



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/04/04, by Ricca Slone

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.620 new

Creates the Live Near Work Act and amends the State Finance Act. Creates the Live Near Work Fund as a special fund in the State treasury. Authorizes the Illinois Housing Development Authority to make grants from the Fund to employers, municipalities, counties, and nonprofit housing organizations for promoting employer-assisted housing programs and to enact regulations establishing eligibility for these grants. Establishes guidelines for investments by employers that the Authority may support with grants from the Fund. Provides that grant funds may be used to support administration and technical assistance costs. Establishes criteria by which nonprofit housing organizations, municipalities, and counties are eligible for grant funds. Requires the Authority to report annually to the General Assembly on the program. Provides that the Act is repealed on July 1, 2009.

LRB093 19313 DRJ 45049 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning housing affordability.

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

4 Section 1. Short title. This Act may be cited as the Live
5 Near Work Act.

6 Section 5. Purposes. The purposes of this Act are:

7 (1) To expand home ownership opportunities to working
8 individuals and families.

9 (2) To encourage employers, counties, and municipalities
10 to invest in employer-assisted housing.

11 (3) To provide matching grants to employers, counties,
12 municipalities, and nonprofit housing organizations engaged in
13 employer-assisted housing.

14 (4) To reduce traffic congestion by reducing employee
15 commute times.

16 Section 10. Definitions. In this Act:

17 "Authority" means the Illinois Housing Development
18 Authority.

19 "County" means any county within the State of Illinois.

20 "Employee" means a salaried or hourly individual who works
21 for an employer and whose median household income does not
22 exceed 100% of the area median income.

23 "Employer" means a business with operations in the State of
24 Illinois, including private, nonprofit, or governmental.

25 "Employer-assisted housing program" means a program
26 through which employers assist their employees in acquiring
27 homes in close proximity to their jobs.

28 "Fund" means the Live Near Work Fund.

29 "Median income" means the United States Department of
30 Housing and Urban Development area median income.

31 "Municipality" means any city, village, or incorporated

1 town within the State of Illinois.

2 "Nonprofit" or "nonprofit housing organization" means any
3 organization that the Internal Revenue Service of the United
4 States Department of the Treasury has ruled is exempt from
5 income taxation under paragraph (3), (4), or (5) of subsection
6 (c) of Section 501 of the Internal Revenue Code of 1986 and has
7 as a stated purpose to produce, maintain, operate, or promote
8 affordable housing.

9 Section 15. Live Near Work Fund. The Authority must use
10 moneys appropriated to it from the Live Near Work Fund, a
11 special fund created in the State treasury, to implement and
12 administer the purposes of this Act.

13 Section 20. Powers.

14 (a) The Authority is authorized to make grants from the
15 Fund to employers, municipalities, counties, and nonprofit
16 housing organizations to develop and implement employer-
17 assisted housing programs for work forces throughout the State.

18 (b) The Authority shall adopt rules establishing standards
19 and procedures for determining eligibility for these grants,
20 regulating the use of funds under these grants, and
21 periodically reporting the results and impacts of activities
22 funded by these grants.

23 (c) The Authority shall work with stakeholders to develop
24 criteria to attract and evaluate proposals from employers,
25 housing agencies, counties, or municipalities, or any
26 combination of these.

27 (d) The Authority may target programs that benefit
28 employees earning less than 80% of the area median income.

29 (e) The Authority may use its discretion, based on criteria
30 developed under subsection (c) of this Section, to allow
31 employees earning less than 120% of the area median income to
32 be eligible.

33 Section 25. Matching funds. Grants from the Fund may be

1 used to match employer investments toward housing resources for
2 participating employees. The Authority must approve the
3 employer's home buying and home counseling plan in order for
4 that employer to be eligible to receive moneys from the Fund.
5 Employer investments may include, but are not limited to:

6 (1) Down payment assistance. The Authority may match, at up
7 to 100%, money provided by the employer to the employee for the
8 purchase of a home.

9 (2) Contributions to second mortgage pools, which are low
10 interest loan programs accessible to qualified individuals
11 that assist in the purchase of a home. The Authority may set
12 standards for eligible second mortgage pools. The Authority may
13 match, at up to 100%, employer contributions to second mortgage
14 pools.

15 (3) Mortgage guarantee programs. The Authority may match,
16 at up to 100%, employer contributions toward repayment of any
17 loans that default that are secured by an employee and
18 guaranteed by the employer.

19 (4) Savings plans such as Individual Development Accounts.
20 The Authority may match, at up to 100%, contributions by
21 employers to employee savings plans designated for purchase of
22 a home.

23 (5) Rent subsidy programs for eligible employees. While
24 employees are saving and preparing for home ownership, the
25 employer may choose to subsidize the rental of housing close to
26 work. The Authority may match, at up to 100%, employer
27 contributions toward rental payments.

28 (6) Home buyer education and home ownership counseling. The
29 Authority may match, at up to 100%, employer contributions
30 toward home buyer education and home ownership counseling.

31 Section 30. Funds for administration and nonprofit
32 organizations.

33 (a) Grants authorized under Section 20 may be used to
34 support administration of employer-assisted housing programs
35 and technical assistance. Nonprofit grants shall not be greater

1 than 20% of the total Live Near Work Fund.

2 (b) Nonprofit housing organizations are eligible for funds
3 for, but not limited to, the following: (i) program
4 administration to the employers; and (ii) technical assistance
5 to home ownership counseling education to the employees of
6 participating employers for not more than 2 years at a time. To
7 be eligible for funding, the nonprofit housing organization
8 must demonstrate employer interest in participating in an
9 employer-assisted housing program.

10 (c) Municipalities and counties are eligible to receive
11 grants authorized by Section 20 if:

12 (1) the municipality or county is acting as an agent of
13 the State in promoting employer-assisted housing among
14 employers in its jurisdiction and in compliance with
15 eligibility criteria established by the Authority, and

16 (2) the municipality or county has demonstrated
17 employer interest in participating in an employer-assisted
18 program, or the municipality or county is acting in the
19 capacity of employer and providing employer-assisted
20 housing services to its work force.

21 Section 35. Annual reports. The Authority shall report
22 annually to the General Assembly on the program. The report
23 shall specify the amounts expended under the program and the
24 number of housing units, local governments, and employees
25 served by the program.

26 Section 40. Repeal. This Act is repealed on July 1, 2009.

27 Section 95. The State Finance Act is amended by adding
28 Section 5.620 as follows:

29 (30 ILCS 105/5.620 new)

30 Sec. 5.620. The Live Near Work Fund.