



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4575

Introduced 1/31/2024, by Rep. Bradley Fritts

SYNOPSIS AS INTRODUCED:

310 ILCS 105/10
310 ILCS 105/15

Amends the Rental Housing Support Program Act. In provisions requiring the Illinois Housing Development Authority (Authority) to distribute certain amounts for the Rental Housing Support Program from annual receipts on deposit in the Rental Housing Support Program Fund, provides that certain annual receipts for municipalities and for grants to local administering agencies shall be distributed with priority to local administering agencies from the county in which the annual receipts were collected. Provides that the Authority shall wait at least 6 months after annual receipts are deposited into the Fund before distributing the annual receipts. In a provision concerning grants to local administering agencies to provide rent subsidies to landlords for low-income tenants, provides that at least one local administering agency shall serve each county (rather than requiring the Authority to use best efforts through outreach to local administering agencies to encourage at least one local administering agency to serve each county).

LRB103 35207 KTG 65187 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 5. The Rental Housing Support Program Act is
5 amended by changing Sections 10 and 15 as follows:

6 (310 ILCS 105/10)

7 Sec. 10. Creation of Program and distribution of funds.

8 (a) The Rental Housing Support Program is created within
9 the Illinois Housing Development Authority. The Authority
10 shall administer the Program and adopt rules for its
11 implementation.

12 (b) The Authority shall distribute amounts for the Program
13 solely from annual receipts on deposit in the Rental Housing
14 Support Program Fund that are appropriated in each year for
15 distribution by the Authority for the Program, and not from
16 any other source of funds for the Authority, as follows:

17 (1) A proportionate share of annual receipts on
18 deposit appropriated to the Fund each year, as determined
19 under subsection (d) of Section 15 of this Act, shall be
20 distributed to municipalities with a population greater
21 than 2,000,000. Those municipalities shall use at least
22 10% of those funds in accordance with Section 20 of this
23 Act, and all provisions governing the Authority's actions

1 under Section 20 shall govern the actions of the corporate
2 authorities of a municipality under this Section. As to
3 the balance of the annual distribution, the municipality
4 shall designate a non-profit organization that meets the
5 specific criteria set forth in Section 25 of this Act to
6 serve as the "local administering agency" under Section 15
7 of this Act.

8 (2) Of the remaining annual receipts on deposit
9 appropriated to the Fund each year after the distribution
10 in paragraph (1) of this subsection, the Authority shall
11 designate at least 10% for the purposes of Section 20 of
12 this Act in areas of the State not covered under paragraph
13 (1) of this subsection.

14 (3) The remaining annual receipts on deposit
15 appropriated to the Fund each year after the distributions
16 in paragraphs (1) and (2) of this subsection shall be
17 distributed according to Section 15 of this Act in areas
18 of the State not covered under paragraph (1) of this
19 subsection.

20 Annual receipts distributed under paragraphs (1) and (2)
21 of this subsection and under Section 15 shall be distributed
22 with priority to local administering agencies from the county
23 in which the annual receipts were collected.

24 The Authority shall wait at least 6 months after annual
25 receipts are deposited into the Fund before distributing the
26 annual receipts.

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

2 (310 ILCS 105/15)

3 Sec. 15. Grants to local administering agencies.

4 (a) Under the program, the Authority shall make grants to
5 local administering agencies to provide subsidies to landlords
6 to enable the landlords to charge rent affordable for
7 low-income tenants. Grants shall also include an amount for
8 the operating expenses of local administering agencies. On an
9 annual basis, operating expenses for local administering
10 agencies shall not exceed 10% for grants under \$500,000 and
11 shall not exceed 7% for grants over \$500,000. If a grant to a
12 local administering agency covers more than one year, the
13 Authority shall calculate operating expenses on an annual pro
14 rata share of the grant. If the annual pro rata share is
15 \$500,000 or less, then the fee shall be 10%; if the annual pro
16 rata share is greater than \$500,000, then the fee shall be 7%.

17 (b) The Authority shall develop a request-for-proposals
18 process for soliciting proposals from local administering
19 agencies and for awarding grants. The request-for-proposals
20 process and the funded projects must be consistent with the
21 criteria set forth in Section 25 and with additional criteria
22 set forth by the Authority in rules implementing this Act. As
23 part of the request-for-proposal process and subject to the
24 requirements contained in subsection (d), best efforts will be
25 used to prioritize local administering agencies that serve the

1 county in which annual receipts were collected upon receipt of
2 current data from the Department of Revenue applicable to the
3 annual receipts.

4 (c) Local administering agencies may be local governmental
5 bodies, local housing authorities, or not-for-profit
6 organizations. The Authority shall set forth in rules the
7 financial and capacity requirements necessary for an
8 organization to qualify as a local administering agency and
9 the parameters for administration of the grants by local
10 administering agencies. ~~At The Authority shall use best~~
11 ~~efforts through outreach to local administering agencies to~~
12 ~~encourage at least one local administering agency shall to~~
13 serve each county, subject to subsection (d).

14 (d) The Authority shall distribute grants to local
15 administering agencies according to a formula based on U.S.
16 Census data. The formula shall determine percentages of the
17 funds to be distributed to the following geographic areas: (i)
18 Chicago; (ii) suburban areas: Cook County (excluding Chicago),
19 DuPage County, Lake County, Kane County, Will County, and
20 McHenry County; (iii) small metropolitan areas: Springfield,
21 Rockford, Peoria, Decatur, Champaign-Urbana,
22 Bloomington-Normal, Rock Island, DeKalb, Madison County,
23 Moline, Pekin, Rantoul, and St. Clair County; and (iv) rural
24 areas, defined as all areas of the State not specifically
25 named in items (i), (ii), and (iii) of this subsection. A
26 geographic area's percentage share shall be determined by the

1 total number of households that have an annual income of less
2 than 50% of State median income for a household of 4, as
3 determined by the U.S. Department of Housing and Urban
4 Development, and that are paying more than 30% of their income
5 for rent. The geographic distribution shall be re-determined
6 by the Authority each time new U.S. Census data becomes
7 available. The Authority shall phase in any changes to the
8 geographic formula to prevent a large withdrawal of resources
9 from one area that could negatively impact households
10 receiving rental housing support. Up to 20% of the funds
11 allocated for rural areas, as defined in this subsection, may
12 be set aside and awarded to one administering agency to be
13 distributed throughout the rural areas in the State to
14 localities that desire a number of subsidized units of housing
15 that is too small to justify the establishment of a full local
16 program. In those localities, the administering agency may
17 contract with local agencies to share the administrative tasks
18 of the program, such as inspections of units.

19 (e) In order to ensure applications from all geographic
20 areas of the State, the Authority shall create a plan to ensure
21 that potential local administering agencies have ample time
22 and support to consider making an application and to prepare
23 an application. Such a plan must include, but is not limited
24 to: an outreach and education plan regarding the program and
25 the requirements for a local administering agency; ample time
26 between the initial notice of funding ability and the deadline

1 to submit an application, which shall not be less than 9
2 months; and access to assistance from the Authority or another
3 agency in considering and preparing the application.

4 (f) In order to maintain consistency for households
5 receiving rental housing support, the Authority shall, to the
6 extent possible given funding resources available in the
7 Rental Housing Support Program, continue to fund local
8 administering agencies at the same level on an annual basis,
9 unless the Authority determines that a local administering
10 agency is not meeting the criteria set forth in Section 25 or
11 is not adhering to other standards set forth by rule by the
12 Authority.

13 (Source: P.A. 102-1135, eff. 7-1-23.)