



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5238

Introduced 2/14/2008, by Rep. Karen A. Yarbrough

SYNOPSIS AS INTRODUCED:

310 ILCS 10/8.2	from Ch. 67 1/2, par. 8.2
310 ILCS 10/14	from Ch. 67 1/2, par. 14
310 ILCS 10/17	from Ch. 67 1/2, par. 17
310 ILCS 10/24	from Ch. 67 1/2, par. 24

Amends the Housing Authorities Act. Provides that 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 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. Effective immediately.

LRB095 17084 DRJ 43137 b

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

6 (310 ILCS 10/8.2) (from Ch. 67 1/2, par. 8.2)

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

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

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

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

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

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

17 (310 ILCS 10/14) (from Ch. 67 1/2, par. 14)

18 Sec. 14. Approval of projects by Department. Prior to the
19 acquisition of title to any real property an Authority shall
20 submit to the Department data as to the location and cost of
21 the property, and prior to the undertaking of any construction
22 or other initiation of a project an Authority shall submit to
23 the Department the proposed plans, specifications and
24 estimates of the costs and a statement of the proposed methods
25 of financing and operating the project. An Authority shall not

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

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

19 (310 ILCS 10/17) (from Ch. 67 1/2, par. 17)

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

24 (a) "Authority" or "housing authority" shall mean a
25 municipal corporation organized in accordance with the

1 provisions of this Act for the purposes, with the powers and
2 subject to the restrictions herein set forth.

3 (b) "Area" or "area of operation" shall mean: (1) in the
4 case of an authority which is created hereunder for a city,
5 village, or incorporated town, the area within the territorial
6 boundaries of said city, village, or incorporated town, and so
7 long as no county housing authority has jurisdiction therein,
8 the area within three miles from such territorial boundaries,
9 except any part of such area located within the territorial
10 boundaries of any other city, village, or incorporated town;
11 and (2) in the case of a county shall include all of the county
12 except the area of any city, village or incorporated town
13 located therein in which there is an Authority. When an
14 authority is created for a county subsequent to the creation of
15 an authority for a city, village or incorporated town within
16 the same county, the area of operation of the authority for
17 such city, village or incorporated town shall thereafter be
18 limited to the territory of such city, village or incorporated
19 town, but the authority for such city, village or incorporated
20 town may continue to operate any project developed in whole or
21 in part in an area previously a part of its area of operation,
22 or may contract with the county housing authority with respect
23 to the sale, lease, development or administration of such
24 project. When an authority is created for a city, village or
25 incorporated town subsequent to the creation of a county
26 housing authority which previously included such city, village

1 or incorporated town within its area of operation, such county
2 housing authority shall have no power to create any additional
3 project within the city, village or incorporated town, but any
4 existing project in the city, village or incorporated town
5 currently owned and operated by the county housing authority
6 shall remain in the ownership, operation, custody and control
7 of the county housing authority.

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

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

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

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

20 (g) "Project" shall include all lands, buildings, and
21 improvements, acquired, owned, leased, managed or operated by a
22 housing authority, and all buildings and improvements
23 constructed, reconstructed or repaired by a housing authority,
24 designed to provide housing accommodations and facilities
25 appurtenant thereto (including community facilities and
26 stores) which are planned as a unit, whether or not acquired or

1 constructed at one time even though all or a portion of the
2 buildings are not contiguous or adjacent to one another; and
3 the planning of buildings and improvements, the acquisition of
4 property, the demolition of existing structures, the clearing
5 of land, the construction, reconstruction, and repair of
6 buildings or improvements and all other work in connection
7 therewith. As provided in Sections 8.14 to 8.18, inclusive,
8 "project" also means, for Housing Authorities for
9 municipalities of less than 500,000 population and for
10 counties, the conservation of urban areas in accordance with an
11 approved conservation plan. "Project" shall also include (1)
12 acquisition of (i) a slum or blighted area or a deteriorated or
13 deteriorating area which is predominantly residential in
14 character, or (ii) any other deteriorated or deteriorating area
15 which is to be developed or redeveloped for predominantly
16 residential uses, or (iii) platted urban or suburban land which
17 is predominantly open and which because of obsolete platting,
18 diversity of ownership, deterioration of structures or of site
19 improvements, or otherwise substantially impairs or arrests
20 the sound growth of the community and which is to be developed
21 for predominantly residential uses, or (iv) open unplatted
22 urban or suburban land necessary for sound community growth
23 which is to be developed for predominantly residential uses, or
24 (v) any other area where parcels of land remain undeveloped
25 because of improper platting, delinquent taxes or special
26 assessments, scattered or uncertain ownerships, clouds on

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

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

24 (i) "Real property" shall include lands, lands under water,
25 structures, and any and all easements, franchises and
26 incorporeal hereditaments and estates, and rights, legal and

1 equitable, including terms for years and liens by way of
2 judgment, mortgage or otherwise.

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

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

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

1 physical maintenance, lack of community planning, or any
2 combination of these factors may become a slum and blighted
3 area.

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

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

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

18 (p) "Loan agreement" means any agreement pursuant to which
19 an Authority agrees to loan the proceeds of its revenue bonds
20 issued with respect to a multifamily rental housing project or
21 other funds of the Authority to any person upon terms providing
22 for loan repayment installments at least sufficient to pay when
23 due all principal of, premium, if any, and interest on the
24 revenue bonds of the Authority issued with respect to the
25 multifamily rental housing project, and providing for
26 maintenance, insurance, and other matters as may be deemed

1 desirable by the Authority.

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

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

5 (310 ILCS 10/24) (from Ch. 67 1/2, par. 24)

6 Sec. 24. Management and operation of housing projects. It
7 is hereby declared to be the policy of this State that each
8 housing authority shall manage and operate its housing projects
9 in an efficient manner so as to enable it to fix the rentals
10 for dwellings at the lowest possible rates consistent with its
11 providing decent, safe and sanitary and affordable dwellings,
12 and that no Housing Authority shall construct or operate any
13 project for profit, or as a source of revenue to a city,
14 village, incorporated town or county. To this end an Authority
15 shall fix the rentals for dwellings in its projects at no
16 higher rates than it shall find to be necessary in order to
17 produce revenues which (together with all other available
18 moneys, revenues, income and receipts of the Authority from
19 whatever sources derived) will be sufficient (a) to pay, as the
20 same becomes due, the principal and interest on the bonds of
21 the Authority; (b) to meet and provide for the cost of
22 maintaining and operating the projects (including the cost of
23 any insurance on the projects or bonds issued therefor) and the
24 administrative expenses of the Authority; (c) to create (during
25 not less than the ten years immediately succeeding its issuance

1 of any bonds) a reserve sufficient to meet the large principal
2 and interest payments which will be due on bonds in any 2
3 consecutive years thereafter, and to maintain a reserve; and
4 (d) to create a reasonable reserve solely from any
5 contributions or grants to the Authority from the federal
6 government, the State, or any political subdivision of the
7 State for the purpose of meeting the cost of maintaining and
8 operating the project and of paying the principal and interest
9 on its bonds. The management of low-rent public housing
10 projects financed and developed under the U.S. Housing Act of
11 1937, as now or hereafter amended, shall be in accordance with
12 the provisions of that Act. The provisions of this Section 24
13 shall not apply to any project undertaken pursuant to the
14 additional powers conferred in Section 8.2 upon housing
15 authorities in any municipality having a population in excess
16 of 1,000,000 pursuant to this amendatory Act of the 95th
17 General Assembly.

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

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