

AN ACT concerning housing.

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

Section 5. The Housing Authorities Act is amended by changing Sections 8.2, 14, 17, and 24 as follows:

(310 ILCS 10/8.2) (from Ch. 67 1/2, par. 8.2)

Sec. 8.2. Projects; competitive bidding; arrangement with for-profit developer. An Authority has power to prepare, carry out and operate projects; to provide for the construction, reconstruction, improvement, alteration or repair of any project or any part thereof; to take over by purchase, lease, or otherwise any project undertaken by any government; to act as agent for the Federal government in connection with the acquisition, construction, operation, or management of a project or any part thereof; to arrange with any government within the area of operation for the furnishing, planning, replanning, opening or closing of streets, roads, roadways, alleys, parks, or other places of public facilities or for the acquisition by any government or any agency, instrumentality or subdivision thereof, of property, options or property rights or for the furnishing of property or services in connection with a project; to function as an agency of the city, village, incorporated town or county for which it is constituted an

Authority and to act as an agent (when so designated) for any government, with respect to matters relating to housing and the purposes of this Act, including action for the elimination of unsafe and unsanitary dwellings, the provision of rental assistance, the clearing and redevelopment of blighted or slum areas, the assembly of improved and unimproved land for development or redevelopment purposes, the conservation and rehabilitation of existing housing, and the provision of decent, safe and sanitary and affordable housing accommodations, and to utilize any and all of its powers to assist governments in any manner which will tend to further the objectives of this Act; to assist through the exercise of the powers herein conferred any individual, association, corporation or organization which presents a plan for developing or redeveloping any property within the area of operation of the Authority which will tend to provide decent, safe and sanitary and affordable housing, or promote other uses essential to sound community growth.

In counties having a population of less than 1,000,000, any contract in which State funds are used for repair, improvement or rehabilitation of existing improvements that involves expenditures that meet the requirements applicable to either federal or State programs shall be let by free and competitive bidding to the lowest responsible bidder upon bond and subject to regulations as may be set by the Department and with the written approval of the Department. In the case of an emergency

affecting the public health or safety declared by a majority vote of the commissioners of the Housing Authority, contracts may be let, to the extent necessary to resolve an emergency, without public advertisement or competitive bidding.

In addition to the powers conferred by this Act and other laws concerning housing authorities, a Housing Authority in any municipality having a population in excess of 1,000,000 shall be authorized to participate as a partner or member of a partnership, limited liability company, joint venture, or other form of a business arrangement with a for-profit developer or non-profit developer and shall have all powers deemed necessary and appropriate to engage in the rehabilitation and development or ownership, or both development and ownership, of low-income and mixed-income rental and for-sale housing as a partner or member of a partnership, limited liability company, or joint venture.

(Source: P.A. 87-200.)

(310 ILCS 10/14) (from Ch. 67 1/2, par. 14)

Sec. 14. Approval of projects by Department. Prior to the acquisition of title to any real property an Authority shall submit to the Department data as to the location and cost of the property, and prior to the undertaking of any construction or other initiation of a project an Authority shall submit to the Department the proposed plans, specifications and estimates of the costs and a statement of the proposed methods

of financing and operating the project. An Authority shall not finally acquire title to any real estate nor undertake the construction or operation of a project without the approval of the Department; provided that, if the Department shall fail within thirty days after receipt thereof to state its disapproval of the proposals or such modifications thereof as it may deem desirable, the proposals shall be deemed to have been approved as submitted. No change involving an expenditure of more than twenty-five hundred dollars (\$2500) shall be made in any proposal approved by the Department without submission to the Department in the manner prescribed in this Section. The provisions of this Section shall not apply with reference to any project which is or is to be financed in whole or in part by the federal government or any agency or instrumentality thereof or undertaken pursuant to the additional powers conferred in Section 8.2 upon housing authorities in any municipality having a population in excess of 1,000,000 pursuant to this amendatory Act of the 95th General Assembly.

(Source: P.A. 82-783.)

(310 ILCS 10/17) (from Ch. 67 1/2, par. 17)

Sec. 17. Definitions. The following terms, wherever used or referred to in this Act shall have the following respective meanings, unless in any case a different meaning clearly appears from the context:

(a) "Authority" or "housing authority" shall mean a

municipal corporation organized in accordance with the provisions of this Act for the purposes, with the powers and subject to the restrictions herein set forth.

(b) "Area" or "area of operation" shall mean: (1) in the case of an authority which is created hereunder for a city, village, or incorporated town, the area within the territorial boundaries of said city, village, or incorporated town, and so long as no county housing authority has jurisdiction therein, the area within three miles from such territorial boundaries, except any part of such area located within the territorial boundaries of any other city, village, or incorporated town; and (2) in the case of a county shall include all of the county except the area of any city, village or incorporated town located therein in which there is an Authority. When an authority is created for a county subsequent to the creation of an authority for a city, village or incorporated town within the same county, the area of operation of the authority for such city, village or incorporated town shall thereafter be limited to the territory of such city, village or incorporated town, but the authority for such city, village or incorporated town may continue to operate any project developed in whole or in part in an area previously a part of its area of operation, or may contract with the county housing authority with respect to the sale, lease, development or administration of such project. When an authority is created for a city, village or incorporated town subsequent to the creation of a county

housing authority which previously included such city, village or incorporated town within its area of operation, such county housing authority shall have no power to create any additional project within the city, village or incorporated town, but any existing project in the city, village or incorporated town currently owned and operated by the county housing authority shall remain in the ownership, operation, custody and control of the county housing authority.

(c) "Presiding officer" shall mean the presiding officer of the board of a county, or the mayor or president of a city, village or incorporated town, as the case may be, for which an Authority is created hereunder.

(d) "Commissioner" shall mean one of the members of an Authority appointed in accordance with the provisions of this Act.

(e) "Government" shall include the State and Federal governments and the governments of any subdivisions, agency or instrumentality, corporate or otherwise, of either of them.

(f) "Department" shall mean the Department of Commerce and Economic Opportunity.

(g) "Project" shall include all lands, buildings, and improvements, acquired, owned, leased, managed or operated by a housing authority, and all buildings and improvements constructed, reconstructed or repaired by a housing authority, designed to provide housing accommodations and facilities appurtenant thereto (including community facilities and

stores) which are planned as a unit, whether or not acquired or constructed at one time even though all or a portion of the buildings are not contiguous or adjacent to one another; and the planning of buildings and improvements, the acquisition of property, the demolition of existing structures, the clearing of land, the construction, reconstruction, and repair of buildings or improvements and all other work in connection therewith. As provided in Sections 8.14 to 8.18, inclusive, "project" also means, for Housing Authorities for municipalities of less than 500,000 population and for counties, the conservation of urban areas in accordance with an approved conservation plan. "Project" shall also include (1) acquisition of (i) a slum or blighted area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) platted urban or suburban land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open unplatted urban or suburban land necessary for sound community growth which is to be developed for predominantly residential uses, or (v) any other area where parcels of land remain undeveloped because of improper platting, delinquent taxes or special

assessments, scattered or uncertain ownerships, clouds on title, artificial values due to excessive utility costs, or any other impediments to the use of such area for predominantly residential uses; (2) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the development or redevelopment plan; and (3) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself). If in any city, village or incorporated town there exists a land clearance commission created under the "Blighted Areas Redevelopment Act of 1947" having the same area of operation as a housing authority created in and for any such municipality such housing authority shall have no power to acquire land of the character described in subparagraph (iii), (iv) or (v) of paragraph 1 of the definition of "project" for the purpose of development or redevelopment by private enterprise.

(h) "Community facilities" shall include lands, buildings, and equipment for recreation or social assembly, for education, health or welfare activities and other necessary utilities primarily for use and benefit of the occupants of housing accommodations to be constructed, reconstructed, repaired or operated hereunder.

(i) "Real property" shall include lands, lands under water, structures, and any and all easements, franchises and

incorporeal hereditaments and estates, and rights, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

(j) The term "governing body" shall include the city council of any city, the president and board of trustees of any village or incorporated town, the council of any city or village, and the county board of any county.

(k) The phrase "individual, association, corporation or organization" shall include any individual, private corporation, limited or general partnership, limited liability company, insurance company, housing corporation, neighborhood redevelopment corporation, non-profit corporation, incorporated or unincorporated group or association, educational institution, hospital, or charitable organization, and any mutual ownership or cooperative organization.

(l) "Conservation area", for the purpose of the exercise of the powers granted in Sections 8.14 to 8.18, inclusive, for housing authorities for municipalities of less than 500,000 population and for counties, means an area of not less than 2 acres in which the structures in 50% or more of the area are residential having an average age of 35 years or more. Such an area is not yet a slum or blighted area as defined in the Blighted Areas Redevelopment Act of 1947, but such an area by reason of dilapidation, obsolescence, deterioration or illegal use of individual structures, overcrowding of structures and community facilities, conversion of residential units into

non-residential use, deleterious land use or layout, decline of physical maintenance, lack of community planning, or any combination of these factors may become a slum and blighted area.

(m) "Conservation plan" means the comprehensive program for the physical development and replanning of a "Conservation Area" as defined in paragraph (l) embodying the steps required to prevent such Conservation Area from becoming a slum and blighted area.

(n) "Fair use value" means the fair cash market value of real property when employed for the use contemplated by a "Conservation Plan" in municipalities of less than 500,000 population and in counties.

(o) "Community facilities" means, in relation to a "Conservation Plan", those physical plants which implement, support and facilitate the activities, services and interests of education, recreation, shopping, health, welfare, religion and general culture.

(p) "Loan agreement" means any agreement pursuant to which an Authority agrees to loan the proceeds of its revenue bonds issued with respect to a multifamily rental housing project or other funds of the Authority to any person upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, premium, if any, and interest on the revenue bonds of the Authority issued with respect to the multifamily rental housing project, and providing for

maintenance, insurance, and other matters as may be deemed desirable by the Authority.

(q) "Multifamily rental housing" means any rental project designed for mixed-income or low-income occupancy.

(Source: P.A. 94-793, eff. 5-19-06.)

(310 ILCS 10/24) (from Ch. 67 1/2, par. 24)

Sec. 24. Management and operation of housing projects. It is hereby declared to be the policy of this State that each housing authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwellings at the lowest possible rates consistent with its providing decent, safe and sanitary and affordable dwellings, and that no Housing Authority shall construct or operate any project for profit, or as a source of revenue to a city, village, incorporated town or county. To this end an Authority shall fix the rentals for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the Authority from whatever sources derived) will be sufficient (a) to pay, as the same becomes due, the principal and interest on the bonds of the Authority; (b) to meet and provide for the cost of maintaining and operating the projects (including the cost of any insurance on the projects or bonds issued therefor) and the administrative expenses of the Authority; (c) to create (during

not less than the ten years immediately succeeding its issuance of any bonds) a reserve sufficient to meet the large principal and interest payments which will be due on bonds in any 2 consecutive years thereafter, and to maintain a reserve; and (d) to create a reasonable reserve solely from any contributions or grants to the Authority from the federal government, the State, or any political subdivision of the State for the purpose of meeting the cost of maintaining and operating the project and of paying the principal and interest on its bonds. The management of low-rent public housing projects financed and developed under the U.S. Housing Act of 1937, as now or hereafter amended, shall be in accordance with the provisions of that Act. The provisions of this Section 24 shall not apply to any project undertaken pursuant to the additional powers conferred in Section 8.2 upon housing authorities in any municipality having a population in excess of 1,000,000 pursuant to this amendatory Act of the 95th General Assembly.

(Source: P.A. 87-200.)

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