

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 7, 10, and 25 as follows:

6 (310 ILCS 105/7)

7 Sec. 7. Definitions. In this Act:

8 "Annual receipts" means revenue derived from the Rental
9 Housing Support Program State surcharge from July 1 to June 30.

10 "Authority" means the Illinois Housing Development
11 Authority.

12 "Developer" means any entity that receives a grant under
13 Section 20.

14 "Program" means the Rental Housing Support Program.

15 "Real estate-related document" means any recorded document
16 that affects an interest in real property excluding documents
17 which solely affect or relate to an easement for water, sewer,
18 electricity, gas, telephone or other public service.

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

22 (Source: P.A. 94-118, eff. 7-5-05.)

1 (310 ILCS 105/10)

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

3 (a) The Rental Housing Support Program is created within
4 the Illinois Housing Development Authority. The Authority
5 shall administer the Program ~~program~~ and adopt rules for its
6 implementation.

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

15 (1) A proportionate share of annual receipts on deposit
16 appropriated to the Fund each year ~~the annual~~
17 ~~appropriation,~~ as determined under subsection (d) of
18 Section 15 of this Act, shall be distributed to
19 municipalities with a population greater than 2,000,000.
20 Those municipalities shall use at least 10% of those funds
21 in accordance with Section 20 of this Act, and all
22 provisions governing the Authority's actions under Section
23 20 shall govern the actions of the corporate authorities of
24 a municipality under this Section. As to the balance of the
25 annual distribution, the municipality shall designate a
26 non-profit organization that meets the specific criteria

1 set forth in Section 25 of this Act to serve as the "local
2 administering agency" under Section 15 of this Act.

3 (2) Of the remaining annual receipts on deposit
4 appropriated to the Fund each year ~~appropriation~~ after the
5 distribution in paragraph (1) of this subsection, the
6 Authority shall designate at least 10% for the purposes of
7 Section 20 of this Act in areas of the State not covered
8 under paragraph (1) of this subsection.

9 (3) The remaining annual receipts on deposit
10 appropriated to the Fund each year ~~appropriation~~ after the
11 distributions in paragraphs (1) and (2) of this subsection
12 shall be distributed according to Section 15 of this Act in
13 areas of the State not covered under paragraph (1) of this
14 subsection.

15 (Source: P.A. 94-118, eff. 7-5-05.)

16 (310 ILCS 105/25)

17 Sec. 25. Criteria for awarding grants. The Authority shall
18 adopt rules to govern the awarding of grants and the continuing
19 eligibility for grants under Sections 15 and 20. Requests for
20 proposals under Section 20 must specify that proposals must
21 satisfy these rules. The rules must contain and be consistent
22 with, but need not be limited to, the following criteria:

23 (1) Eligibility for tenancy in the units supported by
24 grants to local administering agencies must be limited to
25 households with gross income at or below 30% of the median

1 family income for the area in which the grant will be made.
2 Fifty percent of the units that are supported by any grant
3 must be set aside for households whose income is at or
4 below 15% of the area median family income for the area in
5 which the grant will be made, provided that local
6 administering agencies may negotiate flexibility in this
7 set-aside with the Authority if they demonstrate that they
8 have been unable to locate sufficient tenants in this lower
9 income range. Income eligibility for units supported by
10 grants to local administering agencies must be verified
11 annually by landlords and submitted to local administering
12 agencies. Tenants must have sufficient income to be able to
13 afford the tenant's share of the rent. For grants awarded
14 under Section 20, eligibility for tenancy in units
15 supported by grants must be limited to households with a
16 gross income at or below 30% of area median family income
17 for the area in which the grant will be made. Fifty percent
18 of the units that are supported by any grant must be set
19 aside for households whose income is at or below 15% of the
20 median family income for the area in which the grant will
21 be made, provided that developers may negotiate
22 flexibility in this set-aside with the Authority or
23 municipality as defined in subsection (b) of Section 10 if
24 it demonstrates that it has been unable to locate
25 sufficient tenants in this lower income range. The
26 Authority shall determine what sources qualify as a

1 tenant's income.

2 (2) Local administering agencies must include
3 2-bedroom, 3-bedroom, and 4-bedroom units among those
4 intended to be supported by grants under the Program
5 ~~program~~. In grants under Section 15, the precise number of
6 these units among all the units intended to be supported by
7 a grant must be based on need in the community for larger
8 units and other factors that the Authority specifies in
9 rules. The local administering agency must specify the
10 basis for the numbers of these units that are proposed for
11 support under a grant. Local administering agencies must
12 make a good faith effort to comply with this allocation of
13 unit sizes. In grants awarded under Section 20, developers
14 and the Authority or municipality, as defined in subsection
15 (b) of Section 10, shall negotiate the numbers and sizes of
16 units to be built in a project and supported by the grant.

17 (3) Under grants awarded under Section 15, local
18 administering agencies must enter into a payment contract
19 with the landlord that defines the method of payment and
20 must pay subsidies to landlords on a quarterly basis and in
21 advance of the quarter paid for.

22 (4) Local administering agencies and developers must
23 specify how vacancies in units supported by a grant must be
24 advertised and they must include provisions for outreach to
25 local homeless shelters, organizations that work with
26 people with disabilities, and others interested in

1 affordable housing.

2 (5) The local administering agency or developer must
3 establish a schedule for the tenant's rental obligation for
4 units supported by a grant. The tenant's share of the rent
5 must be a flat amount, calculated annually, based on the
6 size of the unit and the household's income category. In
7 establishing the schedule for the tenant's rental
8 obligation, the local administering agency or developer
9 must use 30% of gross income within an income range as a
10 guide, and it may charge an additional or lesser amount.

11 (6) The amount of the subsidy provided under a grant
12 for a unit must be the difference between the amount of the
13 tenant's obligation and the total amount of rent for the
14 unit. The total amount of rent for the unit must be
15 negotiated between the local administering authority and
16 the landlord under Section 15, or between the Authority or
17 municipality, as defined in subsection (b) of Section 10,
18 and the developer under Section 20, using comparable rents
19 for units of comparable size and condition in the
20 surrounding community as a guideline.

21 (7) Local administering agencies and developers,
22 pursuant to criteria the Authority develops in rules, must
23 ensure that there are procedures in place to maintain the
24 safety and habitability of units supported under grants.
25 Local administering agencies must inspect units before
26 supporting them under a grant awarded under Section 15.

1 (8) Local administering agencies must provide or
2 ensure that tenants are provided with a "bill of rights"
3 with their lease setting forth local landlord-tenant laws
4 and procedures and contact information for the local
5 administering agency.

6 (9) A local administering agency must create a plan
7 detailing a process for helping to provide information,
8 when necessary, on how to access education, training, and
9 other supportive services to tenants living in units
10 supported under the grant. The plan must be submitted as a
11 part of the administering agency's proposal to the
12 Authority required under Section 15.

13 (10) Local administering agencies and developers may
14 not use funding under the grant to develop or support
15 housing that requires that a tenant has a particular
16 diagnosis or type of disability as a condition of
17 eligibility for occupancy unless the requirement is
18 mandated by another funding source for the housing. Local
19 administering agencies and developers may use grant
20 funding to develop integrated housing opportunities for
21 persons with disabilities, but not housing restricted to a
22 specific disability type.

23 (11) In order to plan for periodic fluctuations in
24 annual receipts on deposit appropriated to the Fund each
25 year ~~program revenue~~, the Authority shall establish by rule
26 a mechanism for establishing a reserve fund and the level

1 of funding that shall be held in reserve either by the
2 Authority or by local administering agencies.

3 (12) The Authority shall perform annual
4 reconciliations of all distributions made in connection
5 with the Program and may offset future distributions to
6 balance geographic distribution requirements of this Act.

7 (Source: P.A. 97-892, eff. 8-3-12.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.