

1 AN ACT concerning revenue.

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

4 Section 3. The Illinois Housing Development Act is amended  
5 by changing Section 7.28 as follows:

6 (20 ILCS 3805/7.28)

7 Sec. 7.28. Tax credit for donation to sponsors. The  
8 Authority may administer and adopt rules for an affordable  
9 housing tax donation credit program to provide tax credits for  
10 donations as set forth in this Section.

11 (a) In this Section:

12 "Administrative housing agency" means either the Authority  
13 or an agency of the City of Chicago.

14 "Affordable housing project" means either:

15 (1) ~~(i)~~ a rental project in which at least 25% of the  
16 units have rents (including tenant-paid heat) that do not  
17 exceed, on a monthly basis, maximum gross rent figures, as  
18 published by the Authority, that are:

19 (i) based on data published annually by the U.S.  
20 Department of Housing and Urban Development; i  $\tau$

21 (ii) based on the annual income of households  
22 earning 60% of the area median income; i  $\tau$

23 (iii) computed using a 30% of gross monthly income

1 standard; and

2 (iv) adjusted for unit size and at least 25% of the  
3 units are occupied by persons and families whose  
4 incomes do not exceed 60% of the median family income  
5 for the geographic area in which the residential unit  
6 is located; or

7 (2) ~~(ii)~~ a unit for sale to homebuyers whose gross  
8 household income is at or below (A) 60% of the area median  
9 income (for taxable years beginning prior to January 1,  
10 2022) or (B) 120% of the area median income (for taxable  
11 years beginning on or after January 1, 2022) and who pay no  
12 more than 30% of their gross household income for mortgage  
13 principal, interest, property taxes, and property  
14 insurance (PITI).

15 "Donation" means money, securities, or real or personal  
16 property that is donated to a not-for-profit sponsor that is  
17 used solely for costs associated with either (i) purchasing,  
18 constructing, or rehabilitating an affordable housing project  
19 in this State, (ii) an employer-assisted housing project in  
20 this State, (iii) general operating support, or (iv) technical  
21 assistance as defined by this Section.

22 "Employer-assisted housing project" means either  
23 down-payment assistance, reduced-interest mortgages, mortgage  
24 guarantee programs, rental subsidies, or individual  
25 development account savings plans that are provided by  
26 employers to employees to assist in securing affordable

1 housing near the work place, that are restricted to housing  
2 near the work place, and that are restricted to employees  
3 whose gross household income is at or below 120% of the area  
4 median income.

5 "General operating support" means any cost incurred by a  
6 sponsor that is a part of its general program costs and is not  
7 limited to costs directly incurred by the affordable housing  
8 project.

9 "Geographical area" means the metropolitan area or county  
10 designated as an area by the federal Department of Housing and  
11 Urban Development under Section 8 of the United States Housing  
12 Act of 1937, as amended, for purposes of determining fair  
13 market rental rates.

14 "Median income" means the incomes that are determined by  
15 the federal Department of Housing and Urban Development  
16 guidelines and adjusted for family size.

17 "Project" means an affordable housing project, an  
18 employer-assisted housing project, general operating support,  
19 or technical assistance.

20 "Sponsor" means a not-for-profit organization that (i) is  
21 organized as a not-for-profit organization under the laws of  
22 this State or another state and (1) for an affordable housing  
23 project, has as one of its purposes the development of  
24 affordable housing; (2) for an employer-assisted housing  
25 project, has as one of its purposes home ownership education;  
26 and (3) for a technical assistance project, has as one of its

1 purposes either the development of affordable housing or home  
2 ownership education; (ii) is organized for the purpose of  
3 constructing or rehabilitating affordable housing units and  
4 has been issued a ruling from the Internal Revenue Service of  
5 the United States Department of the Treasury that the  
6 organization is exempt from income taxation under provisions  
7 of the Internal Revenue Code; or (iii) is an organization  
8 designated as a community development corporation by the  
9 United States government under Title VII of the Economic  
10 Opportunity Act of 1964.

11 "Tax credit" means a tax credit allowed under Section 214  
12 of the Illinois Income Tax Act.

13 "Technical assistance" means any cost incurred by a  
14 sponsor for project planning, assistance with applying for  
15 financing, or counseling services provided to prospective  
16 homebuyers.

17 (b) A sponsor must apply to an administrative housing  
18 agency for approval of the project. The administrative housing  
19 agency must reserve a specific amount of tax credits for each  
20 approved project. Tax credits for general operating support  
21 can only be reserved as part of a reservation of tax credits  
22 for an affordable housing project, an employer-assisted  
23 housing project, or technical assistance. No tax credits shall  
24 be allowed for a project without a reservation of such tax  
25 credits by an administrative housing agency for that project.

26 (c) The Authority must adopt rules establishing criteria

1 for eligible costs and donations, issuing and verifying tax  
2 credits, and selecting projects that are eligible for a tax  
3 credit.

4 (d) Tax credits for employer-assisted housing projects are  
5 limited to that pool of tax credits that have been set aside  
6 for employer-assisted housing. Tax credits for general  
7 operating support are limited to 10% of the total tax credit  
8 reservation for the related project (other than general  
9 operating support) and are also limited to that pool of tax  
10 credits that have been set aside for general operating  
11 support. Tax credits for technical assistance are limited to  
12 that pool of tax credits that have been set aside for technical  
13 assistance.

14 (e) The amount of tax credits reserved by the  
15 administrative housing agency for an approved project is  
16 limited to \$32,850,352 in State fiscal years 2022 and 2023 ~~\$13~~  
17 ~~million in the initial year~~ and shall increase by 5% each  
18 fiscal year thereafter ~~by 5%~~. The City of Chicago shall  
19 receive 24.5% of total tax credits authorized for each fiscal  
20 year. The Authority shall receive the balance of the tax  
21 credits authorized for each fiscal year. The tax credits may  
22 be used anywhere in this State. The tax credits have the  
23 following set-asides:

24 (1) for employer-assisted housing projects, \$2  
25 million; and

26 (2) for general operating support and technical

1 assistance, \$1 million.

2 The balance of the funds must be used for affordable  
3 housing projects. During the first 9 months of a fiscal year,  
4 if an administrative housing agency is unable to reserve the  
5 tax credits set aside for the purposes described in subsection  
6 (e), the administrative housing agency may reserve the tax  
7 credits for any approved projects.

8 (f) The administrative housing agency that reserves tax  
9 credits for an affordable housing project must record against  
10 the land upon which the affordable housing project is located  
11 an instrument to assure that the property maintains its  
12 affordable housing compliance for a minimum of 10 years. The  
13 Authority has flexibility to assure that the instrument does  
14 not cause undue hardship on homeowners.

15 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)