AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the COVID-19 Affordable Housing Grant Program Act.

Section 5. Purpose and findings. The State of Illinois faces a large shortage of decent, affordable rental housing for low-income and moderate-income households. The COVID-19 pandemic has dramatically increased this need for affordable housing. The development of affordable housing will help Illinois to address the need for more housing, jobs, tax base, tax revenue, and population in the State. These funds will help developers to overcome increased construction costs related to pandemic-created supply shortages (in lumber and other materials) and to jump-start a housing recovery in Illinois in the wake of the pandemic. These funds will also incentivize and attract private equity and private lending and will allow the State to more fully use and draw down unused federal resources for affordable housing. Funding will be used for the acquisition, construction, development, predevelopment, or rehabilitation of affordable multifamily rental development.

Section 10. Definitions. As used in this Act:

"Authority" means the Illinois Housing Development Authority.

"Disproportionately impacted area" means a census tract or comparable geographic area that meets at least one of the following criteria, as determined by the Department of Commerce and Economic Opportunity:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or

(4) the area has an average unemployment rate, as determined by the Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

"Federal tax credit" means the federal low-income housing tax credit provided by Section 42 of the federal Internal Revenue Code, including federal low-income housing tax credits issued pursuant to 26 U.S.C. 42(h)(3) and 26 U.S.C. 42(h)(4).

"Qualified development" means a qualified low-income

housing project, as that term is defined in Section 42 of the federal Internal Revenue Code of 1986, that is located in the State and is determined to be eligible for the federal tax credit set forth in Section 42 of the Internal Revenue Code.

Section 15. Grant program. Subject to appropriation for this purpose, the Authority shall establish an affordable housing grant program to encourage the construction and rehabilitation of affordable multifamily rental housing in response to the COVID-19 pandemic. Funding may be used for the acquisition, construction, development, predevelopment, or rehabilitation of a qualified development. The goal of the grant program shall be to fund the development and preservation of up to 3,500 affordable rental homes and apartments by December 31, 2024. Project sponsors who wish to participate in the affordable housing grant program shall submit a grant application to the Authority in accordance with rules adopted by the Authority. The Authority shall prescribe, by rule, standards and procedures for the provision of demonstration grant funds in relation to each grant application.

Section 20. Affordable multifamily rental housing gap financing. Where a qualified development has been awarded a federal tax credit, the recipient may request additional gap financing under this grant program as the Authority deems

appropriate. Through the program, the Authority shall provide grants with no expectation of repayment.

Section 25. Prioritization efforts.

(a) The Authority shall make best efforts to prioritize grant applications for proposed developments as follows:

(1) developments that are located within an area that was disproportionately affected by the COVID-19 pandemic based on the number of positive COVID-19 cases;

(2) developments involving contracts with certified disadvantaged business enterprises and certified underrepresented business enterprises owned by minorities, women, veterans, LGBT persons, and persons with disabilities during construction;

(3) developments involving project labor agreements with local building trades; and

(4) developments involving contracts or subcontracts with a registered apprenticeship program or preapprenticeship program.

(b) The Authority shall balance the approval of projects between those located within a disproportionately impacted area as defined under this Act and those located in areas of opportunity, as defined or recognized by the Authority.

Section 30. Annual reporting to the General Assembly.

(a) The Authority shall submit an annual report to the

General Assembly no later than March 31 of each calendar year with the first annual report due no later than March 31, 2022.

(b) The annual report must describe the grant program's administration and the number and type of projects funded as of the date of the report with the following information:

(1) location of projects and demographics of the surrounding community;

(2) accessibility of projects to public transportation, schools, health care, grocery stores, and banking institutions;

(3) total number of residential units developed or rehabbed per project;

(4) total number of affordable units developed or rehabbed per project;

(5) total number of affordable units put into service;

(6) number of program applications;

(7) number of applications awarded;

(8) amount of funding awarded through the program per calendar year;

(9) amount of funding awarded through the grant program to date;

(10) specific data for each prioritization category listed under Section 25;

(11) delays or issues with development including, but not limited to, acquisition, zoning and permits, labor, and materials; and

(12) any compliance issues with grant recipients and the corrective action taken.

Section 35. Repeal. This Act is repealed on April 1, 2025.

Section 900. The Illinois Housing Development Act is amended by changing Section 7.28 and 22 as follows:

(20 ILCS 3805/7.28)

Sec. 7.28. Tax credit for donation to sponsors. The Authority may administer and adopt rules for an affordable housing tax donation credit program to provide tax credits for donations as set forth in this Section.

(a) In this Section:

"Administrative housing agency" means either the Authority or an agency of the City of Chicago.

"Affordable housing project" means either:

(1) ~~(i)~~ a rental project in which at least 25% of the units have rents (including tenant-paid heat) that do not exceed, on a monthly basis, maximum gross rent figures, as published by the Authority, that are:

(i) based on data published annually by the U.S. Department of Housing and Urban Development; ~~or~~

(ii) based on the annual income of households earning 60% of the area median income; ~~or~~

(iii) computed using a 30% of gross monthly income

standard; and

(iv) adjusted for unit size and at least 25% of the units are occupied by persons and families whose incomes do not exceed 60% of the median family income for the geographic area in which the residential unit is located; or

(2) ~~(ii)~~ a unit for sale to homebuyers whose gross household income is at or below (A) 60% of the area median income (for taxable years beginning prior to January 1, 2022) or (B) 120% of the area median income (for taxable years beginning on or after January 1, 2022) and who pay no more than 30% of their gross household income for mortgage principal, interest, property taxes, and property insurance (PITI).

"Donation" means money, securities, or real or personal property that is donated to a not-for-profit sponsor that is used solely for costs associated with either (i) purchasing, constructing, or rehabilitating an affordable housing project in this State, (ii) an employer-assisted housing project in this State, (iii) general operating support, or (iv) technical assistance as defined by this Section.

"Employer-assisted housing project" means either down-payment assistance, reduced-interest mortgages, mortgage guarantee programs, rental subsidies, or individual development account savings plans that are provided by employers to employees to assist in securing affordable

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

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

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

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

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

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

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

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

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

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

(c) The Authority must adopt rules establishing criteria

for eligible costs and donations, issuing and verifying tax credits, and selecting projects that are eligible for a tax credit.

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

(e) The amount of tax credits reserved by the administrative housing agency for an approved project is limited to $32,850,352 in State fiscal years 2022 and 2023 ~~$13 million in the initial year~~ and shall increase by 5% each fiscal year thereafter ~~by 5%~~. The City of Chicago shall receive 24.5% of total tax credits authorized for each fiscal year. The Authority shall receive the balance of the tax credits authorized for each fiscal year. The tax credits may be used anywhere in this State. The tax credits have the following set-asides:

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

(2) for general operating support and technical

assistance, $1 million.

The balance of the funds must be used for affordable housing projects. During the first 9 months of a fiscal year, if an administrative housing agency is unable to reserve the tax credits set aside for the purposes described in subsection (e), the administrative housing agency may reserve the tax credits for any approved projects.

(f) The administrative housing agency that reserves tax credits for an affordable housing project must record against the land upon which the affordable housing project is located an instrument to assure that the property maintains its affordable housing compliance for a minimum of 10 years. The Authority has flexibility to assure that the instrument does not cause undue hardship on homeowners.

(Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)

(20 ILCS 3805/22) (from Ch. 67 1/2, par. 322)

Sec. 22. (a) The Authority shall not have outstanding at any one time bonds and notes for any of its corporate purposes in an aggregate principal amount exceeding $7,200,000,000 ~~$3,600,000,000~~, excluding bonds and notes issued to refund outstanding bonds and notes.

(b) Of the authorized aggregate principal amount of $7,200,000,000 ~~$3,600,000,000~~ provided for by this Section, the amount of $150,000,000 shall be used for the purposes specified in Sections 7.23 and 7.24 of this Act.

(c) Of the $1,000,000,000 authorized by this amendatory Act of 1985, an amount not less than $100,000,000 shall be reserved for financing developments which involve the rehabilitation of dwelling accommodations, subject to the occupancy reservation of low or moderate income persons or families as provided in this Act.

(Source: P.A. 87-250; 87-884; 88-93.)

Section 905. The Illinois Procurement Code is amended by changing Section 1-10 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which bidders, offerors, potential contractors, or contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including, but not limited to, any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the

funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies, except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care, except as provided in Section 5-30.6 of the Illinois Public Aid Code and this Section.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than $25,000 must be published in the Procurement Bulletin within 10 calendar days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor

shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) (Blank).

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) (Blank).

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) (A) Contracts for legal, financial, and other professional and artistic services entered into ~~on or before December 31, 2018~~ by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the members ~~Board~~ of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the members ~~Board~~ of the Illinois Finance Authority of the terms of the contract.

(B) Contracts for legal and financial services entered into by the Illinois Housing Development Authority in connection with the issuance of bonds in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the members of the Illinois Housing Development Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the members of the Illinois Housing Development Authority of the terms of the contract.

(13) Contracts for services, commodities, and equipment to support the delivery of timely forensic science services in consultation with and subject to the approval of the Chief Procurement Officer as provided in subsection (d) of Section 5-4-3a of the Unified Code of Corrections, except for the requirements of Sections 20-60, 20-65, 20-70, and 20-160 and Article 50 of this Code; however, the Chief Procurement Officer may, in writing with justification, waive any certification required under Article 50 of this Code. For any contracts for services which are currently provided by members of a collective bargaining agreement, the applicable terms of the collective bargaining agreement concerning subcontracting shall be followed.

On and after January 1, 2019, this paragraph (13), except for this sentence, is inoperative.

(14) Contracts for participation expenditures required by a domestic or international trade show or exhibition of an exhibitor, member, or sponsor.

(15) Contracts with a railroad or utility that requires the State to reimburse the railroad or utilities for the relocation of utilities for construction or other public purpose. Contracts included within this paragraph (15) shall include, but not be limited to, those associated with: relocations, crossings, installations, and maintenance. For the purposes of this paragraph (15), "railroad" means any form of non-highway ground transportation that runs on rails or electromagnetic guideways and "utility" means: (1) public utilities as defined in Section 3-105 of the Public Utilities Act, (2) telecommunications carriers as defined in Section 13-202 of the Public Utilities Act, (3) electric cooperatives as defined in Section 3.4 of the Electric Supplier Act, (4) telephone or telecommunications cooperatives as defined in Section 13-212 of the Public Utilities Act, (5) rural water or waste water systems with 10,000 connections or less, (6) a holder as defined in Section 21-201 of the Public Utilities Act, and (7) municipalities owning or operating utility systems consisting of public utilities as that term is defined in Section 11-117-2 of the Illinois Municipal Code.

(16) Procurement expenditures necessary for the

Department of Public Health to provide the delivery of timely newborn screening services in accordance with the Newborn Metabolic Screening Act.

(17) Procurement expenditures necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, and the Department of Public Health to implement the Compassionate Use of Medical Cannabis Program and Opioid Alternative Pilot Program requirements and ensure access to medical cannabis for patients with debilitating medical conditions in accordance with the Compassionate Use of Medical Cannabis Program Act.

(18) This Code does not apply to any procurements necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, the Department of Commerce and Economic Opportunity, and the Department of Public Health to implement the Cannabis Regulation and Tax Act if the applicable agency has made a good faith determination that it is necessary and appropriate for the expenditure to fall within this exemption and if the process is conducted in a manner substantially in accordance with the requirements of Sections 20-160, 25-60, 30-22, 50-5, 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35, 50-36, 50-37, 50-38, and 50-50 of this Code; however, for Section 50-35, compliance applies only to contracts or

subcontracts over $100,000. Notice of each contract entered into under this paragraph (18) that is related to the procurement of goods and services identified in paragraph (1) through (9) of this subsection shall be published in the Procurement Bulletin within 14 calendar days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice. Each agency shall provide the Chief Procurement Officer, on a monthly basis, in the form and content prescribed by the Chief Procurement Officer, a report of contracts that are related to the procurement of goods and services identified in this subsection. At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to this Code utilized. A copy of any or all of these contracts shall be made available to the Chief Procurement Officer immediately upon request. The Chief Procurement Officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that includes, at a minimum, an annual summary of the monthly information reported to the Chief Procurement Officer. This exemption becomes inoperative 5 years after June 25, 2019 (the effective date of Public Act 101-27) ~~this amendatory Act of the 101st General Assembly~~.

Notwithstanding any other provision of law, for contracts

entered into on or after October 1, 2017 under an exemption provided in any paragraph of this subsection (b), except paragraph (1), (2), or (5), each State agency shall post to the appropriate procurement bulletin the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220

of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) (Blank).

(g) (Blank).

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(j) This Code does not apply to the process used by the Capital Development Board to retain an artist or work or works of art as required in Section 14 of the Capital Development Board Act.

(k) This Code does not apply to the process to procure contracts, or contracts entered into, by the State Board of Elections or the State Electoral Board for hearing officers appointed pursuant to the Election Code.

(l) This Code does not apply to the processes used by the Illinois Student Assistance Commission to procure supplies and services paid for from the private funds of the Illinois

Prepaid Tuition Fund. As used in this subsection (l), "private funds" means funds derived from deposits paid into the Illinois Prepaid Tuition Trust Fund and the earnings thereon. (Source: P.A. 100-43, eff. 8-9-17; 100-580, eff. 3-12-18; 100-757, eff. 8-10-18; 100-1114, eff. 8-28-18; 101-27, eff. 6-25-19; 101-81, eff. 7-12-19; 101-363, eff. 8-9-19; revised 9-17-19.)

Section 915. The Illinois Income Tax Act is amended by changing Section 214 as follows:

(35 ILCS 5/214)

Sec. 214. Tax credit for affordable housing donations.

(a) Beginning with taxable years ending on or after December 31, 2001 and until the taxable year ending on December 31, 2026 ~~December 31, 2021~~, a taxpayer who makes a donation under Section 7.28 of the Illinois Housing Development Act is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 50% of the value of the donation. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled to a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and

703 and subchapter S of the Internal Revenue Code. Persons or entities not subject to the tax imposed by subsections (a) and (b) of Section 201 and who make a donation under Section 7.28 of the Illinois Housing Development Act are entitled to a credit as described in this subsection and may transfer that credit as described in subsection (c).

(b) If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

(c) The transfer of the tax credit allowed under this Section may be made (i) to the purchaser of land that has been designated solely for affordable housing projects in accordance with the Illinois Housing Development Act or (ii) to another donor who has also made a donation in accordance with Section 7.28 of the Illinois Housing Development Act.

(d) A taxpayer claiming the credit provided by this Section must maintain and record any information that the Department may require by regulation regarding the project for which the credit is claimed. When claiming the credit provided by this Section, the taxpayer must provide information regarding the taxpayer's donation to the project under the Illinois Housing Development Act.

(Source: P.A. 99-915, eff. 12-20-16.)

Section 920. The Property Tax Code is amended by changing Section 10-260 and by adding Section 15-178 as follows:

(35 ILCS 200/10-260)

Sec. 10-260. Low-income housing. In determining the fair cash value of property receiving benefits from the Low-Income Housing Tax Credit authorized by Section 42 of the Internal Revenue Code, 26 U.S.C. 42, emphasis shall be given to the income approach~~, except in those circumstances where another method is clearly more appropriate~~.

In counties with more than 3,000,000 inhabitants, during a general reassessment year in accordance with Section 9-220 or at such other time that a property is reassessed, to determine the fair cash value of any low-income housing project that qualifies for the Low-Income Housing Tax Credit under Section 42 of the Internal Revenue Code: (i) in assessing any building with 7 or more units, the assessment officer must consider the actual or projected net operating income attributable to the property, capitalized at rates for similarly encumbered Section 42 properties; and (ii) in assessing any building with 6 units or less, the assessment officer, prior to finalizing and certifying assessments to the Board of Review, shall reassess the building considering the actual or projected net operating income attributable to the property, capitalized at

rates for similarly encumbered Section 42 properties. The capitalization rate for items (i) and (ii) shall be one that reflects the prevailing cost of capital for other types of similarly encumbered Section 42 properties in the geographic market in which the low-income housing project is located.

All low-income housing projects that seek to be assessed in accordance with the provisions of this Section shall certify to the appropriate local assessment officer that the owner or owners qualify for the Low-Income Housing Tax Credit under Section 42 of the Internal Revenue Code for the property, in a form prescribed by that assessment officer.

(Source: P.A. 91-502, eff. 8-13-99; 92-16, eff. 6-28-01.)

(35 ILCS 200/15-178 new)

Sec. 15-178. Reduction in assessed value for affordable rental housing construction or rehabilitation.

(a) The General Assembly finds that there is a shortage of high quality affordable rental homes for low-income and very-low-income households throughout Illinois; that owners and developers of rental housing face significant challenges building newly constructed apartments or undertaking rehabilitation of existing properties that results in rents that are affordable for low-income and very-low-income households; and that it will help Cook County and other parts of Illinois address the extreme shortage of affordable rental housing by developing a statewide policy to determine the

assessed value for newly constructed and rehabilitated affordable rental housing that both encourages investment and incentivizes property owners to keep rents affordable.

(b) Each chief county assessment officer shall implement special assessment programs to reduce the assessed value of all eligible newly constructed residential real property or qualifying rehabilitation to all eligible existing residential real property in accordance with subsection (c) for 10 taxable years after the newly constructed residential real property or improvements to existing residential real property are put in service. Any county with less than 3,000,000 inhabitants may decide not to implement one or both of the special assessment programs defined in subparagraph (1) of subsection (c) of this Section and subparagraph (2) of subsection (c) of this Section upon passage of an ordinance by a majority vote of the county board. Subsequent to a vote to opt out of this special assessment program, any county with less than 3,000,000 inhabitants may decide to implement one or both of the special assessment programs defined in subparagraph (1) of subsection (c) of this Section and subparagraph (2) of subsection (c) of this Section upon passage of an ordinance by a majority vote of the county board. Property is eligible for the special assessment program if and only if all of the following factors have been met:

(1) at the conclusion of the new construction or qualifying rehabilitation, the property consists of a

newly constructed multifamily building containing 7 or more rental dwelling units or an existing multifamily building that has undergone qualifying rehabilitation resulting in 7 or more rental dwelling units; and

(2) the property meets the application requirements defined in subsection (f).

(c) For those counties that are required to implement the special assessment program and do not opt out of such special assessment program, the chief county assessment officer for that county shall require that residential real property is eligible for the special assessment program if and only if one of the additional factors have been met:

(1) except as defined in subparagraphs (E), (F), and (G) of paragraph (1) of subsection (f) of this Section, prior to the newly constructed residential real property or improvements to existing residential real property being put in service, the owner of the residential real property commits that, for a period of 10 years, at least 15% of the multifamily building's units will have rents as defined in this Section that are at or below maximum rents and are occupied by households with household incomes at or below maximum income limits; or

(2) except as defined in subparagraphs (E), (F), and (G) of paragraph (1) of subsection (f) of this Section, prior to the newly constructed residential real property or improvements to existing residential real property

located in a low affordability community being put in service, the owner of the residential real property commits that, for a period of 30 years after the newly constructed residential real property or improvements to existing residential real property are put in service, at least 20% of the multifamily building's units will have rents as defined in this Section that are at or below maximum rents and are occupied by households with household incomes at or below maximum income limits.

If a reduction in assessed value is granted under one special assessment program provided for in this Section, then that same residential real property is not eligible for an additional special assessment program under this Section at the same time.

(d) The amount of the reduction in assessed value for residential real property meeting the conditions set forth in subparagraph (1) of subsection (c) shall be calculated as follows:

(1) if the owner of the residential real property commits for a period of at least 10 years that at least 15% but fewer than 35% of the multifamily building's units have rents at or below maximum rents and are occupied by households with household incomes at or below maximum income limits, the assessed value of the property used to calculate the tax bill shall be reduced by an amount equal to 25% of the assessed value of the property as determined

by the assessor for the property in the current taxable year for the newly constructed residential real property or based on the improvements to an existing residential real property; and

(2) if the owner of the residential real property commits for a period of at least 10 years that at least 35% of the multifamily building's units have rents at or below maximum rents and are occupied by households with household incomes at or below maximum income limits, the assessed value of the property used to calculate the tax bill shall be reduced by an amount equal to 35% of the assessed value of the property as determined by the assessor for the property in the current assessment year for the newly constructed residential real property or based on the improvements to an existing residential real property.

(e) The amount of the reduction for residential real property meeting the conditions set forth in subparagraph (2) of subsection (c) shall be calculated as follows:

(1) for the first, second, and third taxable year after the residential real property is placed in service, the residential real property is entitled to a reduction in its assessed value in an amount equal to the difference between the assessed value in the year for which the incentive is sought and the assessed value for the residential real property in the base year;

(2) for the fourth, fifth, and sixth taxable year after the residential real property is placed in service, the property is entitled to a reduction in its assessed value in an amount equal to 80% of the difference between the assessed value in the year for which the incentive is sought and the assessed value for the residential real property in the base year;

(3) for the seventh, eighth, and ninth taxable year after the property is placed in service, the residential real property is entitled to a reduction in its assessed value in an amount equal to 60% of the difference between the assessed value in the year for which the incentive is sought and the assessed value for the residential real property in the base year;

(4) for the tenth, eleventh, and twelfth taxable year after the residential real property is placed in service, the residential real property is entitled to a reduction in its assessed value in an amount equal to 40% of the difference between the assessed value in the year for which the incentive is sought and the assessed value for the residential real property in the base year; and

(5) for the thirteenth through the thirtieth taxable year after the residential real property is placed in service, the residential real property is entitled to a reduction in its assessed value in an amount equal to 20% of the difference between the assessed value in the year

for which the incentive is sought and the assessed value for the residential real property in the base year.

(f) Application requirements.

(1) In order to receive the reduced valuation under this Section, the owner must submit an application containing the following information to the chief county assessment officer for review in the form and by the date required by the chief county assessment officer:

(A) the owner's name;

(B) the postal address and permanent index number or numbers of the parcel or parcels for which the owner is applying to receive reduced valuation under this Section;

(C) a deed or other instrument conveying the parcel or parcels to the current owner;

(D) written evidence that the new construction or qualifying rehabilitation has been completed with respect to the residential real property, including, but not limited to, copies of building permits, a notarized contractor's affidavit, and photographs of the interior and exterior of the building after new construction or rehabilitation is completed;

(E) written evidence that the residential real property meets local building codes, or if there are no local building codes, Housing Quality Standards, as determined by the United States Department of Housing

and Urban Development;

(F) a list identifying the affordable units in residential real property and a written statement that the affordable units are comparable to the market rate units in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction;

(G) a written schedule certifying the rents in each affordable unit and a written statement that these rents do not exceed the maximum rents allowable for the area in which the residential real property is located;

(H) documentation from the administering agency verifying the owner's participation in a qualifying income-based rental subsidy program as defined in subsection (e) of this Section if units receiving rental subsidies are to be counted among the affordable units in order to meet the thresholds defined in this Section;

(I) a written statement identifying the household income for every household occupying an affordable unit and certifying that the household income does not exceed the maximum income limits allowable for the area in which the residential real property is located;

(J) a written statement that the owner has

verified and retained documentation of household income for every household occupying an affordable unit; and

(K) any additional information consistent with this Section as reasonably required by the chief county assessment officer, including, but not limited to, any information necessary to ensure compliance with applicable local ordinances and to ensure the owner is complying with the provisions of this Section.

(1.1) In order for a development to receive the reduced valuation under subsection (e), the owner must provide evidence to the county assessor's office of a fully executed project labor agreement entered into with the applicable local building trades council, prior to commencement of any and all construction, building, renovation, demolition, or any material change to the structure or land.

(2) The application requirements contained in paragraph (1) of subsection (f) are continuing requirements for the duration of the reduction in assessed value received and may be annually or periodically verified by the chief county assessment officer for the county whereby the benefit is being issued.

(3) In lieu of submitting an application containing the information prescribed in paragraph (1) of subsection

(f), the chief county assessment officer may allow for submission of a substantially similar certification granted by the Illinois Housing Development Authority or a comparable local authority provided that the chief county assessment officer independently verifies the veracity of the certification with the Illinois Housing Development Authority or comparable local authority.

(4) The chief county assessment officer shall notify the owner as to whether or not the property meets the requirements of this Section. If the property does not meet the requirements of this Section, the chief county assessment officer shall provide written notice of any deficiencies to the owner, who shall then have 30 days from the date of notification to provide supplemental information showing compliance with this Section. The chief county assessment officer shall, in its discretion, grant additional time to cure any deficiency. If the owner does not exercise this right to cure the deficiency, or if the information submitted, in the sole judgment of the chief county assessment officer, is insufficient to meet the requirements of this Section, the chief county assessment officer shall provide a written explanation of the reasons for denial.

(5) The chief county assessment officer may charge a reasonable application fee to offset the administrative expenses associated with the program.

(6) The reduced valuation conferred by this Section is limited as follows:

(A) The owner is eligible to apply for the reduced valuation conferred by this Section beginning in the first assessment year after the effective date of this amendatory Act of the 102nd General Assembly through December 31, 2027. If approved, the reduction will be effective for the current assessment year, which will be reflected in the tax bill issued in the following calendar year. Owners that are approved for the reduced valuation under paragraph (1) of subsection (c) of this Section before December 31, 2027 shall, at minimum, be eligible for annual renewal of the reduced valuation during an initial 10-year period if annual certification requirements are met for each of the 10 years, as described in subparagraph (B) of paragraph (4) of subsection (d) of this Section.

(B) Property receiving a reduction outlined in paragraph (1) of subsection (c) of this Section shall continue to be eligible for an initial period of up to 10 years if annual certification requirements are met for each of the 10 years, but shall be extended for up to 2 additional 10-year periods with annual renewals if the owner continues to meet the requirements of this Section, including annual certifications, and excluding the requirements regarding new construction

or qualifying rehabilitation defined in subparagraph (D) of paragraph (1) of this subsection.

(C) The annual certification materials in the year prior to final year of eligibility for the reduction in assessed value must include a dated copy of the written notice provided to tenants informing them of the date of the termination if the owner is not seeking a renewal.

(D) If the property is sold or transferred, the purchaser or transferee must comply with all requirements of this Section, excluding the requirements regarding new construction or qualifying rehabilitation defined in subparagraph (D) of paragraph (1) of this subsection, in order to continue receiving the reduction in assessed value. Purchasers and transferees who comply with all requirements of this Section excluding the requirements regarding new construction or qualifying rehabilitation defined in subparagraph (D) of paragraph (1) of this subsection are eligible to apply for renewal on the schedule set by the initial application.

(E) The owner may apply for the reduced valuation if the residential real property meets all requirements of this Section and the newly constructed residential real property or improvements to existing residential real property were put in service on or

after January 1, 2015. However, the initial 10-year eligibility period or 30-year eligibility period, depending on the applicable program, shall be reduced by the number of years between the placed in service date and the date the owner first receives this reduced valuation.

(F) The owner may apply for the reduced valuation within 2 years after the newly constructed residential real property or improvements to existing residential real property are put in service. However, the initial 10-year eligibility period or 30-year eligibility period, depending on the applicable program, shall be reduced for the number of years between the placed in service date and the date the owner first receives this reduced valuation.

(G) Owners of a multifamily building receiving a reduced valuation through the Cook County Class 9 program during the year in which this amendatory Act of the 102nd General Assembly takes effect shall be deemed automatically eligible for the reduced valuation defined in paragraph (1) of subsection (c) of this Section in terms of meeting the criteria for new construction or substantial rehabilitation for a specific multifamily building regardless of when the newly constructed residential real property or improvements to existing residential real property

were put in service. If a Cook County Class 9 owner had Class 9 status revoked on or after January 1, 2017 but can provide documents sufficient to prove that the revocation was in error or any deficiencies leading to the revocation have been cured, the chief county assessment officer may deem the owner to be eligible. However, owners may not receive both the reduced valuation under this Section and the reduced valuation under the Cook County Class 9 program in any single assessment year. In addition, the number of years during which an owner has participated in the Class 9 program shall count against the 3 10-year periods of eligibility for the reduced valuation as defined in subparagraph (1) of subsection (c) of this Section.

(H) At the completion of the assessment reduction period described in this Section: the entire parcel will be assessed as otherwise provided by law.

(e) As used in this Section:

"Affordable units" means units that have rents that do not exceed the maximum rents as defined in this Section.

"Assessed value for the residential real property in the base year" means the value in effect at the end of the taxable year prior to the latter of: (1) the date of initial application; or (2) the date on which 20% of the total number of units in the property are occupied by eligible tenants paying eligible rent under this Section.

"Household income" includes the annual income for all the people who occupy a housing unit that is anticipated to be received from a source outside of the family during the 12-month period following admission or the annual recertification, including related family members and all the unrelated people who share the housing unit. Household income includes the total of the following income sources: wages, salaries and tips before any payroll deductions; net business income; interest and dividends; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; Social Security income, including lump sum payments; payments from insurance policies, annuities, pensions, disability benefits and other types of periodic payments, alimony, child support, and other regular monetary contributions; and public assistance, except for assistance from the Supplemental Nutrition Assistance Program (SNAP). "Household income" does not include: earnings of children under age 18; temporary income such as cash gifts; reimbursement for medical expenses; lump sums from inheritance, insurance payments, settlements for personal or property losses; student financial assistance paid directly to the student or to an educational institution; foster child care payments; receipts from government-funded training programs; assistance from the Supplemental Nutrition Assistance Program (SNAP).

"Low affordability community" means (1) a municipality or

jurisdiction with less than 1,000,000 inhabitants in which 40% or less of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority during the exemption determination process under the Affordable Housing Planning and Appeal Act; (2) "D" zoning districts as now or hereafter designated in the Chicago Zoning Ordinance; or (3) a jurisdiction located in a municipality with 1,000,000 or more inhabitants that has been designated as a low affordability community by passage of a local ordinance by that municipality, specifying the census tract or property by permanent index number or numbers.

"Maximum income limits" means the maximum regular income limits for 60% of area median income for the geographic area in which the multifamily building is located for multifamily programs as determined by the United States Department of Housing and Urban Development and published annually by the Illinois Housing Development Authority.

"Maximum rent" means the maximum regular rent for 60% of the area median income for the geographic area in which the multifamily building is located for multifamily programs as determined by the United States Department of Housing and Urban Development and published annually by the Illinois Housing Development Authority. To be eligible for the reduced valuation defined in this Section, maximum rents are to be consistent with the Illinois Housing Development Authority's rules; or if the owner is leasing an affordable unit to a

household with an income at or below the maximum income limit who is participating in qualifying income-based rental subsidy program, "maximum rent" means the maximum rents allowable under the guidelines of the qualifying income-based rental subsidy program.

"Qualifying income-based rental subsidy program" means a Housing Choice Voucher issued by a housing authority under Section 8 of the United States Housing Act of 1937, a tenant voucher converted to a project-based voucher by a housing authority or any other program administered or funded by a housing authority, the Illinois Housing Development Authority, another State agency, a federal agency, or a unit of local government where participation is limited to households with incomes at or below the maximum income limits as defined in this Section and the tenants' portion of the rent payment is based on a percentage of their income or a flat amount that does not exceed the maximum rent as defined in this Section.

"Qualifying rehabilitation" means, at a minimum, compliance with local building codes and the replacement or renovation of at least 2 primary building systems to be approved for the reduced valuation under paragraph (1) of subsection (d) of this Section and at least 5 primary building systems to be approved for the reduced valuation under subsection (e) of this Section. Although the cost of each primary building system may vary, to be approved for the reduced valuation under paragraph (1) of subsection (d) of

this Section, the combined expenditure for making the building compliant with local codes and replacing primary building systems must be at least $8 per square foot for work completed between January 1 of the year in which this amendatory Act of the 102nd General Assembly takes effect and December 31 of the year in which this amendatory Act of the 102nd General Assembly takes effect and, in subsequent years, $8 adjusted by the Consumer Price Index for All Urban Consumers, as published annually by the U.S. Department of Labor. To be approved for the reduced valuation under paragraph (2) of subsection (d) of this Section, the combined expenditure for making the building compliant with local codes and replacing primary building systems must be at least $12.50 per square foot for work completed between January 1 of the year in which this amendatory Act of the 102nd General Assembly takes effect and December 31 of the year in which this amendatory Act of the 102nd General Assembly takes effect, and in subsequent years, $12.50 adjusted by the Consumer Price Index for All Urban Consumers, as published annually by the U.S. Department of Labor. To be approved for the reduced valuation under subsection (e) of this Section, the combined expenditure for making the building compliant with local codes and replacing primary building systems must be at least $60 per square foot for work completed between January 1 of the year that this amendatory Act of the 102nd General Assembly becomes effective and December 31 of the year that this amendatory Act of the

102nd General Assembly becomes effective and, in subsequent years, $60 adjusted by the Consumer Price Index for All Urban Consumers, as published annually by the U.S. Department of Labor. "Primary building systems", together with their related rehabilitations, specifically approved for this program are:

(1) Electrical. All electrical work must comply with applicable codes; it may consist of a combination of any of the following alternatives:

(A) installing individual equipment and appliance branch circuits as required by code (the minimum being a kitchen appliance branch circuit);

(B) installing a new emergency service, including emergency lighting with all associated conduits and wiring;

(C) rewiring all existing feeder conduits ("home runs") from the main switchgear to apartment area distribution panels;

(D) installing new in-wall conduits for receptacles, switches, appliances, equipment, and fixtures;

(E) replacing power wiring for receptacles, switches, appliances, equipment, and fixtures;

(F) installing new light fixtures throughout the building including closets and central areas;

(G) replacing, adding, or doing work as necessary to bring all receptacles, switches, and other

electrical devices into code compliance;

(H) installing a new main service, including conduit, cables into the building, and main disconnect switch; and

(I) installing new distribution panels, including all panel wiring, terminals, circuit breakers, and all other panel devices.

(2) Heating. All heating work must comply with applicable codes; it may consist of a combination of any of the following alternatives:

(A) installing a new system to replace one of the following heat distribution systems:

(i) piping and heat radiating units, including new main line venting and radiator venting; or

(ii) duct work, diffusers, and cold air returns; or

(iii) any other type of existing heat distribution and radiation/diffusion components; or

(B) installing a new system to replace one of the following heat generating units:

(i) hot water/steam boiler;

(ii) gas furnace; or

(iii) any other type of existing heat generating unit.

(3) Plumbing. All plumbing work must comply with

applicable codes. Replace all or a part of the in-wall supply and waste plumbing; however, main supply risers, waste stacks and vents, and code-conforming waste lines need not be replaced.

(4) Roofing. All roofing work must comply with applicable codes; it may consist of either of the following alternatives, separately or in combination:

(A) replacing all rotted roof decks and insulation; or

(B) replacing or repairing leaking roof membranes (10% is the suggested minimum replacement of membrane); restoration of the entire roof is an acceptable substitute for membrane replacement.

(5) Exterior doors and windows. Replace the exterior doors and windows. Renovation of ornate entry doors is an acceptable substitute for replacement.

(6) Floors, walls, and ceilings. Finishes must be replaced or covered over with new material. Acceptable replacement or covering materials are as follows:

(A) floors must have new carpeting, vinyl tile, ceramic, refurbished wood finish, or a similar substitute;

(B) walls must have new drywall, including joint taping and painting; or

(C) new ceilings must be either drywall, suspended type, or a similar material.

(7) Exterior walls.

(A) replace loose or crumbling mortar and masonry with new material;

(B) replace or paint wall siding and trim as needed;

(C) bring porches and balconies to a sound condition; or

(D) any combination of (A), (B), and (C).

(8) Elevators. Where applicable, at least 4 of the following 7 alternatives must be accomplished:

(A) replace or rebuild the machine room controls and refurbish the elevator machine (or equivalent mechanisms in the case of hydraulic elevators);

(B) replace hoistway electro-mechanical items including: ropes, switches, limits, buffers, levelers, and deflector sheaves (or equivalent mechanisms in the case of hydraulic elevators);

(C) replace hoistway wiring;

(D) replace door operators and linkage;

(E) replace door panels at each opening;

(F) replace hall stations, car stations, and signal fixtures; or

(G) rebuild the car shell and refinish the interior.

(9) Health and safety.

(A) Install or replace fire suppression systems;

(B) install or replace security systems; or

(C) environmental remediation of lead-based paint, asbestos, leaking underground storage tanks, or radon.

(10) Energy conservation improvements undertaken to limit the amount of solar energy absorbed by a building's roof or to reduce energy use for the property, including, but not limited to, any of the following activities:

(A) installing or replacing reflective roof coatings (flat roofs);

(B) installing or replacing R-49 roof insulation;

(C) installing or replacing R-19 perimeter wall insulation;

(D) installing or replacing insulated entry doors;

(E) installing or replacing Low E, insulated windows;

(F) installing or replacing WaterSense labeled plumbing fixtures;

(G) installing or replacing 90% or better sealed combustion heating systems;

(H) installing Energy Star hot water heaters;

(I) installing or replacing mechanical ventilation to exterior for kitchens and baths;

(J) installing or replacing Energy Star appliances;

(K) installing or replacing Energy Star certified lighting in common areas; or

(L) installing or replacing grading and landscaping to promote on-site water retention if the retained water is used to replace water that is provided from a municipal source.

(11) Accessibility improvements. All accessibility improvements must comply with applicable codes. An owner may make accessibility improvements to residential real property to increase access for people with disabilities. As used in this paragraph (11), "disability" has the meaning given to that term in the Illinois Human Rights Act. As used in this paragraph (11), "accessibility improvements" means a home modification listed under the Home Services Program administered by the Department of Human Services (Part 686 of Title 89 of the Illinois Administrative Code) including, but not limited to: installation of ramps, grab bars, or wheelchair lifts; widening doorways or hallways; re-configuring rooms and closets; and any other changes to enhance the independence of people with disabilities.

(12) Any applicant who has purchased the property in an arm's length transaction not more than 90 days before applying for this reduced valuation may use the cost of rehabilitation or repairs required by documented code violations, up to a maximum of $2 per square foot, to meet the qualifying rehabilitation requirements.

Section 925. The Affordable Housing Planning and Appeal Act is amended by changing Sections 15, 25, and 50 and by adding Section 70 as follows:

(310 ILCS 67/15)

Sec. 15. Definitions. As used in this Act:

"Affordable housing" means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent<u>, any required parking, maintenance, landlord-imposed fees,</u> and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Affordable housing developer" means a nonprofit entity, limited equity cooperative or public agency, or private individual, firm, corporation, or other entity seeking to build an affordable housing development.

"Affordable housing development" means (i) any housing that is subsidized by the federal or State government or (ii) any housing in which at least 20% of the dwelling units are

subject to covenants or restrictions that require that the dwelling units be sold or rented at prices that preserve them as affordable housing for a period of at least 15 years, in the case of owner-occupied housing, and at least 30 years, in the case of rental housing.

"Approving authority" means the governing body of the county or municipality.

"Area median household income" means the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937.

"Community land trust" means a private, not-for-profit corporation organized exclusively for charitable, cultural, and other purposes and created to acquire and own land for the benefit of the local government, including the creation and preservation of affordable housing.

"Development" means any building, construction, renovation, or excavation or any material change in any structure or land, or change in the use of such structure or land, that results in a net increase in the number of dwelling units in a structure or on a parcel of land by more than one dwelling unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development

Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Household" means the person or persons occupying a dwelling unit.

"Housing trust fund" means a separate fund, either within a local government or between local governments pursuant to intergovernmental agreement, established solely for the purposes authorized in subsection (d) of Section 25, including, without limitation, the holding and disbursing of financial resources to address the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

"Local government" means a county or municipality.

"Low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.

"Moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the area median household income.

"Non-appealable local government requirements" means all essential requirements that protect the public health and safety, including any local building, electrical, fire, or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment. (Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/25)

Sec. 25. Affordable housing plan.

(a) Prior to April 1, 2005, all non-exempt local governments must approve an affordable housing plan. Any local government that is determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau data after 2010 shall have 18 months from the date of notification of its non-exempt status to approve an affordable housing plan under this Act. <u>On and after the effective date of this amendatory Act of the 102nd General Assembly, an affordable housing plan, or any revision thereof, shall not be adopted by a non-exempt local government until notice and opportunity for public hearing have first been afforded.</u>

(b) For the purposes of this Act, the affordable housing plan shall consist of at least the following:

(i) a statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of this Act as defined in

Section 15 and Section 20;

(ii) an identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;

(iii) incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdiction; and

(iv) a goal of a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as described in subsection (b) of Section 20 of this Act; or a minimum of a total of 10% affordable housing within its jurisdiction as described in subsection (b) of Section 20 of this Act. These goals may be met, in whole or in part, through the creation of affordable housing units under intergovernmental agreements as described in subsection (e) of this Section.

(c) Within 60 days after the adoption of an affordable

housing plan or revisions to its affordable housing plan, the local government must submit a copy of that plan to the Illinois Housing Development Authority.

(d) In order to promote the goals of this Act and to maximize the creation, establishment, or preservation of affordable housing throughout the State of Illinois, a local government, whether exempt or non-exempt under this Act, may adopt the following measures to address the need for affordable housing:

(1) Local governments may individually or jointly create or participate in a housing trust fund or otherwise provide funding or support for the purpose of supporting affordable housing, including, without limitation, to support the following affordable housing activities:

(A) Housing production, including, without limitation, new construction, rehabilitation, and adaptive re-use.

(B) Acquisition, including, without limitation, land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or in part for residential use.

(C) Rental payment assistance.

(D) Home-ownership purchase assistance.

(E) Preservation of existing affordable housing.

(F) Weatherization.

(G) Emergency repairs.

(H) Housing related support services, including homeownership education and financial counseling.

(I) Grants or loans to not-for-profit organizations engaged in addressing the affordable housing needs of low-income and moderate-income households.

Local governments may authorize housing trust funds to accept and utilize funds, property, and other resources from all proper and lawful public and private sources so long as those funds are used solely for addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

(2) A local government may create a community land trust, which may: acquire developed or undeveloped interests in real property and hold them for affordable housing purposes; convey such interests under long-term leases, including ground leases; convey such interests for affordable housing purposes; and retain an option to reacquire any such real property interests at a price determined by a formula ensuring that such interests may be utilized for affordable housing purposes.

(3) A local government may use its zoning powers to require the creation and preservation of affordable housing as authorized under Section 5-12001 of the Counties Code and Section 11-13-1 of the Illinois Municipal Code.

(4) A local government may accept donations of money or land for the purpose of addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing. These donations may include, without limitation, donations of money or land from persons, as long as the donations are demonstrably used to preserve, create, or subsidize low-income housing or moderate-income housing within the jurisdiction ~~in lieu of building affordable housing~~.

(e) In order to encourage regional cooperation and the maximum creation of affordable housing in areas lacking such housing in the State of Illinois, any non-exempt local government may enter into intergovernmental agreements under subsection (e) of Section 25 with local governments within 10 miles of its corporate boundaries in order to create affordable housing units to meet the goals of this Act. A non-exempt local government may not enter into an intergovernmental agreement, however, with any local government that contains more than 25% affordable housing as determined under Section 20 of this Act. All intergovernmental agreements entered into to create affordable housing units to meet the goals of this Act must also specify the basis for determining how many of the affordable housing units created will be credited to each local government participating in the agreement for purposes of complying with this Act. All intergovernmental agreements entered into to create affordable

housing units to meet the goals of this Act must also specify the anticipated number of newly created affordable housing units that are to be credited to each local government participating in the agreement for purposes of complying with this Act. In specifying how many affordable housing units will be credited to each local government, the same affordable housing unit may not be counted by more than one local government.

(f) To enforce compliance with the provisions of this Section, and to encourage local governments to submit their affordable housing plans to the Illinois Housing Development Authority in a timely manner, the Illinois Housing Development Authority shall notify any local government and may notify the Office of the Attorney General that the local government is in violation of State law if the Illinois Housing Development Authority finds that the affordable housing plan submitted is not in substantial compliance with this Section or that the local government failed to submit an affordable housing plan. The Attorney General may enforce this provision of the Act by an action for mandamus or injunction or by means of other appropriate relief.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/50)

Sec. 50. Housing Appeals Board.

(a) Prior to January 1, 2008, a Housing Appeals Board

shall be created consisting of 7 members appointed by the Governor as follows:

(1) a retired circuit judge or retired appellate judge, who shall act as chairperson;

(2) a zoning board of appeals member;

(3) a planning board member;

(4) a mayor or municipal council or board member;

(5) a county board member;

(6) an affordable housing developer; and

(7) an affordable housing advocate.

In addition, the Chairman of the Illinois Housing Development Authority, ex officio, shall serve as a non-voting member. No more than 4 of the appointed members may be from the same political party. Appointments under items (2), (3), and (4) shall be from local governments that are not exempt under this Act.

(b) Initial terms of 4 members designated by the Governor shall be for 2 years. Initial terms of 3 members designated by the Governor shall be for one year. Thereafter, members shall be appointed for terms of 2 years. After a member's term expires, the member shall continue to serve until a successor is appointed. There shall be no limit to the number of terms an appointee may serve. A member shall receive no compensation for his or her services, but shall be reimbursed by the State for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board

shall hear all petitions for review filed under this Act and shall conduct all hearings in accordance with the rules and regulations established by the chairperson. The Illinois Housing Development Authority shall provide space and clerical and other assistance that the Board may require.

(c) (Blank).

(d) To the extent possible, any vacancies in the Housing Appeals Board shall be filled within 90 days of the vacancy.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/70 new)

Sec. 70. Home rule application. Unless otherwise provided under this Act or otherwise in accordance with State law, a unit of local government, including a home rule unit, or any non-home rule county within the unincorporated territory of the county, may not regulate the activities described in this Act in a manner more restrictive than the regulation of those activities by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 999. Effective date. This Act takes effect upon becoming law.