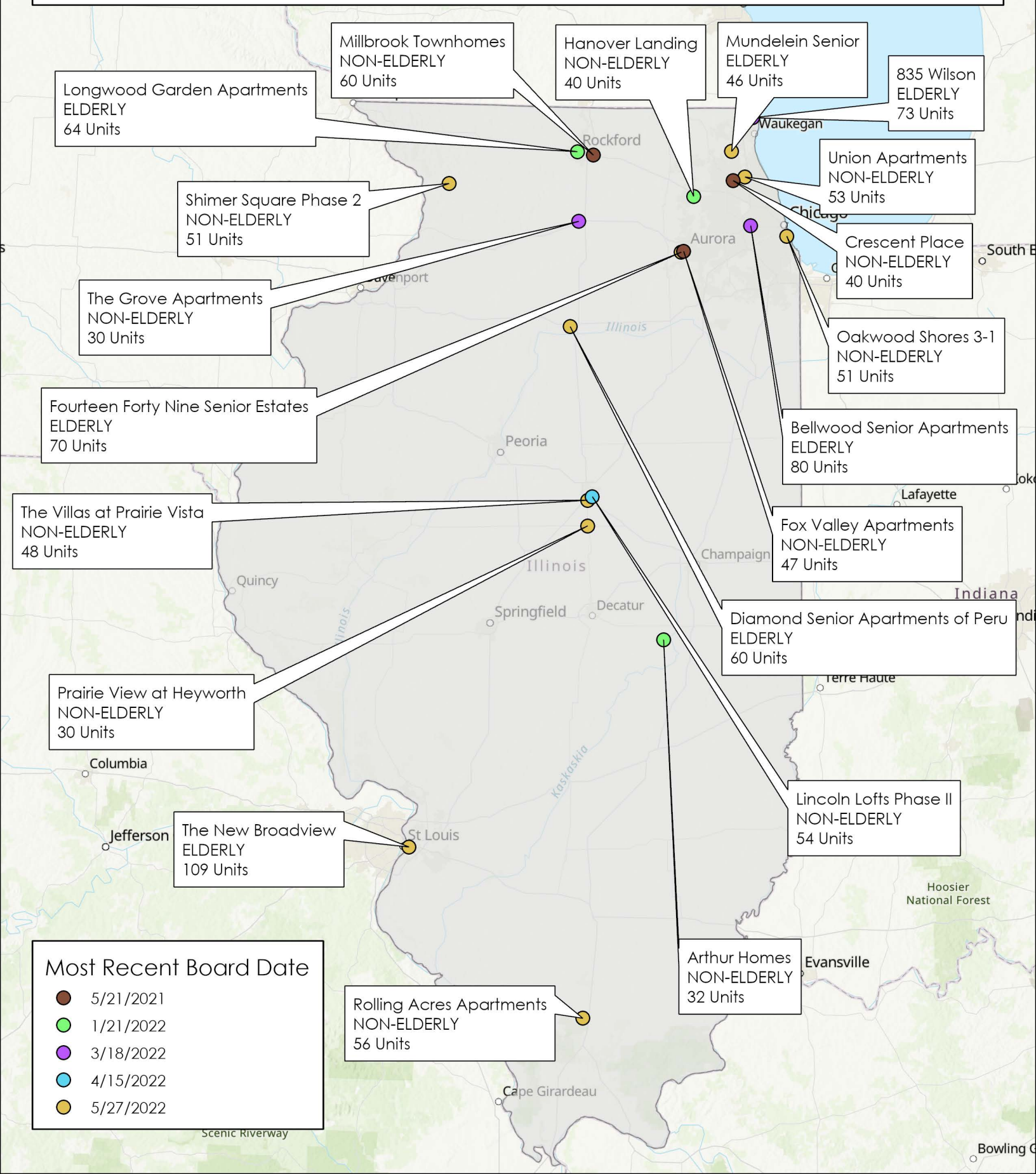
community room, business center, fitness center, laundry facilities, roof deck and an outdoor fenced play area.

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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.

Allocated Funding of the COVID-19 Affordable Housing Grant Program



Most Recent Board Date

- 5/21/2021
- 1/21/2022
- 3/18/2022
- 4/15/2022
- 5/27/2022