



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5450

Introduced 2/15/2012, by Rep. Esther Golar

SYNOPSIS AS INTRODUCED:

310 ILCS 105/5
310 ILCS 105/25
310 ILCS 105/95 new

Amends the Rental Housing Support Program Act. In regard to the Illinois Housing Development Authority adopting rules on grant awards for affordable housing, removes a provision requiring the Authority to adopt a rule restricting local administering agencies and developers from using funding under the grant to develop or support housing that requires that a tenant has a particular diagnosis or type or presence of disability as a condition of eligibility for occupancy. Adds a severability clause. Effective immediately.

LRB097 16987 KTG 62178 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 5 and 25 and by adding Section 95
6 as follows:

7 (310 ILCS 105/5)

8 Sec. 5. Legislative findings and purpose. The General
9 Assembly finds that in many parts of this State, large numbers
10 of citizens are faced with the inability to secure affordable
11 rental housing. Due to either insufficient wages or a shortage
12 of affordable rental housing stock, or both, many families have
13 difficulty securing decent housing, are subjected to
14 overcrowding, pay too large a portion of their total monthly
15 income for housing and consequently suffer the lack of other
16 basic needs, live in substandard or unhealthy housing, or
17 experience chronic housing instability. Instability and
18 inadequacy in housing limits the employability and
19 productivity of many citizens, adversely affects family health
20 and stress levels, and impedes children's ability to learn;
21 such instability ~~and~~ produces corresponding drains on public
22 resources and contributes to an overall decline in real estate
23 values. It is the purpose of this Act to create a State program

1 to help localities address the need for decent, affordable,
2 permanent rental housing.

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

4 (310 ILCS 105/25)

5 Sec. 25. Criteria for awarding grants. The Authority shall
6 adopt rules to govern the awarding of grants and the continuing
7 eligibility for grants under Sections 15 and 20. Requests for
8 proposals under Section 20 must specify that proposals must
9 satisfy these rules. The rules must contain and be consistent
10 with, but need not be limited to, the following criteria:

11 (1) Eligibility for tenancy in the units supported by
12 grants to local administering agencies must be limited to
13 households with gross income at or below 30% of the median
14 family income for the area in which the grant will be made.
15 Fifty percent of the units that are supported by any grant
16 must be set aside for households whose income is at or
17 below 15% of the area median family income for the area in
18 which the grant will be made, provided that local
19 administering agencies may negotiate flexibility in this
20 set-aside with the Authority if they demonstrate that they
21 have been unable to locate sufficient tenants in this lower
22 income range. Income eligibility for units supported by
23 grants to local administering agencies must be verified
24 annually by landlords and submitted to local administering
25 agencies. Tenants must have sufficient income to be able to

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

16 (2) Local administering agencies must include
17 2-bedroom, 3-bedroom, and 4-bedroom units among those
18 intended to be supported by grants under the program. In
19 grants under Section 15, the precise number of these units
20 among all the units intended to be supported by a grant
21 must be based on need in the community for larger units and
22 other factors that the Authority specifies in rules. The
23 local administering agency must specify the basis for the
24 numbers of these units that are proposed for support under
25 a grant. Local administering agencies must make a good
26 faith effort to comply with this allocation of unit sizes.

1 In grants awarded under Section 20, developers and the
2 Authority or municipality, as defined in subsection (b) of
3 Section 10, shall negotiate the numbers and sizes of units
4 to be built in a project and supported by the grant.

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

10 (4) Local administering agencies and developers must
11 specify how vacancies in units supported by a grant must be
12 advertised and they must include provisions for outreach to
13 local homeless shelters, organizations that work with
14 people with disabilities, and others interested in
15 affordable housing.

16 (5) The local administering agency or developer must
17 establish a schedule for the tenant's rental obligation for
18 units supported by a grant. The tenant's share of the rent
19 must be a flat amount, calculated annually, based on the
20 size of the unit and the household's income category. In
21 establishing the schedule for the tenant's rental
22 obligation, the local administering agency or developer
23 must use 30% of gross income within an income range as a
24 guide, and it may charge an additional or lesser amount.

25 (6) The amount of the subsidy provided under a grant
26 for a unit must be the difference between the amount of the

1 tenant's obligation and the total amount of rent for the
2 unit. The total amount of rent for the unit must be
3 negotiated between the local administering authority and
4 the landlord under Section 15, or between the Authority or
5 municipality, as defined in subsection (b) of Section 10,
6 and the developer under Section 20, using comparable rents
7 for units of comparable size and condition in the
8 surrounding community as a guideline.

9 (7) Local administering agencies and developers,
10 pursuant to criteria the Authority develops in rules, must
11 ensure that there are procedures in place to maintain the
12 safety and habitability of units supported under grants.
13 Local administering agencies must inspect units before
14 supporting them under a grant awarded under Section 15.

15 (8) Local administering agencies must provide or
16 ensure that tenants are provided with a "bill of rights"
17 with their lease setting forth local landlord-tenant laws
18 and procedures and contact information for the local
19 administering agency.

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

1 (10) (Blank). ~~Local administering agencies and~~
2 ~~developers may not use funding under the grant to develop~~
3 ~~or support housing that requires that a tenant has a~~
4 ~~particular diagnosis or type or presence of disability as a~~
5 ~~condition of eligibility for occupancy unless the~~
6 ~~requirement is mandated by another funding source for the~~
7 ~~housing.~~

8 (11) In order to plan for periodic fluctuations in
9 program revenue, the Authority shall establish by rule a
10 mechanism for establishing a reserve fund and the level of
11 funding that shall be held in reserve either by the
12 Authority or by local administering agencies.

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

14 (310 ILCS 105/95 new)

15 Sec. 95. Severability. If any provisions of this Act or its
16 application to any person or circumstance is held invalid, the
17 invalidity of that provision or application does not affect
18 other provisions or applications of this Act that can be given
19 effect without the invalid provision or application.

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