

**SB0886**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**SB0886**

Introduced 2/8/2011, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

310 ILCS 20/5

from Ch. 67 1/2, par. 57

Amends the Housing Development and Construction Act. Makes a technical change in a Section concerning the purposes for which grants to housing authorities may be used.

LRB097 04528 KTG 44567 b

**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 Housing Development and Construction Act is  
5 amended by changing Section 5 as follows:

6 (310 ILCS 20/5) (from Ch. 67 1/2, par. 57)

7 Sec. 5. Any grants paid hereunder to a housing authority  
8 shall be deposited in a separate fund and ~~and~~, subject to the  
9 approval of the Department of Commerce and Economic  
10 Opportunity, may be used for any or all of the following  
11 purposes as the needs of the community may require: the  
12 acquisition of land by purchase, gift or condemnation and the  
13 improvement thereof, the purchase and installation of  
14 temporary housing facilities, the construction of housing  
15 units for rent or sale to veterans, the families of deceased  
16 servicemen, and for persons and families who by reason of  
17 overcrowded housing conditions or displacement by eviction,  
18 fires or other calamities, or slum clearance or other private  
19 or public project involving relocation, are in urgent need of  
20 safe and sanitary housing, the making of grants in connection  
21 with the sale or lease of real property as provided in the  
22 following paragraph of this section, and for any and all  
23 purposes authorized by the "Housing Authorities Act," approved

1 March 19, 1934, as amended, including administrative expenses  
2 of the housing authorities in relation to the aforesaid  
3 objectives, to the extent and for the purposes authorized and  
4 approved by the Department of Commerce and Economic  
5 Opportunity. Each housing authority is vested with power to  
6 exercise the right of eminent domain for the purposes  
7 authorized by this Act. Condemnation proceedings instituted by  
8 any such authority shall be in all respects in the manner  
9 provided for the exercise of the right of eminent domain under  
10 the Eminent Domain Act.

11 In addition to the foregoing, and for the purpose of  
12 facilitating the development and construction of housing,  
13 housing authorities may, with the approval of the Department of  
14 Commerce and Economic Opportunity, enter into contracts and  
15 agreements for the sale or lease of real property acquired by  
16 the Authority through the use of the grant hereunder, and may  
17 sell or lease such property to (1) housing corporations  
18 operating under "An Act in relation to housing," approved July  
19 12, 1933, as amended; (2) neighborhood redevelopment  
20 corporations operating under the "Neighborhood Redevelopment  
21 Corporation Law," approved July 9, 1941; (3) insurance  
22 companies operating under Article VIII of the Illinois  
23 Insurance Code; (4) non-profit corporations organized for the  
24 purpose of constructing, managing and operating housing  
25 projects and the improvement of housing conditions, including  
26 the sale or rental of housing units to persons in need thereof;

1 or (5) to any other individual, association or corporation,  
2 including bona fide housing cooperatives, desiring to engage in  
3 a development or redevelopment project. The term "corporation"  
4 as used in this section, means a corporation organized under  
5 the laws of this or any other state of the United States, or of  
6 any country, which may legally make investments in this State  
7 of the character herein prescribed, including foreign and alien  
8 insurance companies as defined in Section 2 of the "Illinois  
9 Insurance Code." No sale or lease shall be made hereunder to  
10 any of the aforesaid corporations, associations or individuals  
11 unless a plan approved by the Authority has been presented by  
12 the purchaser or lessee for the development or redevelopment of  
13 such property, together with a bond, with satisfactory  
14 sureties, of not less than 10% of the cost of such development  
15 or redevelopment, conditioned upon the completion of such  
16 development or redevelopment; provided that the requirement of  
17 the bond may be waived by the Department of Commerce and  
18 Economic Opportunity if it is satisfied of the financial  
19 ability of the purchaser or lessee to complete such development  
20 or redevelopment in accordance with the presented plan. To  
21 further assure that the real property so sold or leased shall  
22 be used in accordance with the plan, the Department of Commerce  
23 and Economic Opportunity may require the purchaser or lessee to  
24 execute in writing such undertakings as the Department deems  
25 necessary to obligate such purchaser or lessee (1) to use the  
26 property for the purposes presented in the plan; (2) to

1 commence and complete the building of the improvements  
2 designated in the plan within the periods of time that the  
3 Department of Commerce and Economic Opportunity fixes as  
4 reasonable, and (3) to comply with such other conditions as are  
5 necessary to carry out the purposes of this Act. Any such  
6 property may be sold pursuant to this section for any legal  
7 consideration in an amount to be approved by the Department of  
8 Commerce and Economic Opportunity. Subject to the approval of  
9 the Department of Commerce and Economic Opportunity, a housing  
10 authority may pay to any non-profit corporation of the  
11 character described in this section from grants made available  
12 from state funds, such sum of money which, when added to the  
13 value of the land so sold or leased to such non-profit  
14 corporation and the value of other assets of such non-profit  
15 corporation available for use in the project, will enable such  
16 non-profit corporation to obtain Federal Housing  
17 Administration insured construction mortgages. Any such  
18 authority may also sell, transfer, convey or assign to any such  
19 non-profit corporation any personal property, including  
20 building materials and supplies, as it deems necessary to  
21 facilitate the completion of the development or redevelopment  
22 by such non-profit corporation.

23 If the area of operation of a housing authority includes a  
24 city, village or incorporated town having a population in  
25 excess of 500,000, as determined by the last preceding Federal  
26 Census, no real property or interest in real property shall be

1 acquired in such municipality by the housing authority until  
2 such time as the housing authority has advised the governing  
3 body of such municipality of the description of the real  
4 property, or interest therein, proposed to be acquired, and the  
5 governing body of the municipality has approved the acquisition  
6 thereof by the housing authority.

7 (Source: P.A. 94-793, eff. 5-19-06; 94-1055, eff. 1-1-07.)