

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 5. The Rental Housing Support Program Act is
5 amended by changing Section 25 as follows:

6 (310 ILCS 105/25)

7 Sec. 25. Criteria for awarding grants. The Authority
8 shall adopt rules to govern the awarding of grants and the
9 continuing eligibility for grants under Sections 15 and 20.
10 Requests for proposals under Section 20 must specify that
11 proposals must satisfy these rules. The rules must contain and
12 be consistent with, but need not be limited to, the following
13 criteria:

14 (1) Eligibility for tenancy in the units supported by
15 grants to local administering agencies must be limited to
16 households with gross income at or below 30% of the median
17 family income for the area in which the grant will be made.
18 Fifty percent of the units that are supported by any grant
19 must be set aside for households whose income is at or
20 below 15% of the area median family income for the area in
21 which the grant will be made, provided that local
22 administering agencies may negotiate flexibility in this
23 set-aside with the Authority if they demonstrate that they

1 have been unable to locate sufficient tenants in this
2 lower income range. Income eligibility for units supported
3 by grants to local administering agencies must be verified
4 annually by landlords and submitted to local administering
5 agencies. Tenants must have sufficient income to be able
6 to afford the tenant's share of the rent. For grants
7 awarded under Section 20, eligibility for tenancy in units
8 supported by grants must be limited to households with a
9 gross income at or below 30% of area median family income
10 for the area in which the grant will be made. Fifty percent
11 of the units that are supported by any grant must be set
12 aside for households whose income is at or below 15% of the
13 median family income for the area in which the grant will
14 be made, provided that developers may negotiate
15 flexibility in this set-aside with the Authority or
16 municipality as defined in subsection (b) of Section 10 if
17 it demonstrates that it has been unable to locate
18 sufficient tenants in this lower income range. The
19 Authority shall determine what sources qualify as a
20 tenant's income. Once a tenant has received assistance
21 under the Program, the tenant shall remain eligible for
22 assistance under the Program until the tenant reaches an
23 income level of 35% of area median family income and will
24 then begin the transition out of the Program, as described
25 in the rules governing the Program.

26 (2) Local administering agencies should ~~must~~ include

1 2-bedroom, 3-bedroom, and 4-bedroom units among those
2 intended to be supported by grants under the Program. In
3 grants under Section 15, the precise number of these units
4 among all the units intended to be supported by a grant
5 must be based on need in the community for larger units and
6 other factors that the Authority specifies in rules. The
7 local administering agency must specify the basis for the
8 numbers of these units that are proposed for support under
9 a grant. Local administering agencies must make a good
10 faith effort to comply with this allocation of unit sizes.
11 In grants awarded under Section 20, developers and the
12 Authority or municipality, as defined in subsection (b) of
13 Section 10, shall negotiate the numbers and sizes of units
14 to be built in a project and supported by the grant.

15 (3) Under grants awarded under Section 15, local
16 administering agencies must enter into a payment contract
17 with the landlord that defines the method of payment and
18 must pay subsidies to landlords on a quarterly basis and
19 in advance of the quarter paid for.

20 (4) Local administering agencies and developers must
21 specify how vacancies in units supported by a grant must
22 be advertised and they must include provisions for
23 outreach to local homeless shelters, organizations that
24 work with people with disabilities, and others interested
25 in affordable housing.

26 (5) The local administering agency or developer must

1 establish a schedule for the tenant's rental obligation
2 for units supported by a grant. The tenant's share of the
3 rent must be a flat amount, calculated annually, based on
4 the size of the unit and the household's income category.
5 In establishing the schedule for the tenant's rental
6 obligation, the local administering agency or developer
7 must use 30% of gross income within an income range as a
8 guide, and it may charge an additional or lesser amount.

9 (6) The amount of the subsidy provided under a grant
10 for a unit must be the difference between the amount of the
11 tenant's obligation and the total amount of rent for the
12 unit. The total amount of rent for the unit must be
13 negotiated between the local administering authority and
14 the landlord under Section 15, or between the Authority or
15 municipality, as defined in subsection (b) of Section 10,
16 and the developer under Section 20, using comparable rents
17 for units of comparable size and condition in the
18 surrounding community as a guideline.

19 (7) Local administering agencies and developers,
20 pursuant to criteria the Authority develops in rules, must
21 ensure that there are procedures in place to maintain the
22 safety and habitability of units supported under grants.
23 Local administering agencies must inspect units before
24 supporting them under a grant awarded under Section 15.

25 (8) Local administering agencies must provide or
26 ensure that tenants are provided with a "bill of rights"

1 with their lease setting forth local landlord-tenant laws
2 and procedures and contact information for the local
3 administering agency.

4 (9) A local administering agency must create a plan
5 detailing a process for helping to provide information,
6 when necessary, on how to access education, training, and
7 other supportive services to tenants living in units
8 supported under the grant. The plan must be submitted as a
9 part of the administering agency's proposal to the
10 Authority required under Section 15.

11 (10) Local administering agencies and developers may
12 not use funding under the grant to develop or support
13 housing that requires that a tenant has a particular
14 diagnosis or type of disability as a condition of
15 eligibility for occupancy unless the requirement is
16 mandated by another funding source for the housing. Local
17 administering agencies and developers may use grant
18 funding to develop integrated housing opportunities for
19 persons with disabilities, but not housing restricted to a
20 specific disability type.

21 (11) In order to plan for periodic fluctuations in
22 annual receipts on deposit appropriated to the Fund each
23 year, the Authority shall establish by rule a mechanism
24 for establishing a reserve fund and the level of funding
25 that shall be held in reserve either by the Authority or by
26 local administering agencies.

1 (12) The Authority shall perform annual
2 reconciliations of all distributions made in connection
3 with the Program and may offset future distributions to
4 balance geographic distribution requirements of this Act.

5 (Source: P.A. 99-97, eff. 7-22-15.)