



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB0648

Introduced 2/8/2021, by Rep. Denyse Stoneback

#### SYNOPSIS AS INTRODUCED:

310 ILCS 105/25

Amends the Rental Housing Support Program Act. In a provision requiring the Illinois Housing Development Authority to adopt rules concerning grants awarded to local administering agencies to fund rent subsidies for low-income families, provides that the rules must limit eligibility for tenancy in the subsidized rental units to households with gross income that is at or below 40% (rather than 30%) of the family median income for the area in which the grant will be made. In a provision concerning rules on grants awarded to entities for the development of affordable rental housing, provides that the rules must require 50% of the units that are supported by any grant to be set aside for households whose income is at or below 25% (rather than 15%) of the median family income for the area in which the grant will be made.

LRB102 10407 KTG 15734 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 Rental Housing Support Program Act is  
5 amended by changing Section 25 as follows:

6 (310 ILCS 105/25)

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

14 (1) Eligibility for tenancy in the units supported by  
15 grants to local administering agencies must be limited to  
16 households with gross income at or below 40% ~~30%~~ of the  
17 median family income for the area in which the grant will  
18 be made. Fifty percent of the units that are supported by  
19 any grant must be set aside for households whose income is  
20 at or below 25% ~~15%~~ of the area median family income for  
21 the area in which the grant will be made, provided that  
22 local administering agencies may negotiate flexibility in  
23 this set-aside with the Authority if they demonstrate that

1 they have been unable to locate sufficient tenants in this  
2 lower income range. Income eligibility for units supported  
3 by grants to local administering agencies must be verified  
4 annually by landlords and submitted to local administering  
5 agencies. Tenants must have sufficient income to be able  
6 to afford the tenant's share of the rent. For grants  
7 awarded under Section 20, eligibility for tenancy in units  
8 supported by grants must be limited to households with a  
9 gross income at or below 40% ~~30%~~ of area median family  
10 income for the area in which the grant will be made. Fifty  
11 percent of the units that are supported by any grant must  
12 be set aside for households whose income is at or below 25%  
13 ~~15%~~ of the median family income for the area in which the  
14 grant will be made, provided that developers may negotiate  
15 flexibility in this set-aside with the Authority or  
16 municipality as defined in subsection (b) of Section 10 if  
17 it demonstrates that it has been unable to locate  
18 sufficient tenants in this lower income range. The  
19 Authority shall determine what sources qualify as a  
20 tenant's income.

21 (2) Local administering agencies must include  
22 2-bedroom, 3-bedroom, and 4-bedroom units among those  
23 intended to be supported by grants under the Program. In  
24 grants under Section 15, the precise number of these units  
25 among all the units intended to be supported by a grant  
26 must be based on need in the community for larger units and

1 other factors that the Authority specifies in rules. The  
2 local administering agency must specify the basis for the  
3 numbers of these units that are proposed for support under  
4 a grant. Local administering agencies must make a good  
5 faith effort to comply with this allocation of unit sizes.  
6 In grants awarded under Section 20, developers and the  
7 Authority or municipality, as defined in subsection (b) of  
8 Section 10, shall negotiate the numbers and sizes of units  
9 to be built in a project and supported by the grant.

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

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

21 (5) The local administering agency or developer must  
22 establish a schedule for the tenant's rental obligation  
23 for units supported by a grant. The tenant's share of the  
24 rent must be a flat amount, calculated annually, based on  
25 the size of the unit and the household's income category.  
26 In establishing the schedule for the tenant's rental

1 obligation, the local administering agency or developer  
2 must use 30% of gross income within an income range as a  
3 guide, and it may charge an additional or lesser amount.

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

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

20 (8) Local administering agencies must provide or  
21 ensure that tenants are provided with a "bill of rights"  
22 with their lease setting forth local landlord-tenant laws  
23 and procedures and contact information for the local  
24 administering agency.

25 (9) A local administering agency must create a plan  
26 detailing a process for helping to provide information,

1 when necessary, on how to access education, training, and  
2 other supportive services to tenants living in units  
3 supported under the grant. The plan must be submitted as a  
4 part of the administering agency's proposal to the  
5 Authority required under Section 15.

6 (10) Local administering agencies and developers may  
7 not use funding under the grant to develop or support  
8 housing that requires that a tenant has a particular  
9 diagnosis or type of disability as a condition of  
10 eligibility for occupancy unless the requirement is  
11 mandated by another funding source for the housing. Local  
12 administering agencies and developers may use grant  
13 funding to develop integrated housing opportunities for  
14 persons with disabilities, but not housing restricted to a  
15 specific disability type.

16 (11) In order to plan for periodic fluctuations in  
17 annual receipts on deposit appropriated to the Fund each  
18 year, the Authority shall establish by rule a mechanism  
19 for establishing a reserve fund and the level of funding  
20 that shall be held in reserve either by the Authority or by  
21 local administering agencies.

22 (12) The Authority shall perform annual  
23 reconciliations of all distributions made in connection  
24 with the Program and may offset future distributions to  
25 balance geographic distribution requirements of this Act.

26 (Source: P.A. 99-97, eff. 7-22-15.)