

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 15 as follows:

(310 ILCS 105/15)

Sec. 15. Grants to local administering agencies.

(a) Under the program, the Authority shall make grants to local administering agencies to provide subsidies to landlords to enable the landlords to charge rent affordable for low-income tenants. Grants shall also include an amount for the operating expenses of local administering agencies. On an annual basis, operating ~~Operating~~ expenses for local administering agencies shall not exceed 10% for grants under \$500,000 and shall not exceed 7% for grants over \$500,000. If a grant to a local administering agency covers more than one year, the Authority shall calculate operating expenses on an annual pro rata share of the grant. If the annual pro rata share is \$500,000 or less, then the fee shall be 10%; if the annual pro rata share is greater than \$500,000, then the fee shall be 7%.

(b) The Authority shall develop a request-for-proposals process for soliciting proposals from local administering

agencies and for awarding grants. The request-for-proposals process and the funded projects must be consistent with the criteria set forth in Section 25 and with additional criteria set forth by the Authority in rules implementing this Act.

(c) Local administering agencies may be local governmental bodies, local housing authorities, or not-for-profit organizations. The Authority shall set forth in rules the financial and capacity requirements necessary for an organization to qualify as a local administering agency and the parameters for administration of the grants by local administering agencies.

(d) The Authority shall distribute grants to local administering agencies according to a formula based on U.S. Census data. The formula shall determine percentages of the funds to be distributed to the following geographic areas: (i) Chicago; (ii) suburban areas: Cook County (excluding Chicago), DuPage County, Lake County, Kane County, Will County, and McHenry County; (iii) small metropolitan areas: Springfield, Rockford, Peoria, Decatur, Champaign-Urbana, Bloomington-Normal, Rock Island, DeKalb, Madison County, Moline, Pekin, Rantoul, and St. Clair County; and (iv) rural areas, defined as all areas of the State not specifically named in items (i), (ii), and (iii) of this subsection. A geographic area's percentage share shall be determined by the total number of households that have an annual income of less than 50% of State median income for a household of 4, as determined by the

U.S. Department of Housing and Urban Development, and that are paying more than 30% of their income for rent. The geographic distribution shall be re-determined by the Authority each time new U.S. Census data becomes available. The Authority shall phase in any changes to the geographic formula to prevent a large withdrawal of resources from one area that could negatively impact households receiving rental housing support. Up to 20% of the funds allocated for rural areas, as defined in this subsection, may be set aside and awarded to one administering agency to be distributed throughout the rural areas in the State to localities that desire a number of subsidized units of housing that is too small to justify the establishment of a full local program. In those localities, the administering agency may contract with local agencies to share the administrative tasks of the program, such as inspections of units.

(e) In order to ensure applications from all geographic areas of the State, the Authority shall create a plan to ensure that potential local administering agencies have ample time and support to consider making an application and to prepare an application. Such a plan must include, but is not limited to: an outreach and education plan regarding the program and the requirements for a local administering agency; ample time between the initial notice of funding ability and the deadline to submit an application, which shall not be less than 9 months; and access to assistance from the Authority or another

agency in considering and preparing the application.

(f) In order to maintain consistency for households receiving rental housing support, the Authority shall, to the extent possible given funding resources available in the Rental Housing Support Program, continue to fund local administering agencies at the same level on an annual basis, unless the Authority determines that a local administering agency is not meeting the criteria set forth in Section 25 or is not adhering to other standards set forth by rule by the Authority.

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