

AN ACT concerning housing.

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

Section 5. The Rental Housing Support Program Act is amended by changing Section 25 as follows:

(310 ILCS 105/25)

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

- (1) Eligibility for tenancy in the units supported by grants to local administering agencies must be limited to households with gross income at or below 30% of the median family income for the area in which the grant will be made. Fifty percent of the units that are supported by any grant must be set aside for households whose income is at or below 15% of the area median family income for the area in which the grant will be made, provided that local administering agencies may negotiate flexibility in this set-aside with the Authority if they demonstrate that they

have been unable to locate sufficient tenants in this lower income range. Income eligibility for units supported by grants to local administering agencies must be verified annually by landlords and submitted to local administering agencies. Tenants must have sufficient income to be able to afford the tenant's share of the rent. For grants awarded under Section 20, eligibility for tenancy in units supported by grants must be limited to households with a gross income at or below 30% of area median family income for the area in which the grant will be made. Fifty percent of the units that are supported by any grant must be set aside for households whose income is at or below 15% of the median family income for the area in which the grant will be made, provided that developers may negotiate flexibility in this set-aside with the Authority or municipality as defined in subsection (b) of Section 10 if it demonstrates that it has been unable to locate sufficient tenants in this lower income range. The Authority shall determine what sources qualify as a tenant's income. Once a tenant has received assistance under the Program, the tenant shall remain eligible for assistance under the Program until the tenant reaches an income level of 35% of area median family income and will then begin the transition out of the Program, as described in the rules governing the Program.

(2) Local administering agencies should ~~must~~ include

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

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

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

(5) The local administering agency or developer must

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

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

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

(8) Local administering agencies must provide or ensure that tenants are provided with a "bill of rights"

with their lease setting forth local landlord-tenant laws and procedures and contact information for the local administering agency.

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

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

(11) In order to plan for periodic fluctuations in annual receipts on deposit appropriated to the Fund each year, the Authority shall establish by rule a mechanism for establishing a reserve fund and the level of funding that shall be held in reserve either by the Authority or by local administering agencies.

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

(Source: P.A. 99-97, eff. 7-22-15.)