



2020 Coronavirus Relief Fund Programs

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- **IHDA's Mission:** Finance the creation and preservation of affordable housing throughout Illinois.
 - Self-supporting bonding authority
 - Allocate state and federal housing resources
- **Footprint on the State:** IHDA has allocated more than \$22 billion in state and federal resources for affordable housing since 1967.
 - 3,200+ new or preserved affordable rental units in 2020
 - 6,600+ homebuyers in 2020

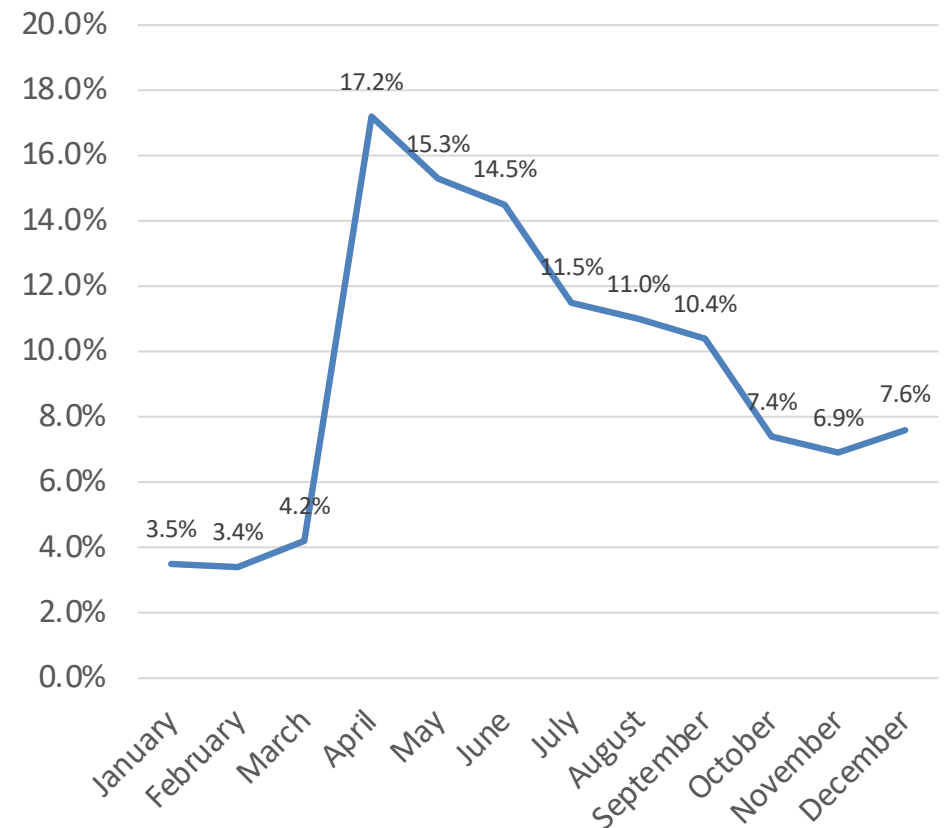




COVID-19 Amplified Existing Economic Disparities

- Prior to March 2020, over 70% of extremely low-income families in Illinois were paying more than 50% of their income on rent (NLIHC).
- Illinois' unemployment rate peaked at a record of 17.2% in April 2020, and 7.6% of Illinois residents remained out of work in December (IDES).
- By early December, an estimated 36% of adults nationwide reported having trouble paying for food, housing, car payments, healthcare or student debt (CBPP).
- The economic fallout has been particularly prevalent among Black, Latinx and other historically underserved communities.

IL Unemployment Rate in 2020





Lessons Learned from the 2008 Financial Crisis

1. The impacts are long-lasting.

Financial crises have consequences for families and entire communities that can linger for years. While parts of Chicago and Illinois have recovered, there are areas of the city and state that continue to struggle with vacancies and abandonment as a result of the recession.

2. The impacts are unequal.

Household recovery after the Great Recession varied by race and location. While all households lost wealth during the recession, Black homeowners lost significantly more household wealth than white households ([ACLU](#)).

3. Financial assistance combined with housing counseling lead to lasting, positive outcomes.

Eliminating borrower's mortgage payment after financial hardship improves long-term mortgage performance. Receiving Hardest Hit Funds reduced the probability of default for distressed borrowers by 28% after 48 months.



No Time to Waste: Rapid Response to the Emerging Crisis

- **June 10:** Gov. JB Pritzker signs appropriations bill allocating over \$300 million to IHDA for emergency housing assistance.
- **August 10:** In 60 days, IHDA launches the Emergency Rental Assistance program, the largest emergency rental assistance program in the nation in response to the COVID-19 pandemic.
- **August 24:** IHDA launches the Emergency Mortgage Assistance program.
- **December 30:** 45,600 renters and nearly 10,000 homeowners receive \$325 million in assistance.





Emergency Rental Assistance Program: Terms and Benefits

- Designed to support Illinois tenants unable to pay their rent due to financial hardships related to COVID-19.
- Household income (pre-COVID-19) must be at or below 80% of the area median income.
- Tenant must have had an unpaid rent balance that began on or after March 1, 2020.
- 56% of approved applications came from areas of the state designated as disproportionately impacted by COVID-19.



One-time grant of \$5,000 paid directly to housing provider



Pays back rent starting March 2020



Pre-pays rent through December 2020 (or until grant is exhausted)



Emergency Mortgage Assistance Program: Terms and Benefits

- Designed to support Illinois homeowners unable to pay their mortgage due to financial hardships related to COVID-19.
- Household income (pre-COVID-19) must be at or below 120% of the area median income.
- Borrower must have had a past due mortgage or forbearance balance that began on or after March 1.
- Home must be the owner's primary residence with a mortgage balance of \$425,000 or less.
- 51% of approved applications came from areas of the state designated as disproportionately impacted by COVID-19.



Grant of up to \$25,000 paid directly to servicer



Pays past due/forbearance balance starting March 2020



Pre-pays regular payments through December 2020 (or until grant is exhausted)



Guiding Principles

- IHDA **proactively sought input** from the affordable housing community via forums with housing providers, property managers, lenders, servicers and advocates.
- This insight informed the basis of IHDA's proposal for the use of CRF funding:
 - **Sustain Illinois' most vulnerable households** before they become homeless due to eviction or foreclosure, increasing spread of COVID-19.
 - **Sustain housing providers** before they are forced to initiate eviction proceedings or face foreclosure themselves.
 - **Ensure rental communities are well-maintained and safe** during a national health crisis.
- It was critical that the programs operate with **equity requirements** to protect historically marginalized families from eviction and foreclosure.



Programs Grounded in Equity and Inclusion

- IHDA established equity and inclusion as guiding principals for the framework of these programs to ensure they build upon the Governor's efforts to assist communities that have been hit hardest by the pandemic.
- Of the \$325 million in financial assistance for renters and homeowners, \$100 million was set aside for the more than 170 disproportionately impacted communities throughout the state.
- Program outreach targeted households who needed affordable housing before COVID-19 AND have been disproportionately impacted by the economic fallout of the pandemic (e.g. gig workers, the service industry, retail workers and others).
- Program websites, application processes, and call center were multi-lingual and designed with a goal to optimize ease of use.



Marketing, Publicity and Outreach

- Multiple earned media events with Governor Pritzker and partner agencies to publicize program launches, application periods and deadlines.
- Intentional outreach to traditionally Latinx and Black media outlets to push stories informing viewers/readers/listeners that emergency assistance is available.
- Direct and sustained outreach to elected officials and members of the Illinois General Assembly, especially in disproportionately impacted areas.
- Frequent email updates and webinars to educate legislative staff on the application process.





Strong Collaboration and Partnerships

- IHDA partnered with housing counseling agencies, community-based organizations and legal assistance groups serving communities throughout Illinois.
- 62 organizations contracted as Outreach and Assistance Agencies to provide program information and application assistance in their communities.
- Activities included:
 - Marketing the program in their communities.
 - Assisting households who do not have internet or a smartphone in applying.
 - Assisting households in preparing their application, assembling required documents, and submitting applications on the renter or homeowners' behalf.
- IHDA hosted a series of webinars and application workshops to educate these partners, as well as member of the Illinois General Assembly, on the program and application processes.



HHF Program Timeline

August 2010

Federal government awards Hardest Hit Funds to states

September 2011

IHDA opens Illinois Hardest Hit Program for applications; \$428M in assistance available

September 2011 – May 2019

IHDA receives and reviews 30,884 HHF applications, disburses funds

April 2019

Program closes for new applications; 22,000 Households receive emergency mortgage payment assistance

CRF Program Timeline

March 2020

Federal government passes the CARES Act

June 2020

Governor Pritzker allocates \$325M in CRF funds to IHDA

August 2020 – September 2020

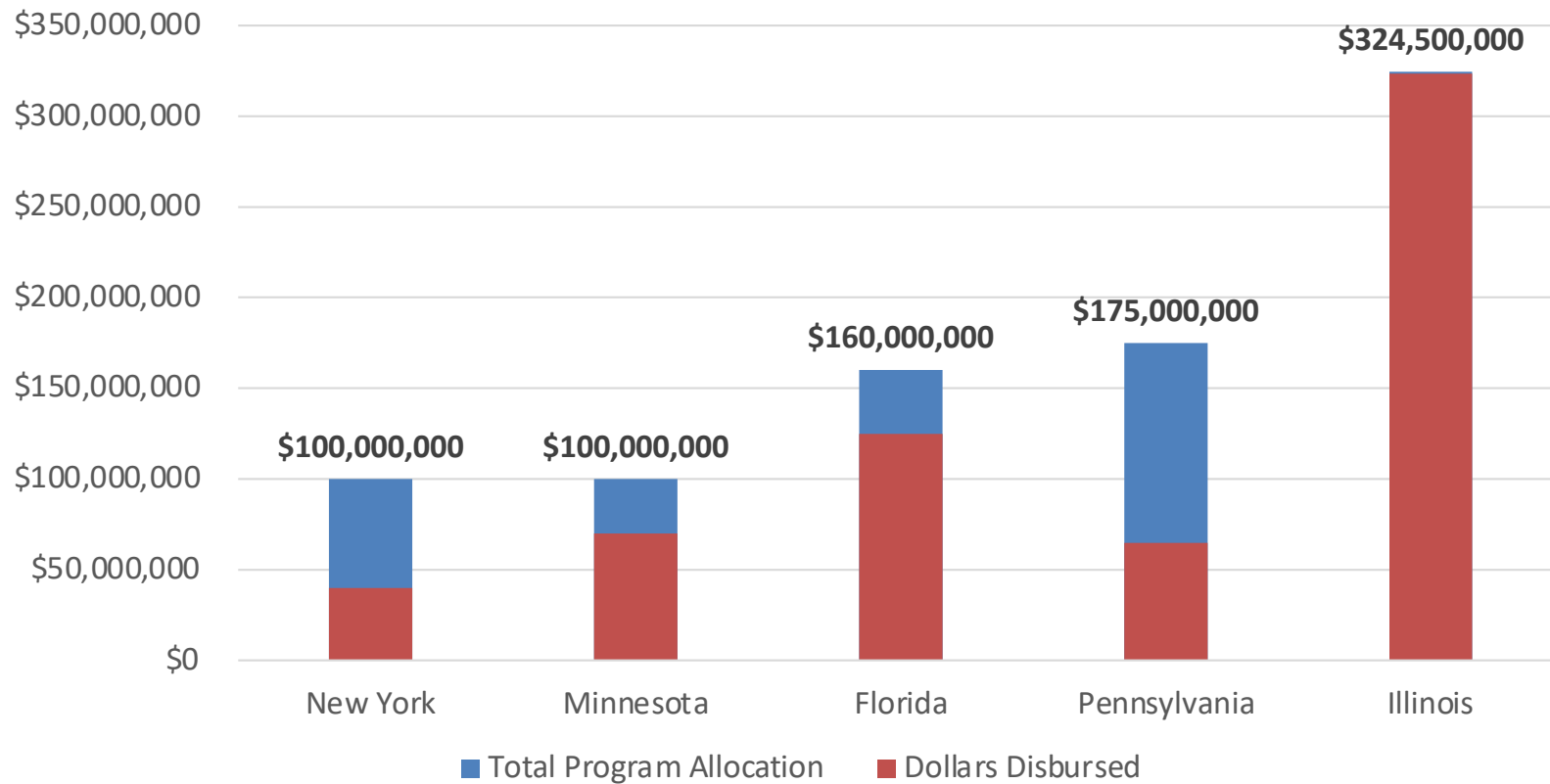
IHDA opens ERA and EMA programs for applications; 97,000 households apply

September 2020 – December 2020

IHDA reviews applications; Funding is disbursed to 55,600 households



Top 5 HFAs for Emergency Rent/Mortgage Assistance Program Allocations



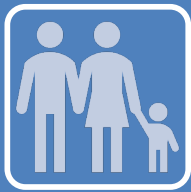


Coronavirus Relief Fund Program Results



Applications Received

- ERA: 79,000
- EMA: 18,000



Households Approved

- ERA: 45,600
- EMA: 10,000



Approved Aid

- ERA: \$226 million
- EMA: \$98.5 million

- Able to fund all qualified applicants.
- About 55,600 families were able to stay in their homes.
- Nimble, cost-effective, reusable program structure.
- Nimble, cost-effective, reusable technology deployment.



Real-Time Lessons Learned: Stretching Our Reach

- IHDA quickly saw the need for rental assistance was more pressing than the need to provide mortgage assistance. To meet the need, after all approved mortgage applicants were approved for grants, IHDA shifted excess funds to the rental program.
- IHDA saw that a growing percentage of EMA applications were ineligible because the borrowers carried forbearance/past due mortgage balances greater than the original grant amount of \$15,000. As feedback from servicers came in, IHDA worked quickly to update the program to offer a maximum grant of \$25,000.
- IHDA gave 11,000 rental applicants who lacked a single piece of information or documentation a chance to complete and resubmit their application for review. Result: 9,000 applicants resubmitted, and 7,000 were then approved for funding.



More Help is On the Way

- Rental assistance totaling \$25 billion was passed by Congress and signed by the President on Dec. 27. Illinois received \$843.5 million and IHDA expects to distribute a large part of that.
- The need for additional rental assistance remains overwhelming. Illinois renters will owe between \$857 million and \$1.2 billion in back rent by January 2021, and an estimated 350,000 to 540,000 Illinois renters will be at risk of eviction.
- IHDA intends to incorporate feedback and lessons learned from the first round of rental assistance and hopes to have your continued partnership and support as we help even more households in 2021.



HAI/IHDA Conversation: Emergency Rental Assistance



HAI/IHDA Conversation: Additional Questions?