

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 Illinois Housing Development Act is
5 amended by changing Section 2 as follows:

6 (20 ILCS 3805/2) (from Ch. 67 1/2, par. 302)

7 Sec. 2. As used in this Act:

8 {a} "Authority" means the Illinois Housing Development
9 Authority created in this Act.

10 {b} "Development costs" means the costs approved by the
11 Authority as appropriate expenditures which may be incurred
12 prior to commitment and initial closing of assisted mortgage
13 financing or of housing related commercial facilities,
14 including but not limited to: (1) payments for options to
15 purchase properties for the proposed development or
16 facilities, deposits on contracts of purchase, or, with the
17 prior approval of the Authority, payments for the purchases
18 of the such properties; (2) legal, organizational, and
19 consultants' expenses; (3) payment of fees for preliminary
20 feasibility studies and engineering and architectural work;
21 (4) necessary application and other fees to federal, State
22 and local government agencies; and (5) any such other
23 expenses as the Authority may deem appropriate to effectuate
24 the purposes of this Act.

25 {c} "Assisted mortgage financing" means a below market
26 interest rate mortgage insured or purchased, or a loan made,
27 by the Secretary of the United States Department of Housing
28 and Urban Development or by any other federal agency or
29 governmental corporation or by any political subdivision of
30 the State of Illinois or by any Illinois public corporation;
31 a market interest rate mortgage insured or purchased, or a

1 loan made in combination with, or as augmented by, a program
2 of rent supplements, interest subsidies, leasing,
3 contributions or grants, or other programs as are now or
4 hereafter authorized by federal law to serve low or moderate
5 income persons; a mortgage or loan made pursuant to this Act;
6 or a mortgage or loan from any private or public source with
7 an interest rate and terms satisfactory to the Authority and
8 which will meet the requirements and purposes of this Act.

9 (d) "Lending institution" means any bank, trust company,
10 savings bank, savings and loan association, credit union,
11 national banking association, mortgage banking association,
12 federal savings and loan association or federal credit unit
13 maintaining an office in the State, any insurance company or
14 any other entity or organization which makes or acquires
15 loans secured by real property.

16 (e) "Residential mortgage" means a loan owed to a
17 lending institution, to the Authority or to a trustee for
18 holders of bonds or notes of the Authority or to a trustee
19 for owners of pools of mortgages, and secured by a lien on
20 real property located in the State and improved by a
21 residential structure of one or more living units or a mixed
22 residential and commercial structure, or unimproved if the
23 proceeds of the such loan shall be used for the erection of a
24 residential structure or a mixed residential and commercial
25 structure thereon, whether or not such loan is insured or
26 guaranteed by the United States of America or any agency or
27 corporation thereof.

28 (f) "Development" means a specific work or improvement
29 undertaken to provide dwelling accommodations, including the
30 acquisition, construction or rehabilitation of lands,
31 buildings and community facilities and in connection
32 therewith to provide nonhousing facilities which are a part
33 of a planned large-scale project or new community.

34 (g) "Persons and families of low and moderate income"

1 and "Low income or moderate income persons" means families
2 and persons who cannot afford to pay the amounts at which
3 private enterprise, without assisted mortgage financing, is
4 providing a substantial supply of decent, safe, and sanitary
5 housing. The income limits for the admission of such families
6 and persons to developments shall be those established under
7 ~~pursuant to~~ the rules applicable to the assisted mortgage
8 financing program under which the such developments are
9 financed.

10 (h) "Moderate rentals" means rent charges less than
11 those rents generally charged for new dwelling units of
12 comparable size and location built by the unassisted efforts
13 of private enterprise and financed at then current market
14 interest rates.

15 (i) "Low rentals" means rent charges at least 10% lower
16 than moderate rentals.

17 (j) "Rents" or "Rentals" means ~~shall~~ mean fees or
18 charges paid for use of a development under this Act, whether
19 the development is operated on a landlord-tenant basis or as
20 a condominium or cooperative.

21 (k) "Limited-profit entity" means any individual, joint
22 venture, partnership, limited partnership, trust, or
23 corporation organized or existing under the laws of the State
24 of Illinois or authorized to do business in this State and
25 having articles of incorporation or comparable documents of
26 organization or a written agreement with the Authority which,
27 in addition to other requirements of law, provide:

28 (1) that if the limited-profit entity receives any
29 loan from the Authority as provided for in this Act, it
30 shall be authorized to enter into an agreement with the
31 Authority providing for regulations with respect to
32 rents, profits, dividends and disposition of property or
33 franchises; and

34 (2) that if the limited-profit entity receives a

1 loan, as provided for in this Act, the Chairman of the
2 Authority, acting with the prior approval of the
3 Authority, shall have the power, if he determines that
4 any such loan is in jeopardy of not being repaid, or that
5 the proposed development for which the such loan was made
6 is in jeopardy of not being constructed, or the
7 limited-profit entity is otherwise in violation of rules
8 and regulations promulgated by the Authority, to appoint
9 to the board of directors or other comparable controlling
10 body of the such limited-profit entity a number of new
11 directors or persons, which number shall be sufficient to
12 constitute a voting majority of the such board or
13 controlling body, notwithstanding any other provisions of
14 the limited-profit entity's articles of incorporation or
15 other documents of organization, or of any other
16 provisions of law, provided that this requirement set
17 forth in this paragraph (2) is not mandatory in the case
18 of loans made solely with monies from the Authority's
19 administrative fund.

20 (1) "Land development" means the process of clearing and
21 grading land, making, installing, or constructing waterlines
22 and water supply installations, sewerlines and sewage
23 disposal installations, steam, gas, and electric lines and
24 installations, roads, streets, curbs, gutters, sidewalks,
25 storm drainage facilities, and other installations or work,
26 whether on or off the site, necessary or desirable to prepare
27 land for residential, commercial, industrial, or other uses,
28 or to provide facilities for public or common use.

29 (m) "Nonprofit corporation" means a nonprofit
30 corporation incorporated pursuant to the provisions of the
31 Illinois General Not For Profit Corporation Act of 1986 or
32 the State Housing Act of 1933 and having articles of
33 incorporation which, in addition to other requirements of
34 law, provide:

1 (1) that the corporation has been organized to
2 provide housing facilities for persons of low and
3 moderate income;

4 (2) that all income and earnings of the corporation
5 shall be used exclusively for corporation purposes and
6 that no part of the net income or net earnings of the
7 corporation shall inure to the benefit or profit of any
8 private individual, firm, corporation, partnership, or
9 association;

10 (3) that the corporation is in no manner controlled
11 or under the direction or acting in the substantial
12 interest of private individuals, firms, corporations,
13 partnerships, or associations seeking to derive profit or
14 gain therefrom or seeking to eliminate or minimize losses
15 in any dealings or transactions therewith;

16 (4) that if the corporation receives any loan or
17 advance from the Authority as provided for in this Act,
18 it shall be authorized to enter into an agreement with
19 the Authority providing for regulation with respect to
20 rents, profits, dividends, and disposition of property or
21 franchises;

22 (5) that if the corporation receives a loan or
23 advance, as provided for in this Act, the chairman of the
24 Authority, acting with the prior approval of the majority
25 of the members of the Authority, shall have the power if
26 he determines that any such loan or advance is in
27 jeopardy of not being repaid, or that the proposed
28 development for which the such loan or advance was made
29 is in jeopardy of not being constructed, or that some
30 part of the net income or net earnings of the corporation
31 is inuring to the benefit of any private individual,
32 firm, corporation, partnership, or association, or that
33 the corporation is in some manner controlled or under the
34 direction of or acting in the substantial interest of any

1 private individual, firm, corporation, partnership, or
2 association seeking to derive benefit or gain therefrom
3 or seeking to eliminate or minimize losses in any
4 dealings or transactions therewith, or is in violation of
5 rules and regulations promulgated by the Authority to
6 appoint to the board of directors of the such corporation
7 a number of new directors, which number shall be
8 sufficient to constitute a majority of the such board,
9 notwithstanding any other provisions of the such articles
10 of incorporation or of any other provisions of law; and

11 (6) that each development of the such corporation
12 shall be operated exclusively for the benefit of the
13 persons who are housed in the such development, which
14 shall include families or persons of low or moderate
15 income as required by this Act, and that the such
16 development shall reserve for families or persons of low
17 or moderate income the number and types of dwelling units
18 required by applicable federal or State law.

19 The requirements contained in paragraphs (2), (3), (5)
20 and (6) are not mandatory in the case of loans made solely
21 from the Authority's administrative fund.

22 (n) "State" means the State of Illinois.

23 (e) "Community facilities" means the land, buildings,
24 improvements and equipment for land development, for health,
25 welfare, recreational, social, educational and commercial
26 activities, and for public, common or municipal services.

27 (p) "Sinking fund payment" means the amount of money
28 specified in the resolution or resolutions authorizing term
29 bonds as payable into a sinking fund during a particular
30 period for the retirement of term bonds at maturity after
31 that such period, but shall not include any amount payable by
32 reason only of the maturity of a bond.

33 (q) "Housing related commercial facilities" means
34 commercial facilities which are or are to be related to a

1 development. Commercial facilities are related to a
2 development if they are, in the sole judgment of the
3 Authority, located in the same area as the development and
4 (i) necessary or desirable in order to provide services for
5 residents of that area in which the development is located;
6 or (ii) a portion of the revenues of the commercial
7 facilities are to be used to provide funds for paying costs
8 of construction, acquisition, rehabilitation, operation,
9 maintenance of or payment of debt service on the development
10 or (iii) necessary or desirable in order to make the
11 development successful, such as, without limitation,
12 eliminating or preventing slum or blighted conditions,
13 preserving historic structures or ensuring that facilities
14 are not inconsistent with the development. For purposes of
15 this Section, "commercial facilities" includes land,
16 buildings, improvements, equipment and all ancillary
17 facilities for use for offices, stores, retirement homes,
18 hotels, financial institutions, service health care,
19 education, recreation or research establishments or any other
20 commercial purpose.

21 (¶) "Rate protection contract" means interest rate
22 exchange agreements; currency exchange agreements; forward
23 payment conversion agreements; contracts providing for
24 payment or receipt of funds based on levels of, or changes
25 in, interest rates, currency exchange rates, stock or other
26 indices; contracts to exchange cash flows or a series of
27 payments; contracts, including without limitation, interest
28 rate caps; interest rate floors; interest rate locks;
29 interest rate collars; rate of return guarantees or
30 assurances, to manage payment, currency, rate, spread or
31 similar exposure; the obligation, right, or option to issue,
32 put, lend, sell, grant a security interest in, buy, borrow or
33 otherwise acquire, a bond, note or other security or interest
34 therein as an investment, as collateral, as a hedge, or

1 otherwise as a source or assurance of payment to or by the
2 Authority or as a reduction of the Authority's or an
3 obligor's risk exposure; repurchase agreements; securities
4 lending agreements; and other agreements or arrangements
5 similar to the foregoing.

6 ~~(s)~~ "Affordable Housing Program Trust Fund Bonds or
7 Notes" means bonds or notes issued by the Authority pursuant
8 to the provisions of this Act for the purposes of providing
9 affordable housing to low and very low income persons as
10 provided in the Illinois Affordable Housing Act through the
11 use or pledge, in whole or in part, of Trust Fund Moneys
12 dedicated or otherwise made available to the Authority.

13 ~~(t)~~ "Trust Fund Moneys" has the meaning given to that
14 term in Section 3 of the Illinois Affordable Housing Act.

15 (Source: P.A. 87-250; 88-93.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.