

**SB3531**



**96TH GENERAL ASSEMBLY**

**State of Illinois**

**2009 and 2010**

**SB3531**

Introduced 2/10/2010, by Sen. Ira I. Silverstein

**SYNOPSIS AS INTRODUCED:**

20 ILCS 3805/7.28

Amends the Illinois Housing Development Act. Provides that the term "administrative housing agency" means either the Illinois Housing Development Authority, an agency of the City of Chicago, or the Chicago Board of Education (rather than the Authority or an agency of the City of Chicago). Provides that the City of Chicago and the Chicago Board of Education (rather than the City of Chicago) shall receive 21.5% and 3%, respectively (rather than 24.5%), of the total tax credits authorized for each fiscal year under the Illinois Income Tax Act.

LRB096 18986 KTG 34374 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Housing Development Act is amended  
5 by changing Section 7.28 as follows:

6 (20 ILCS 3805/7.28)

7 Sec. 7.28. Tax credit for donation to sponsors. The  
8 Authority may administer and adopt rules for an affordable  
9 housing tax donation credit program to provide tax credits for  
10 donations as set forth in this Section.

11 (a) In this Section:

12 "Administrative housing agency" means either the  
13 Authority, ~~or~~ an agency of the City of Chicago, or the Chicago  
14 Board of Education.

15 "Affordable housing project" means either (i) a rental  
16 project in which at least 25% of the units have rents  
17 (including tenant-paid heat) that do not exceed, on a monthly  
18 basis, maximum gross rent figures, as published by the  
19 Authority, that are: (i) based on data published annually by  
20 the U.S. Department of Housing and Urban Development, (ii)  
21 based on the annual income of households earning 60% of the  
22 area median income, (iii) computed using a 30% of gross monthly  
23 income standard and (iv) adjusted for unit size and at least

1 25% of the units are occupied by persons and families whose  
2 incomes do not exceed 60% of the median family income for the  
3 geographic area in which the residential unit is located or  
4 (ii) a unit for sale to homebuyers whose gross household income  
5 is at or below 60% of the area median income and who pay no more  
6 than 30% of their gross household income for mortgage  
7 principal, interest, property taxes, and property insurance  
8 (PITI).

9 "Donation" means money, securities, or real or personal  
10 property that is donated to a not-for-profit sponsor that is  
11 used solely for costs associated with either (i) purchasing,  
12 constructing, or rehabilitating an affordable housing project  
13 in this State, (ii) an employer-assisted housing project in  
14 this State, (iii) general operating support, or (iv) technical  
15 assistance as defined by this Section.

16 "Employer-assisted housing project" means either  
17 down-payment assistance, reduced-interest mortgages, mortgage  
18 guarantee programs, rental subsidies, or individual  
19 development account savings plans that are provided by  
20 employers to employees to assist in securing affordable housing  
21 near the work place, that are restricted to housing near the  
22 work place, and that are restricted to employees whose gross  
23 household income is at or below 120% of the area median income.

24 "General operating support" means any cost incurred by a  
25 sponsor that is a part of its general program costs and is not  
26 limited to costs directly incurred by the affordable housing

1 project.

2 "Geographical area" means the metropolitan area or county  
3 designated as an area by the federal Department of Housing and  
4 Urban Development under Section 8 of the United States Housing  
5 Act of 1937, as amended, for purposes of determining fair  
6 market rental rates.

7 "Median income" means the incomes that are determined by  
8 the federal Department of Housing and Urban Development  
9 guidelines and adjusted for family size.

10 "Project" means an affordable housing project, an  
11 employer-assisted housing project, general operating support,  
12 or technical assistance.

13 "Sponsor" means a not-for-profit organization that (i) is  
14 organized as a not-for-profit organization under the laws of  
15 this State or another state and (1) for an affordable housing  
16 project, has as one of its purposes the development of  
17 affordable housing; (2) for an employer-assisted housing  
18 project, has as one of its purposes home ownership education;  
19 and (3) for a technical assistance project, has as one of its  
20 purposes either the development of affordable housing or home  
21 ownership education; (ii) is organized for the purpose of  
22 constructing or rehabilitating affordable housing units and  
23 has been issued a ruling from the Internal Revenue Service of  
24 the United States Department of the Treasury that the  
25 organization is exempt from income taxation under provisions of  
26 the Internal Revenue Code; or (iii) is an organization

1 designated as a community development corporation by the United  
2 States government under Title VII of the Economic Opportunity  
3 Act of 1964.

4 "Tax credit" means a tax credit allowed under Section 214  
5 of the Illinois Income Tax Act.

6 "Technical assistance" means any cost incurred by a sponsor  
7 for project planning, assistance with applying for financing,  
8 or counseling services provided to prospective homebuyers.

9 (b) A sponsor must apply to an administrative housing  
10 agency for approval of the project. The administrative housing  
11 agency must reserve a specific amount of tax credits for each  
12 approved project. Tax credits for general operating support can  
13 only be reserved as part of a reservation of tax credits for an  
14 affordable housing project, an employer-assisted housing  
15 project, or technical assistance. No tax credits shall be  
16 allowed for a project without a reservation of such tax credits  
17 by an administrative housing agency for that project.

18 (c) The Authority must adopt rules establishing criteria  
19 for eligible costs and donations, issuing and verifying tax  
20 credits, and selecting projects that are eligible for a tax  
21 credit.

22 (d) Tax credits for employer-assisted housing projects are  
23 limited to that pool of tax credits that have been set aside  
24 for employer-assisted housing. Tax credits for general  
25 operating support are limited to 10% of the total tax credit  
26 reservation for the related project (other than general

1 operating support) and are also limited to that pool of tax  
2 credits that have been set aside for general operating support.  
3 Tax credits for technical assistance are limited to that pool  
4 of tax credits that have been set aside for technical  
5 assistance.

6 (e) The amount of tax credits reserved by the  
7 administrative housing agency for an approved project is  
8 limited to \$13 million in the initial year and shall increase  
9 each year by 5%. The City of Chicago and the Chicago Board of  
10 Education shall receive 21.5% and 3%, respectively, ~~24.5%~~ of  
11 the total tax credits authorized for each fiscal year. The  
12 Authority shall receive the balance of the tax credits  
13 authorized for each fiscal year. The tax credits may be used  
14 anywhere in this State. The tax credits have the following  
15 set-asides:

16 (1) for employer-assisted housing projects, \$2  
17 million; and

18 (2) for general operating support and technical  
19 assistance, \$1 million.

20 The balance of the funds must be used for affordable  
21 housing projects. During the first 9 months of a fiscal year,  
22 if an administrative housing agency is unable to reserve the  
23 tax credits set aside for the purposes described in subsection  
24 (e), the administrative housing agency may reserve the tax  
25 credits for any approved projects.

26 (f) The administrative housing agency that reserves tax

1 credits for an affordable housing project must record against  
2 the land upon which the affordable housing project is located  
3 an instrument to assure that the property maintains its  
4 affordable housing compliance for a minimum of 10 years. The  
5 Authority has flexibility to assure that the instrument does  
6 not cause undue hardship on homeowners.

7 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)