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From: David Powers
Communications Director
708.358.5781

Contact: Edward Solan
Oak Park Housing Authority
708. 386.9322

Housing Grant to Help Low-Income Residents Buy Homes

The Village of Oak Park and the Oak Part Housing Authority today announced that they have jointly received an award of \$645,000 from the Illinois Housing Development Authority (IHDA) to assist families supported by federal Housing Choice Vouchers in purchasing homes in Oak Park. The funds will be used to provide zero-interest subordinate loans to help eligible purchasers qualify for conventional first-mortgage loans.

The Housing Choice Voucher Program (formerly known as Section 8) provides rent subsidies to qualifying low-income families. Under a 1998 change in federal law, these subsidies also may be used to repay loans secured to purchase homes. However, because of the high cost of housing in Oak Park only one family to date has been able to use a housing voucher to purchase a home. The IHDA grant will help bridge the affordability problem for other families.

Under the terms of the program, that are still being developed by the Village and the Housing Authority, the Village will provide a maximum subordinate loan of \$50,000 to assist qualifying families purchase a home. Qualifying families must be in good standing with the Housing Authority and have at least one family member who is employed on a full-time basis. Annual family income must be at least \$20,000. The Housing Authority will select the program participants and assist them through homebuyer counseling and technical assistance. The Village will provide and service the subordinate loans. No Village tax revenues are being used in support of the program.

Housing Authority Chairman Mas Takiguchi stated, "We are thrilled that the Illinois Housing Development Authority has recognized the innovative program that we have developed here in Oak Park. No other Illinois community or housing authority has developed a similar program."

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Added Village President Joanne E. Trapani, “We are always looking for ways to assist in providing affordable housing opportunities. This program allows a voucher holder to participate in the home ownership market and works nicely with our First Time Homebuyers Program. It’s a great opportunity to partner with the Housing Authority on a new and exciting initiative.”

The program is expected to focus primarily on providing the opportunity to purchase a two- and three-bedroom condominium unit.

“The cost of self-standing single family houses in Oak Park is too high for this program, even with the IHDA grant,” explained Housing Authority Executive Director Edward Solan. “For most first-time homebuyers of limited means, a smaller condominium unit has become the starter home in Oak Park. We are hoping that these families will purchase a condominium home, build up some equity, and over time graduate to the American dream of a single family home.”

The program is expected to start in the fall of 2004. Current participants in the Housing Choice Voucher Program will be given notice of program requirements within the next three months.

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