

1 AN ACT in relation to housing.

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

4 Section 1. Short title. This Act may be cited as the
5 Rental Housing Support Program Act.

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

23 Section 7. Definitions. In this Act:

24 "Authority" means the Illinois Housing Development
25 Authority.

26 "Program" means the Rental Housing Support Program.

27 Section 10. Creation of program. The Rental Housing
28 Support Program is created within the Illinois Housing
29 Development Authority. The Authority shall administer the

1 program.

2 Section 15. Grants to local administering agencies.

3 (a) Under the program, the Authority shall make grants
4 to local administering agencies to provide subsidies to
5 landlords to enable the landlords to charge rent affordable
6 for low-income tenants. Grants shall also include an amount
7 for the operating expenses of local administering agencies.

8 (b) The Authority shall develop a request-for-proposals
9 process for soliciting proposals from local administering
10 agencies and for awarding grants. The request-for-proposals
11 process and the funded projects must be consistent with the
12 criteria set forth in Section 25 and with additional criteria
13 set forth by the Authority in rules implementing this Act.

14 (c) Local administering agencies may be local
15 governmental bodies, local housing authorities, or
16 not-for-profit organizations. The Authority shall set forth
17 in rules the financial and capacity requirements necessary
18 for an organization to qualify as a local administering
19 agency.

20 Section 20. Grants to developers.

21 (a) The Authority may award grants under the program
22 directly to developers of new affordable rental housing for
23 long-term operating support to enable the rent on such units
24 to be affordable. Developers of such new housing shall apply
25 directly to the Authority for this type of grant under the
26 program.

27 (b) The Authority shall prescribe by rule the
28 application requirements and the qualifications necessary for
29 a developer and a development to qualify for a grant under
30 the program. In any event, however, to qualify for a grant,
31 the development must satisfy the criteria set forth in
32 Section 25, unless waived by the Authority based on special

1 circumstances and in furtherance of the purpose of the
2 program to increase the supply of affordable rental housing.

3 (c) The Authority may not use more than 10% of its funds
4 in any given year on grants under this Section.

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

12 (1) Eligibility for tenancy in the units supported
13 by grants must be limited to households with gross income
14 at or below 30% of the area median income, determined by
15 the Authority using statistical data it deems to be
16 reliable and as specific as possible for the area in
17 which the grant will be made. Fifty percent of the units
18 that are supported by any grant must be set aside for
19 households whose income is at or below 15% of the area
20 median income, provided that localities and developers
21 may negotiate flexibility in this set-aside with the
22 Authority if they demonstrate that they have been unable
23 to locate sufficient tenants in this lower income range.
24 Tenants must have sufficient income to be able to afford
25 the tenant's share of the rent.

26 (2) Local administering authorities must include
27 2-bedroom, 3-bedroom, and 4-bedroom units among those
28 intended to be supported by grants under the program. In
29 grants under Section 15, the precise number of these
30 units among all the units intended to be supported by a
31 grant must be based on need in the community for larger
32 units and other factors that the Authority specifies in
33 rules. The local administering agency must specify the

1 basis for the numbers of these units that are proposed
2 for support under a grant. Local administering agencies
3 must make a good faith effort to comply with this
4 allocation of unit sizes. In grants awarded under Section
5 20, developers and the Authority shall negotiate the
6 numbers and sizes of units to be built in a project and
7 supported by the grant.

8 (3) Under grants awarded under Section 15, local
9 administering authorities must pay subsidies to landlords
10 on a quarterly basis and in advance of the quarter paid
11 for.

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

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

29 (6) The amount of the subsidy provided under a
30 grant for a unit must be the difference between the
31 amount of the tenant's obligation and the total amount of
32 rent for the unit. The total amount of rent for the unit
33 must be negotiated between the local administering
34 authority and the landlord under Section 15, or between

1 the Authority and the developer under Section 20, based
2 on the operating expenses for the unit and using fair
3 market rent as a guideline.

4 (7) Local administering authorities and developers,
5 pursuant to criteria the Authority develops in rules,
6 must ensure that there are procedures in place to
7 maintain the safety and habitability of units supported
8 under grants according to local standards. Local
9 administering agencies must inspect units before
10 supporting them under a grant awarded under Section 15.

11 (8) Local administering agencies must provide or
12 ensure that tenants are provided with a "bill of rights"
13 with their lease setting forth local landlord-tenant laws
14 and procedures and contact information for the local
15 administering agency. Local administering agencies must
16 also provide tenants with a list of agencies that provide
17 supportive services to low-income people on a range of
18 issues.