

# Affordable Housing Needs to be a Capital Budget Priority

**INCLUDE \$100 MILLION ANNUALLY FOR AFFORDABLE HOUSING**  
Affordable housing is part of our basic infrastructure—just like roads, bridges, and schools on which businesses and communities depend.

## Investing in Housing Creates Jobs

Home building creates blue-collar and white-collar jobs, including laborers, carpenters, roofers, realtors, architects and surveyors. The construction of 100 apartments generates, on average, \$7.3 million in new economic activity and 151 local jobs. *(Source: National Association of Home Builders)*

## Investing in Housing Creates Tax Revenue for Strapped State and Local Governments

State-financed affordable housing developments in FY 2006 generated over \$500 million in new state and local tax revenue.

## Investing in Housing Helps People Impacted by the Recession and Foreclosure Crisis

Households that secure affordable housing will often go from paying over 50% of their income for housing to paying only 30% of their income for housing, giving people more money to spend elsewhere in their community.

## Investing in Housing Will Reverse Declines in Current State Funding

The state's major existing housing program to develop new housing—the Affordable Housing Trust Fund—is suffering from a 50% decline in Real Estate Transfer Tax revenue since 2006. During the housing boom the state committed dollars from the Trust Fund to many additional housing-related programs, such as Homelessness Prevention, that are not currently being fully funded. Capital funds could replenish the housing development funds (and then some) until the economy recovers.

### Foreclosures and the Recession are Increasing the Demand for Affordable Housing

- During 2008, almost 100,000 properties received foreclosure filings in Illinois, putting it in ninth place for the number of foreclosed homes nationally—a 55% increase from 2007 and a 126% increase from 2006.
- The 10 counties with the highest percentage of homes in foreclosure were Kendall, Will, Grundy, Kane, McHenry, Cook, Lake, St. Clair, Winnebago, and Boone. *(Source: RealtyTrac)*
- During December 2008, 71% of state-funded providers of overnight and transitional shelter reported serving an increased number of people experiencing homelessness compared to six months previous. *(Source: Housing Action Illinois)*
- The State Housing Task Force estimates a need for 7,700 additional units of supportive housing in the next ten years, based on the number of homeless persons recorded across the state and the number of individuals under 65 with disabilities housed inappropriately in nursing homes.

For More Information

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# **\$100 Million Annually in the Capital Budget**

## **= Funding for Approximately 1,100 Housing Units Each Year**

### **Illinois Can Jump-Start “Shovel Ready” Projects**

- **Affordable Rental Housing in Shelbyville**  
The turmoil in the financial markets has reduced the value of the largest federal affordable housing production program—the Low-Income Housing Tax Credit. In Shelbyville, 30 affordable single-family homes are ready to be built, but the development is stalled because there are no private investors to buy the Tax Credits.
- **Green Housing in Urbana**  
During the summer of 2008, the City of Urbana awarded federal funding for a 48-unit "passive house" development for first-time low-income homebuyers. A passive house uses only 25% of the energy of a traditional home through ultrathick insulation. In the current economic climate, sufficient private financing to leverage the public funds is not available.

### **Illinois Can Replicate the Successes of Recently Funded Housing**

- **Bringing Reinvestment to Riverdale**  
IHDA has been providing financing for the multi-phase Pacesetter project to redevelop 400 units of dilapidated housing into 500 new affordable homes, revitalizing a disinvested area, employing local residents, and creating high-quality affordable housing for working families.
- **Revitalizing Downtown Jacksonville**  
The State invested \$3.9 million to build Downtown Commons and help the City of Jacksonville achieve their community revitalization plans. The 22 rent-to-own units are affordable to people earning less than 60% AMI.
- **Workforce Housing Near Jobs in Litchfield**  
Brown Shoe Factory Lofts is an adaptive reuse of a previously abandoned manufacturing building, creating 47 rental units for families whose incomes are at or below 60% AMI and currently travel long distances to work in Litchfield. IHDA provided \$4 million in financing.
- **Affordable Rental Housing in Madison County**  
The 78-unit Meachum Crossing development in Venice will have rents affordable for people with incomes below 60% AMI. Four units are accessible for persons with physical disabilities and two other units are suitable for people with hearing or visual impairments. IHDA provided \$12.9 million in funding.
- **Permanent Supportive Housing in Naperville**  
Olympus Permanent Supportive Housing provides 11 housing units for people who have been homeless, or at-risk of homelessness, for people whose incomes are below 40% AMI. This project utilized \$750,000 in Affordable Housing Trust Fund financing.
- **Senior Housing in Bloomington**  
The Horizon Independent Senior Living Community provides 91 affordable housing units for seniors whose incomes range from 30% AMI to 60% AMI. This development utilized over \$4 million of IHDA financing.

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