

1 AN ACT in relation to 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 Rental Housing Support Program Act.

6 Section 5. Legislative findings and purpose. The General
7 Assembly finds that in many parts of this State, large
8 numbers of citizens are faced with the inability to secure
9 affordable rental housing. Due to either insufficient wages
10 or a shortage of affordable rental housing stock, or both,
11 many families have difficulty securing decent housing, are
12 subjected to overcrowding, pay too large a portion of their
13 total monthly income for housing and consequently suffer the
14 lack of other basic needs, live in substandard or unhealthy
15 housing, or experience chronic housing instability.
16 Instability and inadequacy in housing limits the
17 employability and productivity of many citizens, adversely
18 affects family health and stress levels, impedes children's
19 ability to learn, and produces corresponding drains on public
20 resources. It is the purpose of this Act to create a State
21 program to help localities address the need for decent
22 affordable permanent rental housing.

23 Section 7. Definitions. In this Act:

24 "Authority" means the Illinois Housing Development
25 Authority.

26 "Program" means the Rental Housing Support Program.

27 "Unit" means a rental apartment unit receiving a subsidy
28 by means of a grant under this Act. "Unit" does not include
29 housing units intended as transitional or temporary housing.

1 Section 10. Creation of program. The Rental Housing
2 Support Program is created within the Illinois Housing
3 Development Authority. The Authority shall administer the
4 program.

5 Section 15. Grants to local administering agencies.

6 (a) Under the program, the Authority shall make grants
7 to local administering agencies to provide subsidies to
8 landlords to enable the landlords to charge rent affordable
9 for low-income tenants. Grants shall also include an amount
10 for the operating expenses of local administering agencies.

11 (b) The Authority shall develop a request-for-proposals
12 process for soliciting proposals from local administering
13 agencies and for awarding grants. The request-for-proposals
14 process and the funded projects must be consistent with the
15 criteria set forth in Section 25 and with additional criteria
16 set forth by the Authority in rules implementing this Act.

17 (c) Local administering agencies may be local
18 governmental bodies, local housing authorities, or
19 not-for-profit organizations. The Authority shall set forth
20 in rules the financial and capacity requirements necessary
21 for an organization to qualify as a local administering
22 agency.

23 (d) The Authority shall distribute grants to local
24 administering agencies according to the following geographic
25 distribution formula: of funds received to support the
26 program, 50% must go to Chicago; 20% must go to the Chicago
27 suburban counties of Cook (excluding Chicago), DuPage, Lake,
28 Kane, Will, and McHenry; 15% must go to small metropolitan
29 areas ("small metropolitan areas" are defined as:
30 Springfield, Rockford, Peoria, Decatur, Champaign-Urbana,
31 Bloomington-Normal, Rock Island, DeKalb, Madison County,
32 Moline, Pekin, Rantoul, and St. Clair County); and 15% must
33 go to rural areas.

1 (e) In order to ensure applications from all geographic
2 areas of the State, the Authority shall create a plan to
3 ensure that potential local administering agencies have ample
4 time and support to consider making an application and to
5 prepare an application. Such a plan must include, but is not
6 limited to: an outreach and education plan regarding the
7 program and the requirements for a local administering
8 agency; ample time between the initial notice of funding
9 ability and the deadline to submit an application, which
10 shall not be less than 9 months; and access to assistance
11 from the Authority or another agency in considering and
12 preparing the application.

13 (f) The Chicago Low-Income Housing Trust Fund has an
14 existing program that matches the function and purpose of the
15 program described in this Act and meets the specific criteria
16 set forth in Section 25. Therefore, the Chicago Low-Income
17 Housing Trust Fund shall be the local administering agency of
18 the program for Chicago and shall receive the funds
19 designated for Chicago under the geographic distribution
20 formula set forth in subsection (d).

21 Section 20. Grants to developers.

22 (a) The Authority may award grants under the program
23 directly to developers of new affordable rental housing for
24 long-term operating support to enable the rent on such units
25 to be affordable. Developers of such new housing shall apply
26 directly to the Authority for this type of grant under the
27 program.

28 (b) The Authority shall prescribe by rule the
29 application requirements and the qualifications necessary for
30 a developer and a development to qualify for a grant under
31 the program. In any event, however, to qualify for a grant,
32 the development must satisfy the criteria set forth in
33 Section 25, unless waived by the Authority based on special

1 circumstances and in furtherance of the purpose of the
2 program to increase the supply of affordable rental housing.

3 (c) The Authority must use 10% of its funds in any given
4 year on grants under this Section. In any given year, the
5 Authority is not required to spend the 10% of its funds that
6 accrues in that year but may add all or part of that 10% to
7 the 10% allocation for subsequent years for the purpose of
8 funding grants under this Section.

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

16 (1) Eligibility for tenancy in the units supported
17 by grants must be limited to households with gross income
18 at or below 30% of the area median income, determined by
19 the Authority using statistical data it deems to be
20 reliable and as specific as possible for the area in
21 which the grant will be made. Fifty percent of the units
22 that are supported by any grant must be set aside for
23 households whose income is at or below 15% of the area
24 median income, provided that localities and developers
25 may negotiate flexibility in this set-aside with the
26 Authority if they demonstrate that they have been unable
27 to locate sufficient tenants in this lower income range.
28 Tenants must have sufficient income to be able to afford
29 the tenant's share of the rent.

30 (2) Local administering authorities must include
31 2-bedroom, 3-bedroom, and 4-bedroom units among those
32 intended to be supported by grants under the program. In
33 grants under Section 15, the precise number of these

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

12 (3) Under grants awarded under Section 15, local
13 administering authorities must pay subsidies to landlords
14 on a quarterly basis and in advance of the quarter paid
15 for.

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

23 (5) The local administering agency or developer
24 must establish a schedule for the tenant's rental
25 obligation for units supported by a grant. The tenant's
26 share of the rent must be a flat amount based on the size
27 of the unit and the household's income category. In
28 establishing the schedule for the tenant's rental
29 obligation, the local administering agency or developer
30 must use 30% of gross income within an income range as a
31 guide, and it may charge an additional or lesser amount
32 depending on the size of the unit.

33 (6) The amount of the subsidy provided under a
34 grant for a unit must be the difference between the

1 amount of the tenant's obligation and the total amount of
2 rent for the unit. The total amount of rent for the unit
3 must be negotiated between the local administering
4 authority and the landlord under Section 15, or between
5 the Authority and the developer under Section 20, based
6 on the operating expenses for the unit and using fair
7 market rent as a guideline.

8 (7) Local administering authorities and developers,
9 pursuant to criteria the Authority develops in rules,
10 must ensure that there are procedures in place to
11 maintain the safety and habitability of units supported
12 under grants according to local standards. Local
13 administering agencies must inspect units before
14 supporting them under a grant awarded under Section 15.

15 (8) Local administering agencies must provide or
16 ensure that tenants are provided with a "bill of rights"
17 with their lease setting forth local landlord-tenant laws
18 and procedures and contact information for the local
19 administering agency.

20 (9) A local administering agency must create a plan
21 detailing a process for helping to provide information
22 and referrals when necessary for education, training, and
23 other supportive services to tenants living in units
24 supported under the grant. The plan must be submitted as
25 a part of the administering agency's proposal to the
26 Authority required under Section 15.

27 (10) Local administering agencies and developers
28 may not use funding under the grant to develop or support
29 housing that segregates tenants according to presence of
30 or type of disability.

31 Section 30. Funding stream reserve. If the program
32 receives funding from a source that fluctuates (such as user
33 fees), the Authority must each year place 10% of the revenue

1 from that source in an operating reserve. The Authority must
2 continue to add to the reserve until the reserve contains an
3 amount equal to the annual rental subsidy commitment of the
4 program. The Authority shall draw on this reserve whenever
5 the revenue falls below commitments for rental subsidies. If
6 funds are withdrawn from the reserve, payments to the reserve
7 must recommence when revenue is sufficient and must continue
8 until the reserve reaches an amount equal to the annual
9 rental subsidy commitments.