



Rep. Arthur L. Turner

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LRB095 00974 HLH 48948 a

1 AMENDMENT TO HOUSE BILL 2426

2 AMENDMENT NO. _____. Amend House Bill 2426 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. 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 (i) a rental
15 project in which at least 25% of the units have rents
16 (including tenant-paid heat) that do not exceed, on a monthly

1 basis, maximum gross rent figures, as published by the
2 Authority, that are: (i) based on data published annually by
3 the U.S. Department of Housing and Urban Development, (ii)
4 based on the annual income of households earning 60% of the
5 area median income, (iii) computed using a 30% of gross monthly
6 income standard and (iv) adjusted for unit size and at least
7 25% of the units are occupied by persons and families whose
8 incomes do not exceed 60% of the median family income for the
9 geographic area in which the residential unit is located or
10 (ii) a unit for sale to homebuyers whose gross household income
11 is at or below 60% of the area median income and who pay no more
12 than 30% of their gross household income for mortgage
13 principal, interest, property taxes, and property insurance
14 (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 housing

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

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

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

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

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

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

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

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

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

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

24 (c) The Authority must adopt rules establishing criteria
25 for eligible costs and donations, issuing and verifying tax
26 credits, and selecting projects that are eligible for a tax

1 credit.

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

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

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

23 (2) for general operating support and technical
24 assistance, \$1 million.

25 The balance of the funds must be used for affordable
26 housing projects. During the first 9 months of a fiscal year,

1 if an administrative housing agency is unable to reserve the
2 tax credits set aside for the purposes described in subsection
3 (e), the administrative housing agency may reserve the tax
4 credits for any approved projects.

5 (f) The administrative housing agency that reserves tax
6 credits for an affordable housing project must cause to be
7 recorded ~~record~~ against the land upon which the affordable
8 housing project is located an instrument to assure that the
9 property maintains its affordable housing compliance for a
10 minimum of 10 years. The administrative housing agency may
11 release an instrument prior to the 10-year minimum requirement
12 so long as the sponsor makes an equal or greater number of
13 rental units of equal or lesser rent available to all tenants
14 of the project prior to or simultaneous with the release. The
15 replacement units made available by the sponsor must be in the
16 immediate vicinity of the project. The sponsor must record a
17 new instrument against the replacement units assuring
18 affordable housing compliance for the remainder of the original
19 10-year period. The Authority has flexibility to assure that
20 the instrument does not cause undue hardship on homeowners.
21 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)".