



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3667

Introduced 5/30/2014, by Sen. Iris Y. Martinez

#### SYNOPSIS AS INTRODUCED:

310 ILCS 105/7  
310 ILCS 105/10  
310 ILCS 105/25

Amends the Rental Housing Support Program Act. In a provision concerning the Rental Housing Support Program, provides that the Illinois Housing Development Authority shall distribute amounts for the Program solely from annual receipts on deposit in the Rental Housing Support Program Fund that are appropriated in each year for distribution by the Authority for the Program, and not from any other source of funds for the Authority (rather than the Authority shall distribute amounts appropriated for the Program from the Rental Housing Support Program Fund and any other appropriations provided for the Program). Defines "annual receipts" to mean revenue derived from the Rental Housing Support Program State surcharge from July 1 to June 30. Provides that 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. Effective immediately.

LRB098 21596 KTG 60457 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning housing.

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

4 Section 5. The Rental Housing Support Program Act is  
5 amended by changing Sections 7, 10, and 25 as follows:

6 (310 ILCS 105/7)

7 Sec. 7. Definitions. In this Act:

8 "Annual receipts" means revenue derived from the Rental  
9 Housing Support Program State surcharge from July 1 to June 30.

10 "Authority" means the Illinois Housing Development  
11 Authority.

12 "Developer" means any entity that receives a grant under  
13 Section 20.

14 "Program" means the Rental Housing Support Program.

15 "Real estate-related document" means any recorded document  
16 that affects an interest in real property excluding documents  
17 which solely affect or relate to an easement for water, sewer,  
18 electricity, gas, telephone or other public service.

19 "Unit" means a rental apartment unit receiving a subsidy by  
20 means of a grant under this Act. "Unit" does not include  
21 housing units intended as transitional or temporary housing.

22 (Source: P.A. 94-118, eff. 7-5-05.)

1 (310 ILCS 105/10)

2 Sec. 10. Creation of Program and distribution of funds.

3 (a) The Rental Housing Support Program is created within  
4 the Illinois Housing Development Authority. The Authority  
5 shall administer the Program ~~program~~ and adopt rules for its  
6 implementation.

7 (b) The Authority shall distribute amounts for the Program  
8 solely from annual receipts on deposit in the Rental Housing  
9 Support Program Fund that are appropriated in each year for  
10 distribution by the Authority for the Program, and not from any  
11 other source of funds for the Authority, ~~The Authority shall~~  
12 ~~distribute amounts appropriated for the Program from the Rental~~  
13 ~~Housing Support Program Fund and any other appropriations~~  
14 ~~provided for the Program~~ as follows:

15 (1) A proportionate share of annual receipts ~~the annual~~  
16 ~~appropriation~~, as determined under subsection (d) of  
17 Section 15 of this Act, shall be distributed to  
18 municipalities with a population greater than 2,000,000.  
19 Those municipalities shall use at least 10% of those funds  
20 in accordance with Section 20 of this Act, and all  
21 provisions governing the Authority's actions under Section  
22 20 shall govern the actions of the corporate authorities of  
23 a municipality under this Section. As to the balance of the  
24 annual distribution, the municipality shall designate a  
25 non-profit organization that meets the specific criteria  
26 set forth in Section 25 of this Act to serve as the "local

1 administering agency" under Section 15 of this Act.

2 (2) Of the remaining annual receipts ~~appropriation~~  
3 after the distribution in paragraph (1) of this subsection,  
4 the Authority shall designate at least 10% for the purposes  
5 of Section 20 of this Act in areas of the State not covered  
6 under paragraph (1) of this subsection.

7 (3) The remaining annual receipts ~~appropriation~~ after  
8 the distributions in paragraphs (1) and (2) of this  
9 subsection shall be distributed according to Section 15 of  
10 this Act in areas of the State not covered under paragraph  
11 (1) of this subsection.

12 (Source: P.A. 94-118, eff. 7-5-05.)

13 (310 ILCS 105/25)

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

20 (1) Eligibility for tenancy in the units supported by  
21 grants to local administering agencies must be limited to  
22 households with gross income at or below 30% of the median  
23 family income for the area in which the grant will be made.  
24 Fifty percent of the units that are supported by any grant  
25 must be set aside for households whose income is at or

1 below 15% of the area median family income for the area in  
2 which the grant will be made, provided that local  
3 administering agencies may negotiate flexibility in this  
4 set-aside with the Authority if they demonstrate that they  
5 have been unable to locate sufficient tenants in this lower  
6 income range. Income eligibility for units supported by  
7 grants to local administering agencies must be verified  
8 annually by landlords and submitted to local administering  
9 agencies. Tenants must have sufficient income to be able to  
10 afford the tenant's share of the rent. For grants awarded  
11 under Section 20, eligibility for tenancy in units  
12 supported by grants must be limited to households with a  
13 gross income at or below 30% of area median family income  
14 for the area in which the grant will be made. Fifty percent  
15 of the units that are supported by any grant must be set  
16 aside for households whose income is at or below 15% of the  
17 median family income for the area in which the grant will  
18 be made, provided that developers may negotiate  
19 flexibility in this set-aside with the Authority or  
20 municipality as defined in subsection (b) of Section 10 if  
21 it demonstrates that it has been unable to locate  
22 sufficient tenants in this lower income range. The  
23 Authority shall determine what sources qualify as a  
24 tenant's income.

25 (2) Local administering agencies must include  
26 2-bedroom, 3-bedroom, and 4-bedroom units among those

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

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

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

25 (5) The local administering agency or developer must  
26 establish a schedule for the tenant's rental obligation for

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

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

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

24 (8) Local administering agencies must provide or  
25 ensure that tenants are provided with a "bill of rights"  
26 with their lease setting forth local landlord-tenant laws

1 and procedures and contact information for the local  
2 administering agency.

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

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

20 (11) In order to plan for periodic fluctuations in  
21 annual receipts ~~program revenue~~, the Authority shall  
22 establish by rule a mechanism for establishing a reserve  
23 fund and the level of funding that shall be held in reserve  
24 either by the Authority or by local administering agencies.

25 (12) The Authority shall perform annual  
26 reconciliations of all distributions made in connection



1           with the Program and may offset future distributions to  
2           balance geographic distribution requirements of this Act.

3           (Source: P.A. 97-892, eff. 8-3-12.)

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