



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1926

Introduced 2/6/2025, by Sen. Michael W. Halpin

#### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.1030 new

Creates the Illinois Middle-Income Housing Grant Pilot Act. Provides that subject to appropriation for this purpose, the Illinois Housing Development Authority (Authority) shall establish and administer a 3-year Illinois Middle-Income Housing Grant Pilot Program to facilitate housing development in targeted communities across the State of Illinois. Provides that eligible grant applicants shall include developers specifically in any community with an authorized River Edge Redevelopment Zone. Provides that any community within this designation is eligible to apply to support projects within such communities. Permits the Authority to enter into a subcontract agreement with developers with qualified residences. Provides that awards can be used for both redevelopment and new development projects; and that grant proposals may be submitted to the Authority directly to be used as a part of a development agreement with an eligible developer. Contains provisions on rules to implement the pilot program, grant award amounts, project costs limits, and other matters. Creates the Illinois Middle-Income Housing Grant Pilot Program Fund to consist of any moneys appropriated for the pilot program. Amends the State Finance Act by adding the Illinois Middle-Income Housing Grant Pilot Program Fund to the list of State funds.

LRB104 11184 KTG 21266 b

1 AN ACT concerning housing.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Illinois Middle-Income Housing Grant Pilot Act.

6 Section 5. Definitions. As used in this Act.

7 "Authority" means the Illinois Housing Development  
8 Authority.

9 "Developer" includes for profit and nonprofit developers,  
10 as well as land banks.

11 "Development costs" means any costs associated with the  
12 construction or rehabilitation of a qualified residence.

13 "Household" means all persons using the qualified  
14 residence as their principal place of residence upon the sale  
15 or lease of the qualified residence by the developer.

16 "Household income" means the combined federal adjusted  
17 gross income of the members of the household for the taxable  
18 year immediately preceding the year in which the qualified  
19 residence is sold or rented to the members of the household.

20 "Qualified residence" means a single-family residence that  
21 (i) is new construction or has been rehabilitated with \$30,000  
22 or more in rehabilitative development costs incurred by the  
23 taxpayer and (ii) is sold or rented under a contract with a

1 term of one year or longer to one or more individuals with a  
2 combined household income that exceeds 80% of the median  
3 household income in Illinois but does not exceed 140% of the  
4 median household income in Illinois. The residence must also  
5 have at least a \$1,000 local match investment.

6 Section 10. Illinois Middle-Income Housing Grant Pilot  
7 Program.

8 (a) Subject to appropriation for this purpose, the  
9 Authority shall establish and administer a 3-year Illinois  
10 Middle-Income Housing Grant Pilot Program to facilitate  
11 housing development in targeted communities across the State  
12 of Illinois. Eligible grant applicants shall include  
13 developers specifically in any community with an authorized  
14 River Edge Redevelopment Zone. Any community within this  
15 designation is eligible to apply to support projects within  
16 such communities. The Authority may enter into a subcontract  
17 agreement with developers with qualified residences.

18 Awards can be used for both redevelopment and new  
19 development projects.

20 Grant proposals may be submitted to the Authority directly  
21 to be used as a part of a development agreement with an  
22 eligible developer.

23 (b) The Authority shall:

24 (1) Adopt rules to implement and administer the  
25 Illinois Middle-Income Housing Grant Pilot Program,

1 including rules concerning applications.

2 (2) Adopt rules for owner occupied housing,  
3 substantially similar to the rental unit rules.

4 (3) Create a simple certification process for cities  
5 to follow to ensure quick access to funds to facilitate  
6 project development.

7 (4) Keep record of all requests, including requests  
8 above and beyond current funding availability to  
9 demonstrate statewide need.

10 (c) Grant awards shall be available for eligible  
11 developers at \$20,000 per unit, calculated as 10% of the  
12 eligible cost of development up to \$200,000.

13 (1) The overall cost of the project must remain less  
14 than \$300,000 per unit.

15 (2) Awards shall not exceed \$1,000,000 per project.

16 (d) Developers must certify that rental units will be  
17 available at or below the U.S. Department of Housing and Urban  
18 Development's recommended price point for 140% of area median  
19 income.

20 (1) The units must remain rented at such threshold for  
21 10 years - as certified by the developer and city, and  
22 submitted to the Authority.

23 (2) The Authority shall not require income  
24 verification by a developer. This requirement shall only  
25 apply to units for which the subsidy is utilized to ensure  
26 a mix of incomes in housing developments.

1           (e) The Illinois Middle-Income Housing Grant Pilot Program  
2 Fund is created as a special fund in the State treasury. The  
3 fund shall consist of any moneys appropriated to the Illinois  
4 Housing Development Authority for the Illinois Middle-Income  
5 Housing Grant Pilot Program and all interest earned on moneys  
6 in the fund. Moneys in the Fund shall be expended for the  
7 Illinois Middle-Income Housing Grant Pilot Program and for no  
8 other purpose.

9           Section 15. The State Finance Act is amended by adding  
10 Section 5.1030 as follows:

11           (30 ILCS 105/5.1030 new)

12           Sec. 5.1030. The Illinois Middle-Income Housing Grant  
13 Pilot Program Fund.