



\$29M awarded in tax credits to create affordable housing in Illinois, including the Stateline

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Story by 13 WREX Newsroom



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(WSIL) — The Illinois Housing Development Authority (IHDA) Board announced conditional awards totaling more than \$29 million in federal Low-Income Housing Tax Credits (LIHTC) that will fund 24 affordable housing developments in 15 counties throughout Illinois.

Once sold to investors, the tax credits will generate an estimated \$253 million in private capital to finance the creation and/or preservation of 1,229 affordable units for low- to moderate-income families, seniors, veterans and persons with special needs.

“Illinois’ tax credit program is a critical tool in our efforts to provide safe and affordable housing for all of our residents, and to build an economy that works for everyone,” said Governor JB Pritzker. “While much progress has been made in addressing housing needs and disparities, we know that much more help is needed to lift up our underserved communities. These awards represent significant investments and innovative partnerships that will advance equity and opportunity for our families and communities.”

The Internal Revenue Service allocates a certain number of tax credits annually to each state based on population. Once developers receive the credits, they sell them to investors and use the equity generated to reduce construction and operating costs. The savings in underwriting are passed on to the renter in the form of below-market rents, which must remain affordable for a minimum of 30 years.

Here's where some funding is going in northern Illinois:

Bell Valley 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.

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.



According to the National Low Income Housing Coalition, 68% of extremely low-income renter households are severely cost burdened, or spend more than half of their income on housing.

Since 1987, IHDA has administered the LIHTC program to facilitate the creation and preservation of affordable housing in Illinois. Since 2016, the program has financed more than 7,270 units of affordable housing in the state and generated \$1.2 billion in private capital. For more information regarding LIHTC, please visit: www.ihda.org/developers/tax-credits.