

AN ACT concerning State government.

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

Section 5. The State Finance Act is amended by adding Section 5.676 as follows:

(30 ILCS 105/5.676 new)

Sec. 5.676. The Illinois Affordable Housing Capital Fund.

Section 10. The Illinois Affordable Housing Act is amended by changing Sections 3 and 7 and by adding Sections 5.5 and 8.5 as follows:

(310 ILCS 65/3) (from Ch. 67 1/2, par. 1253)

Sec. 3. Definitions. As used in this Act:

(a) "Program" means the Illinois Affordable Housing Program.

(b) "Trust Fund" means the Illinois Affordable Housing Trust Fund.

(b-5) "Capital Fund" means the Illinois Affordable Housing Capital Fund.

(c) "Low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50%, but less than 80%, of the median income of the area

of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

(d) "Very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

(e) "Affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30% of the maximum allowable income as stated for such households as defined in this Section.

(f) "Multi-family housing" means a building or buildings providing housing to 5 or more households.

(g) "Single-family housing" means a building containing one to 4 dwelling units, including a mobile home as defined in subsection (b) of Section 3 of the Mobile Home Landlord and Tenant Rights Act, as amended.

(h) "Community-based organization" means a not-for-profit

entity whose governing body includes a majority of members who reside in the community served by the organization.

(i) "Advocacy organization" means a not-for-profit organization which conducts, in part or in whole, activities to influence public policy on behalf of low-income or very low-income households.

(j) "Program Administrator" means the Illinois Housing Development Authority.

(k) "Funding Agent" means the Illinois Department of Revenue.

(l) "Commission" means the Affordable Housing Advisory Commission.

(m) "Congregate housing" means a building or structure in which 2 or more households, inclusive, share common living areas and may share child care, cleaning, cooking and other household responsibilities.

(n) "Eligible applicant" means a proprietorship, partnership, for-profit corporation, not-for-profit corporation or unit of local government which seeks to use fund assets as provided in this Article.

(o) "Moderate income household" means a single person, family or unrelated persons living together whose adjusted income is more than 80% but less than 120% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing

and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

(p) "Affordable Housing Program Trust Fund Bonds or Notes" means the bonds or notes issued by the Program Administrator under the Illinois Housing Development Act to further the purposes of this Act.

(q) "Trust Fund Moneys" means all moneys, deposits, revenues, income, interest, dividends, receipts, taxes, proceeds and other amounts or funds deposited or to be deposited in the Trust Fund pursuant to Section 5(b) of this Act and any proceeds, investments or increase thereof.

(r) "Program Escrow" means accounts, except those accounts relating to any Affordable Housing Program Trust Fund Bonds or Notes, designated by the Program Administrator, into which Trust Fund Moneys are deposited.

(Source: P.A. 91-357, eff. 7-29-99.)

(310 ILCS 65/5.5 new)

Sec. 5.5. Illinois Affordable Housing Capital Fund.

(a) There is hereby created the Illinois Affordable Housing Capital Fund, hereinafter referred to as the "Capital Fund", to be held as a separate fund within the State treasury and to be administered by the Program Administrator. The purpose of the Capital Fund is to finance projects of the Illinois Affordable Housing Program as authorized by the Illinois Housing Development Authority's comprehensive plan and approved by the

Program Administrator. The Funding Agent shall establish, within the Capital Fund, a general account to be used for expenditures associated with implementing the provisions of the Illinois Housing Development Authority's comprehensive plan, a Commitment Account, and a Development Credits Account. The Funding Agent shall authorize distribution of Capital Fund moneys to the Program Administrator or a payee designated by the Program Administrator for purposes authorized by this Act. After receipt of the Capital Fund moneys by the Program Administrator or designated payee, the Program Administrator shall ensure that all those moneys are expended for a public purpose and only as authorized by this Act.

(b) There shall be deposited in the Capital Fund such amounts as may become available under the provisions of this Act, including, but not limited to:

(1) any appropriations made to the Funding Agent on behalf of the Program Administrator pursuant to an issuance of General Obligation Bonds of the State of Illinois;

(2) all receipts, including dividends, principal, and interest repayments, attributable to any loans or agreements funded from the Capital Fund;

(3) all proceeds of assets of whatever nature received by the Program Administrator and attributable to default with respect to loans or agreements funded from the Capital Fund;

(4) all fees or charges collected by the Program

Administrator or Funding Agent in connection with loans or agreements funded from the Capital Fund pursuant to this Act;

(5) any other funds as appropriated by the General Assembly; and

(6) any income, less any administrative costs and fees associated with the Program Escrow, received by the Program Administrator that is derived from moneys in the Capital Fund held in the Program Escrow prior to expenditure of such moneys.

(310 ILCS 65/7) (from Ch. 67 1/2, par. 1257)

Sec. 7. Powers of the Program Administrator. The Program Administrator, in addition to the powers set forth in the Illinois Housing Development Act and the powers identified in Sections 8 and 9 of this Act, has the power to:

(a) identify, select and make financing available to eligible applicants from monies in the Trust Fund or the Capital Fund or from monies secured by the Trust Fund or the Capital Fund for affordable housing for low and very low-income families;

(b) purchase first and second mortgages, to make secured, unsecured or deferred repayment loans, to make no interest or low interest loans or to issue grants, payments or subsidies for the predevelopment expenses, acquisition, construction, rehabilitation development, operation,

insurance, or retention of projects in support of affordable single family and multi-family housing for low and very low-income households;

(c) expend monies for mortgage participation certificates representing an undivided interest in specified, first-lien conventional residential Illinois mortgages which are underwritten, insured, guaranteed or purchased by the Federal Home Loan Mortgage Corporation;

(d) fix, determine, charge and collect any fees, costs and expenses, including without limitation, any application fees, commitment or servicing fees, program fees, financing charges, or publication fees in connection with activities under this Act;

(e) establish applications, notification procedures, and other forms, and to prepare and issue rules deemed necessary and appropriate to implement this Act with consultation from the Commission; and to issue emergency rules, as necessary, for program implementation needed prior to publication of the first annual plan required by Section 12 of this Act;

(f) make and enter into and enforce all loans, loan commitments, contracts and agreements necessary, convenient or desirable to the performance of its duties and the execution of its powers under this Act;

(g) consent, subject to the provisions of any contract or agreement with another person, whenever it deems it is

necessary or desirable in the fulfillment of the purposes of this Act, to the modification or restructuring of any loan commitment, loan, contract or agreement to which the Program Administrator is a party;

(h) acquire by purchase, gift, or foreclosure, but not by condemnation, any real or personal property, or any interest therein, to procure insurance against loss, to enter into any lease of property and to hold, sell, assign, lease, mortgage or otherwise dispose of any real or personal property, or any interest therein, or relinquish any right, title, claim, lien, interest, easement or demand however acquired, and to do any of the foregoing by public or private sale;

(i) subject to the provisions of any contract or agreement with another party to collect, enforce the collection of, and foreclose on any property or collateral securing its loan or loans, mortgage or mortgages, and acquire or take possession of such property or collateral and release or relinquish any right, title, claim, lien, interest, easement, or demand in property foreclosed by it or to sell the same at public or private sale, with or without bidding, and otherwise deal with such collateral as may be necessary to protect the interest of the Program Administrator;

(j) sell any eligible loan made by the Program Administrator or mortgage interest owned by it, at public

or private sale, with or without bidding, either singly or in groups, or in shares of loans or shares of groups of loans, and to deposit and invest the funds derived from such sales in any manner authorized by this Act;

(k) provide, contract or arrange, or participate with or enter into agreements with any department, agency or authority of the United States or of this State, or any local unit of government, or any banking institution, insurance company, trust or fiduciary or any foundation or not-for-profit agency for the review, application, servicing, processing or administration of any proposed loan, grant, application, servicing, processing or administration of any proposed loan, grant, agreement, or contract of the Department when such arrangement is in furtherance of this Act;

(l) receive and accept any gifts, grants, donations or contributions from any source, of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of this Act subject to including, but not limited to, gifts or grants from any Department or agency of the United States or the State or from any local unit of government, not-for-profit organization or private firm or individual for any purpose consistent with this Act; and

(m) exercise such other powers as are necessary or incidental to the administration of this Act or performance

of duties under this Act.

(Source: P.A. 91-357, eff. 7-29-99.)

(310 ILCS 65/8.5 new)

Sec. 8.5. Uses of Illinois Affordable Housing Capital Fund; report.

(a) Subject to annual appropriation to the Funding Agent, the Illinois Affordable Housing Capital Fund may be used to make grants, mortgages, or other loans to acquire, construct, rehabilitate, develop, insure, and retain affordable single-family and multi-family housing in this State for low-income and very low-income households. The majority of moneys appropriated to the Illinois Affordable Housing Capital Fund in any given year are to be used for affordable housing for very low-income households.

(b) The Illinois Housing Development Authority shall submit an annual report to the General Assembly and the Governor regarding the Illinois Affordable Housing Capital Fund.