

1 AN ACT concerning regulation.

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 COVID-19 Affordable Housing Grant Program Act.

6 Section 5. Purpose and findings. The State of Illinois
7 faces a large shortage of decent, affordable rental housing
8 for low-income and moderate-income households. The COVID-19
9 pandemic has dramatically increased this need for affordable
10 housing. The development of affordable housing will help
11 Illinois to address the need for more housing, jobs, tax base,
12 tax revenue, and population in the State. These funds will
13 help developers to overcome increased construction costs
14 related to pandemic-created supply shortages (in lumber and
15 other materials) and to jump-start a housing recovery in
16 Illinois in the wake of the pandemic. These funds will also
17 incentivize and attract private equity and private lending and
18 will allow the State to more fully use and draw down unused
19 federal resources for affordable housing. Funding will be used
20 for the acquisition, construction, development,
21 predevelopment, or rehabilitation of affordable multifamily
22 rental development.

1 Section 10. Definitions. As used in this Act:

2 "Authority" means the Illinois Housing Development
3 Authority.

4 "Disproportionately impacted area" means a census tract or
5 comparable geographic area that meets at least one of the
6 following criteria, as determined by the Department of
7 Commerce and Economic Opportunity:

8 (1) the area has a poverty rate of at least 20%
9 according to the latest federal decennial census;

10 (2) 75% or more of the children in the area
11 participate in the federal free lunch program according to
12 reported statistics from the State Board of Education;

13 (3) at least 20% of the households in the area receive
14 assistance under the Supplemental Nutrition Assistance
15 Program; or

16 (4) the area has an average unemployment rate, as
17 determined by the Department of Employment Security, that
18 is more than 120% of the national unemployment average, as
19 determined by the United States Department of Labor, for a
20 period of at least 2 consecutive calendar years preceding
21 the date of the application.

22 "Federal tax credit" means the federal low-income housing
23 tax credit provided by Section 42 of the federal Internal
24 Revenue Code, including federal low-income housing tax credits
25 issued pursuant to 26 U.S.C. 42(h)(3) and 26 U.S.C. 42(h)(4).

26 "Qualified development" means a qualified low-income

1 housing project, as that term is defined in Section 42 of the
2 federal Internal Revenue Code of 1986, that is located in the
3 State and is determined to be eligible for the federal tax
4 credit set forth in Section 42 of the Internal Revenue Code.

5 Section 15. Grant program. Subject to appropriation for
6 this purpose, the Authority shall establish an affordable
7 housing grant program to encourage the construction and
8 rehabilitation of affordable multifamily rental housing in
9 response to the COVID-19 pandemic. Funding may be used for the
10 acquisition, construction, development, predevelopment, or
11 rehabilitation of a qualified development. The goal of the
12 grant program shall be to fund the development and
13 preservation of up to 3,500 affordable rental homes and
14 apartments by December 31, 2024. Project sponsors who wish to
15 participate in the affordable housing grant program shall
16 submit a grant application to the Authority in accordance with
17 rules adopted by the Authority. The Authority shall prescribe,
18 by rule, standards and procedures for the provision of
19 demonstration grant funds in relation to each grant
20 application.

21 Section 20. Affordable multifamily rental housing gap
22 financing. Where a qualified development has been awarded a
23 federal tax credit, the recipient may request additional gap
24 financing under this grant program as the Authority deems

1 appropriate. Through the program, the Authority shall provide
2 grants with no expectation of repayment.

3 Section 25. Prioritization efforts.

4 (a) The Authority shall make best efforts to prioritize
5 grant applications for proposed developments as follows:

6 (1) developments that are located within an area that
7 was disproportionately affected by the COVID-19 pandemic
8 based on the number of positive COVID-19 cases;

9 (2) developments involving contracts with certified
10 disadvantaged business enterprises and certified
11 underrepresented business enterprises owned by minorities,
12 women, veterans, LGBT persons, and persons with
13 disabilities during construction;

14 (3) developments involving project labor agreements
15 with local building trades; and

16 (4) developments involving contracts or subcontracts
17 with a registered apprenticeship program or
18 preapprenticeship program.

19 (b) The Authority shall balance the approval of projects
20 between those located within a disproportionately impacted
21 area as defined under this Act and those located in areas of
22 opportunity, as defined or recognized by the Authority.

23 Section 30. Annual reporting to the General Assembly.

24 (a) The Authority shall submit an annual report to the

1 General Assembly no later than March 31 of each calendar year
2 with the first annual report due no later than March 31, 2022.

3 (b) The annual report must describe the grant program's
4 administration and the number and type of projects funded as
5 of the date of the report with the following information:

6 (1) location of projects and demographics of the
7 surrounding community;

8 (2) accessibility of projects to public
9 transportation, schools, health care, grocery stores, and
10 banking institutions;

11 (3) total number of residential units developed or
12 rehabbed per project;

13 (4) total number of affordable units developed or
14 rehabbed per project;

15 (5) total number of affordable units put into service;

16 (6) number of program applications;

17 (7) number of applications awarded;

18 (8) amount of funding awarded through the program per
19 calendar year;

20 (9) amount of funding awarded through the grant
21 program to date;

22 (10) specific data for each prioritization category
23 listed under Section 25;

24 (11) delays or issues with development including, but
25 not limited to, acquisition, zoning and permits, labor,
26 and materials; and

1 (12) any compliance issues with grant recipients and
2 the corrective action taken.

3 Section 35. Repeal. This Act is repealed on April 1, 2025.

4 Section 900. The Illinois Housing Development Act is
5 amended by changing Section 7.28 and 22 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 Authority
13 or an agency of the City of Chicago.

14 "Affordable housing project" means either:

15 (1) ~~(i)~~ a rental project in which at least 25% of the
16 units have rents (including tenant-paid heat) that do not
17 exceed, on a monthly basis, maximum gross rent figures, as
18 published by the Authority, that are:

19 (i) based on data published annually by the U.S.
20 Department of Housing and Urban Development; τ

21 (ii) based on the annual income of households
22 earning 60% of the area median income; τ

23 (iii) computed using a 30% of gross monthly income

1 standard; and

2 (iv) adjusted for unit size and at least 25% of the
3 units are occupied by persons and families whose
4 incomes do not exceed 60% of the median family income
5 for the geographic area in which the residential unit
6 is located; or

7 (2) ~~(ii)~~ a unit for sale to homebuyers whose gross
8 household income is at or below (A) 60% of the area median
9 income (for taxable years beginning prior to January 1,
10 2022) or (B) 120% of the area median income (for taxable
11 years beginning on or after January 1, 2022) and who pay no
12 more than 30% of their gross household income for mortgage
13 principal, interest, property taxes, and property
14 insurance (PITI).

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

22 "Employer-assisted housing project" means either
23 down-payment assistance, reduced-interest mortgages, mortgage
24 guarantee programs, rental subsidies, or individual
25 development account savings plans that are provided by
26 employers to employees to assist in securing affordable

1 housing near the workplace ~~work-place~~, that are restricted to
2 housing near the workplace ~~work-place~~, and that are restricted
3 to employees whose gross household income is at or below 120%
4 of the area median income.

5 "General operating support" means any cost incurred by a
6 sponsor that is a part of its general program costs and is not
7 limited to costs directly incurred by the affordable housing
8 project.

9 "Geographical area" means the metropolitan area or county
10 designated as an area by the federal Department of Housing and
11 Urban Development under Section 8 of the United States Housing
12 Act of 1937, as amended, for purposes of determining fair
13 market rental rates.

14 "Median income" means the incomes that are determined by
15 the federal Department of Housing and Urban Development
16 guidelines and adjusted for family size.

17 "Project" means an affordable housing project, an
18 employer-assisted housing project, general operating support,
19 or technical assistance.

20 "Sponsor" means a not-for-profit organization that (i) is
21 organized as a not-for-profit organization under the laws of
22 this State or another state and (1) for an affordable housing
23 project, has as one of its purposes the development of
24 affordable housing; (2) for an employer-assisted housing
25 project, has as one of its purposes home ownership education;
26 and (3) for a technical assistance project, has as one of its

1 purposes either the development of affordable housing or home
2 ownership education; (ii) is organized for the purpose of
3 constructing or rehabilitating affordable housing units and
4 has been issued a ruling from the Internal Revenue Service of
5 the United States Department of the Treasury that the
6 organization is exempt from income taxation under provisions
7 of the Internal Revenue Code; or (iii) is an organization
8 designated as a community development corporation by the
9 United States government under Title VII of the Economic
10 Opportunity Act of 1964.

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

13 "Technical assistance" means any cost incurred by a
14 sponsor for project planning, assistance with applying for
15 financing, or counseling services provided to prospective
16 homebuyers.

17 (b) A sponsor must apply to an administrative housing
18 agency for approval of the project. The administrative housing
19 agency must reserve a specific amount of tax credits for each
20 approved project. Tax credits for general operating support
21 can only be reserved as part of a reservation of tax credits
22 for an affordable housing project, an employer-assisted
23 housing project, or technical assistance. No tax credits shall
24 be allowed for a project without a reservation of such tax
25 credits by an administrative housing agency for that project.

26 (c) The Authority must adopt rules establishing criteria

1 for eligible costs and donations, issuing and verifying tax
2 credits, and selecting projects that are eligible for a tax
3 credit.

4 (d) Tax credits for employer-assisted housing projects are
5 limited to that pool of tax credits that have been set aside
6 for employer-assisted housing. Tax credits for general
7 operating support are limited to 10% of the total tax credit
8 reservation for the related project (other than general
9 operating support) and are also limited to that pool of tax
10 credits that have been set aside for general operating
11 support. Tax credits for technical assistance are limited to
12 that pool of tax credits that have been set aside for technical
13 assistance.

14 (e) The amount of tax credits reserved by the
15 administrative housing agency for an approved project is
16 limited to \$32,850,352 in State fiscal years 2022 and 2023 ~~13~~
17 ~~million in the initial year~~ and shall increase by 5% each
18 fiscal year thereafter ~~by 5%~~. The City of Chicago shall
19 receive 24.5% of total tax credits authorized for each fiscal
20 year. The Authority shall receive the balance of the tax
21 credits authorized for each fiscal year. The tax credits may
22 be used anywhere in this State. The tax credits have the
23 following set-asides:

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

26 (2) for general operating support and technical

1 assistance, \$1 million.

2 The balance of the funds must be used for affordable
3 housing projects. During the first 9 months of a fiscal year,
4 if an administrative housing agency is unable to reserve the
5 tax credits set aside for the purposes described in subsection
6 (e), the administrative housing agency may reserve the tax
7 credits for any approved projects.

8 (f) The administrative housing agency that reserves tax
9 credits for an affordable housing project must record against
10 the land upon which the affordable housing project is located
11 an instrument to assure that the property maintains its
12 affordable housing compliance for a minimum of 10 years. The
13 Authority has flexibility to assure that the instrument does
14 not cause undue hardship on homeowners.

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

16 (20 ILCS 3805/22) (from Ch. 67 1/2, par. 322)

17 Sec. 22. (a) The Authority shall not have outstanding at
18 any one time bonds and notes for any of its corporate purposes
19 in an aggregate principal amount exceeding \$7,200,000,000
20 ~~\$3,600,000,000~~, excluding bonds and notes issued to refund
21 outstanding bonds and notes.

22 (b) Of the authorized aggregate principal amount of
23 \$7,200,000,000 ~~\$3,600,000,000~~ provided for by this Section,
24 the amount of \$150,000,000 shall be used for the purposes
25 specified in Sections 7.23 and 7.24 of this Act.

1 (c) Of the \$1,000,000,000 authorized by this amendatory
2 Act of 1985, an amount not less than \$100,000,000 shall be
3 reserved for financing developments which involve the
4 rehabilitation of dwelling accommodations, subject to the
5 occupancy reservation of low or moderate income persons or
6 families as provided in this Act.

7 (Source: P.A. 87-250; 87-884; 88-93.)

8 Section 905. The Illinois Procurement Code is amended by
9 changing Section 1-10 as follows:

10 (30 ILCS 500/1-10)

11 Sec. 1-10. Application.

12 (a) This Code applies only to procurements for which
13 bidders, offerors, potential contractors, or contractors were
14 first solicited on or after July 1, 1998. This Code shall not
15 be construed to affect or impair any contract, or any
16 provision of a contract, entered into based on a solicitation
17 prior to the implementation date of this Code as described in
18 Article 99, including, but not limited to, any covenant
19 entered into with respect to any revenue bonds or similar
20 instruments. All procurements for which contracts are
21 solicited between the effective date of Articles 50 and 99 and
22 July 1, 1998 shall be substantially in accordance with this
23 Code and its intent.

24 (b) This Code shall apply regardless of the source of the

1 funds with which the contracts are paid, including federal
2 assistance moneys. This Code shall not apply to:

3 (1) Contracts between the State and its political
4 subdivisions or other governments, or between State
5 governmental bodies, except as specifically provided in
6 this Code.

7 (2) Grants, except for the filing requirements of
8 Section 20-80.

9 (3) Purchase of care, except as provided in Section
10 5-30.6 of the Illinois Public Aid Code and this Section.

11 (4) Hiring of an individual as employee and not as an
12 independent contractor, whether pursuant to an employment
13 code or policy or by contract directly with that
14 individual.

15 (5) Collective bargaining contracts.

16 (6) Purchase of real estate, except that notice of
17 this type of contract with a value of more than \$25,000
18 must be published in the Procurement Bulletin within 10
19 calendar days after the deed is recorded in the county of
20 jurisdiction. The notice shall identify the real estate
21 purchased, the names of all parties to the contract, the
22 value of the contract, and the effective date of the
23 contract.

24 (7) Contracts necessary to prepare for anticipated
25 litigation, enforcement actions, or investigations,
26 provided that the chief legal counsel to the Governor

1 shall give his or her prior approval when the procuring
2 agency is one subject to the jurisdiction of the Governor,
3 and provided that the chief legal counsel of any other
4 procuring entity subject to this Code shall give his or
5 her prior approval when the procuring entity is not one
6 subject to the jurisdiction of the Governor.

7 (8) (Blank).

8 (9) Procurement expenditures by the Illinois
9 Conservation Foundation when only private funds are used.

10 (10) (Blank).

11 (11) Public-private agreements entered into according
12 to the procurement requirements of Section 20 of the
13 Public-Private Partnerships for Transportation Act and
14 design-build agreements entered into according to the
15 procurement requirements of Section 25 of the
16 Public-Private Partnerships for Transportation Act.

17 (12) (A) Contracts for legal, financial, and other
18 professional and artistic services entered into ~~on or~~
19 ~~before December 31, 2018~~ by the Illinois Finance Authority
20 in which the State of Illinois is not obligated. Such
21 contracts shall be awarded through a competitive process
22 authorized by the members ~~Board~~ of the Illinois Finance
23 Authority and are subject to Sections 5-30, 20-160, 50-13,
24 50-20, 50-35, and 50-37 of this Code, as well as the final
25 approval by the members ~~Board~~ of the Illinois Finance
26 Authority of the terms of the contract.

1 (B) Contracts for legal and financial services entered
2 into by the Illinois Housing Development Authority in
3 connection with the issuance of bonds in which the State
4 of Illinois is not obligated. Such contracts shall be
5 awarded through a competitive process authorized by the
6 members of the Illinois Housing Development Authority and
7 are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35,
8 and 50-37 of this Code, as well as the final approval by
9 the members of the Illinois Housing Development Authority
10 of the terms of the contract.

11 (13) Contracts for services, commodities, and
12 equipment to support the delivery of timely forensic
13 science services in consultation with and subject to the
14 approval of the Chief Procurement Officer as provided in
15 subsection (d) of Section 5-4-3a of the Unified Code of
16 Corrections, except for the requirements of Sections
17 20-60, 20-65, 20-70, and 20-160 and Article 50 of this
18 Code; however, the Chief Procurement Officer may, in
19 writing with justification, waive any certification
20 required under Article 50 of this Code. For any contracts
21 for services which are currently provided by members of a
22 collective bargaining agreement, the applicable terms of
23 the collective bargaining agreement concerning
24 subcontracting shall be followed.

25 On and after January 1, 2019, this paragraph (13),
26 except for this sentence, is inoperative.

1 (14) Contracts for participation expenditures required
2 by a domestic or international trade show or exhibition of
3 an exhibitor, member, or sponsor.

4 (15) Contracts with a railroad or utility that
5 requires the State to reimburse the railroad or utilities
6 for the relocation of utilities for construction or other
7 public purpose. Contracts included within this paragraph
8 (15) shall include, but not be limited to, those
9 associated with: relocations, crossings, installations,
10 and maintenance. For the purposes of this paragraph (15),
11 "railroad" means any form of non-highway ground
12 transportation that runs on rails or electromagnetic
13 guideways and "utility" means: (1) public utilities as
14 defined in Section 3-105 of the Public Utilities Act, (2)
15 telecommunications carriers as defined in Section 13-202
16 of the Public Utilities Act, (3) electric cooperatives as
17 defined in Section 3.4 of the Electric Supplier Act, (4)
18 telephone or telecommunications cooperatives as defined in
19 Section 13-212 of the Public Utilities Act, (5) rural
20 water or waste water systems with 10,000 connections or
21 less, (6) a holder as defined in Section 21-201 of the
22 Public Utilities Act, and (7) municipalities owning or
23 operating utility systems consisting of public utilities
24 as that term is defined in Section 11-117-2 of the
25 Illinois Municipal Code.

26 (16) Procurement expenditures necessary for the

1 Department of Public Health to provide the delivery of
2 timely newborn screening services in accordance with the
3 Newborn Metabolic Screening Act.

4 (17) Procurement expenditures necessary for the
5 Department of Agriculture, the Department of Financial and
6 Professional Regulation, the Department of Human Services,
7 and the Department of Public Health to implement the
8 Compassionate Use of Medical Cannabis Program and Opioid
9 Alternative Pilot Program requirements and ensure access
10 to medical cannabis for patients with debilitating medical
11 conditions in accordance with the Compassionate Use of
12 Medical Cannabis Program Act.

13 (18) This Code does not apply to any procurements
14 necessary for the Department of Agriculture, the
15 Department of Financial and Professional Regulation, the
16 Department of Human Services, the Department of Commerce
17 and Economic Opportunity, and the Department of Public
18 Health to implement the Cannabis Regulation and Tax Act if
19 the applicable agency has made a good faith determination
20 that it is necessary and appropriate for the expenditure
21 to fall within this exemption and if the process is
22 conducted in a manner substantially in accordance with the
23 requirements of Sections 20-160, 25-60, 30-22, 50-5,
24 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35,
25 50-36, 50-37, 50-38, and 50-50 of this Code; however, for
26 Section 50-35, compliance applies only to contracts or

1 subcontracts over \$100,000. Notice of each contract
2 entered into under this paragraph (18) that is related to
3 the procurement of goods and services identified in
4 paragraph (1) through (9) of this subsection shall be
5 published in the Procurement Bulletin within 14 calendar
6 days after contract execution. The Chief Procurement
7 Officer shall prescribe the form and content of the
8 notice. Each agency shall provide the Chief Procurement
9 Officer, on a monthly basis, in the form and content
10 prescribed by the Chief Procurement Officer, a report of
11 contracts that are related to the procurement of goods and
12 services identified in this subsection. At a minimum, this
13 report shall include the name of the contractor, a
14 description of the supply or service provided, the total
15 amount of the contract, the term of the contract, and the
16 exception to this Code utilized. A copy of any or all of
17 these contracts shall be made available to the Chief
18 Procurement Officer immediately upon request. The Chief
19 Procurement Officer shall submit a report to the Governor
20 and General Assembly no later than November 1 of each year
21 that includes, at a minimum, an annual summary of the
22 monthly information reported to the Chief Procurement
23 Officer. This exemption becomes inoperative 5 years after
24 June 25, 2019 (the effective date of Public Act 101-27)
25 ~~this amendatory Act of the 101st General Assembly.~~

26 Notwithstanding any other provision of law, for contracts

1 entered into on or after October 1, 2017 under an exemption
2 provided in any paragraph of this subsection (b), except
3 paragraph (1), (2), or (5), each State agency shall post to the
4 appropriate procurement bulletin the name of the contractor, a
5 description of the supply or service provided, the total
6 amount of the contract, the term of the contract, and the
7 exception to the Code utilized. The chief procurement officer
8 shall submit a report to the Governor and General Assembly no
9 later than November 1 of each year that shall include, at a
10 minimum, an annual summary of the monthly information reported
11 to the chief procurement officer.

12 (c) This Code does not apply to the electric power
13 procurement process provided for under Section 1-75 of the
14 Illinois Power Agency Act and Section 16-111.5 of the Public
15 Utilities Act.

16 (d) Except for Section 20-160 and Article 50 of this Code,
17 and as expressly required by Section 9.1 of the Illinois
18 Lottery Law, the provisions of this Code do not apply to the
19 procurement process provided for under Section 9.1 of the
20 Illinois Lottery Law.

21 (e) This Code does not apply to the process used by the
22 Capital Development Board to retain a person or entity to
23 assist the Capital Development Board with its duties related
24 to the determination of costs of a clean coal SNG brownfield
25 facility, as defined by Section 1-10 of the Illinois Power
26 Agency Act, as required in subsection (h-3) of Section 9-220

1 of the Public Utilities Act, including calculating the range
2 of capital costs, the range of operating and maintenance
3 costs, or the sequestration costs or monitoring the
4 construction of clean coal SNG brownfield facility for the
5 full duration of construction.

6 (f) (Blank).

7 (g) (Blank).

8 (h) This Code does not apply to the process to procure or
9 contracts entered into in accordance with Sections 11-5.2 and
10 11-5.3 of the Illinois Public Aid Code.

11 (i) Each chief procurement officer may access records
12 necessary to review whether a contract, purchase, or other
13 expenditure is or is not subject to the provisions of this
14 Code, unless such records would be subject to attorney-client
15 privilege.

16 (j) This Code does not apply to the process used by the
17 Capital Development Board to retain an artist or work or works
18 of art as required in Section 14 of the Capital Development
19 Board Act.

20 (k) This Code does not apply to the process to procure
21 contracts, or contracts entered into, by the State Board of
22 Elections or the State Electoral Board for hearing officers
23 appointed pursuant to the Election Code.

24 (l) This Code does not apply to the processes used by the
25 Illinois Student Assistance Commission to procure supplies and
26 services paid for from the private funds of the Illinois

1 Prepaid Tuition Fund. As used in this subsection (1), "private
2 funds" means funds derived from deposits paid into the
3 Illinois Prepaid Tuition Trust Fund and the earnings thereon.
4 (Source: P.A. 100-43, eff. 8-9-17; 100-580, eff. 3-12-18;
5 100-757, eff. 8-10-18; 100-1114, eff. 8-28-18; 101-27, eff.
6 6-25-19; 101-81, eff. 7-12-19; 101-363, eff. 8-9-19; revised
7 9-17-19.)

8 Section 915. The Illinois Income Tax Act is amended by
9 changing Section 214 as follows:

10 (35 ILCS 5/214)

11 Sec. 214. Tax credit for affordable housing donations.

12 (a) Beginning with taxable years ending on or after
13 December 31, 2001 and until the taxable year ending on
14 December 31, 2026 ~~December 31, 2021~~, a taxpayer who makes a
15 donation under Section 7.28 of the Illinois Housing
16 Development Act is entitled to a credit against the tax
17 imposed by subsections (a) and (b) of Section 201 in an amount
18 equal to 50% of the value of the donation. Partners,
19 shareholders of subchapter S corporations, and owners of
20 limited liability companies (if the limited liability company
21 is treated as a partnership for purposes of federal and State
22 income taxation) are entitled to a credit under this Section
23 to be determined in accordance with the determination of
24 income and distributive share of income under Sections 702 and

1 703 and subchapter S of the Internal Revenue Code. Persons or
2 entities not subject to the tax imposed by subsections (a) and
3 (b) of Section 201 and who make a donation under Section 7.28
4 of the Illinois Housing Development Act are entitled to a
5 credit as described in this subsection and may transfer that
6 credit as described in subsection (c).

7 (b) If the amount of the credit exceeds the tax liability
8 for the year, the excess may be carried forward and applied to
9 the tax liability of the 5 taxable years following the excess
10 credit year. The tax credit shall be applied to the earliest
11 year for which there is a tax liability. If there are credits
12 for more than one year that are available to offset a
13 liability, the earlier credit shall be applied first.

14 (c) The transfer of the tax credit allowed under this
15 Section may be made (i) to the purchaser of land that has been
16 designated solely for affordable housing projects in
17 accordance with the Illinois Housing Development Act or (ii)
18 to another donor who has also made a donation in accordance
19 with Section 7.28 of the Illinois Housing Development Act.

20 (d) A taxpayer claiming the credit provided by this
21 Section must maintain and record any information that the
22 Department may require by regulation regarding the project for
23 which the credit is claimed. When claiming the credit provided
24 by this Section, the taxpayer must provide information
25 regarding the taxpayer's donation to the project under the
26 Illinois Housing Development Act.

1 (Source: P.A. 99-915, eff. 12-20-16.)

2 Section 920. The Property Tax Code is amended by changing
3 Section 10-260 and by adding Section 15-178 as follows:

4 (35 ILCS 200/10-260)

5 Sec. 10-260. Low-income housing. In determining the fair
6 cash value of property receiving benefits from the Low-Income
7 Housing Tax Credit authorized by Section 42 of the Internal
8 Revenue Code, 26 U.S.C. 42, emphasis shall be given to the
9 income approach, ~~except in those circumstances where another~~
10 ~~method is clearly more appropriate.~~

11 In counties with more than 3,000,000 inhabitants, during a
12 general reassessment year in accordance with Section 9-220 or
13 at such other time that a property is reassessed, to determine
14 the fair cash value of any low-income housing project that
15 qualifies for the Low-Income Housing Tax Credit under Section
16 42 of the Internal Revenue Code: (i) in assessing any building
17 with 7 or more units, the assessment officer must consider the
18 actual or projected net operating income attributable to the
19 property, capitalized at rates for similarly encumbered
20 Section 42 properties; and (ii) in assessing any building with
21 6 units or less, the assessment officer, prior to finalizing
22 and certifying assessments to the Board of Review, shall
23 reassess the building considering the actual or projected net
24 operating income attributable to the property, capitalized at

1 rates for similarly encumbered Section 42 properties. The
2 capitalization rate for items (i) and (ii) shall be one that
3 reflects the prevailing cost of capital for other types of
4 similarly encumbered Section 42 properties in the geographic
5 market in which the low-income housing project is located.

6 All low-income housing projects that seek to be assessed
7 in accordance with the provisions of this Section shall
8 certify to the appropriate local assessment officer that the
9 owner or owners qualify for the Low-Income Housing Tax Credit
10 under Section 42 of the Internal Revenue Code for the
11 property, in a form prescribed by that assessment officer.

12 (Source: P.A. 91-502, eff. 8-13-99; 92-16, eff. 6-28-01.)

13 (35 ILCS 200/15-178 new)

14 Sec. 15-178. Reduction in assessed value for affordable
15 rental housing construction or rehabilitation.

16 (a) The General Assembly finds that there is a shortage of
17 high quality affordable rental homes for low-income and
18 very-low-income households throughout Illinois; that owners
19 and developers of rental housing face significant challenges
20 building newly constructed apartments or undertaking
21 rehabilitation of existing properties that results in rents
22 that are affordable for low-income and very-low-income
23 households; and that it will help Cook County and other parts
24 of Illinois address the extreme shortage of affordable rental
25 housing by developing a statewide policy to determine the

1 assessed value for newly constructed and rehabilitated
2 affordable rental housing that both encourages investment and
3 incentivizes property owners to keep rents affordable.

4 (b) Each chief county assessment officer shall implement
5 special assessment programs to reduce the assessed value of
6 all eligible newly constructed residential real property or
7 qualifying rehabilitation to all eligible existing residential
8 real property in accordance with subsection (c) for 10 taxable
9 years after the newly constructed residential real property or
10 improvements to existing residential real property are put in
11 service. Any county with less than 3,000,000 inhabitants may
12 decide not to implement one or both of the special assessment
13 programs defined in subparagraph (1) of subsection (c) of this
14 Section and subparagraph (2) of subsection (c) of this Section
15 upon passage of an ordinance by a majority vote of the county
16 board. Subsequent to a vote to opt out of this special
17 assessment program, any county with less than 3,000,000
18 inhabitants may decide to implement one or both of the special
19 assessment programs defined in subparagraph (1) of subsection
20 (c) of this Section and subparagraph (2) of subsection (c) of
21 this Section upon passage of an ordinance by a majority vote of
22 the county board. Property is eligible for the special
23 assessment program if and only if all of the following factors
24 have been met:

25 (1) at the conclusion of the new construction or
26 qualifying rehabilitation, the property consists of a

1 newly constructed multifamily building containing 7 or
2 more rental dwelling units or an existing multifamily
3 building that has undergone qualifying rehabilitation
4 resulting in 7 or more rental dwelling units; and

5 (2) the property meets the application requirements
6 defined in subsection (f).

7 (c) For those counties that are required to implement the
8 special assessment program and do not opt out of such special
9 assessment program, the chief county assessment officer for
10 that county shall require that residential real property is
11 eligible for the special assessment program if and only if one
12 of the additional factors have been met:

13 (1) except as defined in subparagraphs (E), (F), and
14 (G) of paragraph (1) of subsection (f) of this Section,
15 prior to the newly constructed residential real property
16 or improvements to existing residential real property
17 being put in service, the owner of the residential real
18 property commits that, for a period of 10 years, at least
19 15% of the multifamily building's units will have rents as
20 defined in this Section that are at or below maximum rents
21 and are occupied by households with household incomes at
22 or below maximum income limits; or

23 (2) except as defined in subparagraphs (E), (F), and
24 (G) of paragraph (1) of subsection (f) of this Section,
25 prior to the newly constructed residential real property
26 or improvements to existing residential real property

1 located in a low affordability community being put in
2 service, the owner of the residential real property
3 commits that, for a period of 30 years after the newly
4 constructed residential real property or improvements to
5 existing residential real property are put in service, at
6 least 20% of the multifamily building's units will have
7 rents as defined in this Section that are at or below
8 maximum rents and are occupied by households with
9 household incomes at or below maximum income limits.

10 If a reduction in assessed value is granted under one
11 special assessment program provided for in this Section, then
12 that same residential real property is not eligible for an
13 additional special assessment program under this Section at
14 the same time.

15 (d) The amount of the reduction in assessed value for
16 residential real property meeting the conditions set forth in
17 subparagraph (1) of subsection (c) shall be calculated as
18 follows:

19 (1) if the owner of the residential real property
20 commits for a period of at least 10 years that at least 15%
21 but fewer than 35% of the multifamily building's units
22 have rents at or below maximum rents and are occupied by
23 households with household incomes at or below maximum
24 income limits, the assessed value of the property used to
25 calculate the tax bill shall be reduced by an amount equal
26 to 25% of the assessed value of the property as determined

1 by the assessor for the property in the current taxable
2 year for the newly constructed residential real property
3 or based on the improvements to an existing residential
4 real property; and

5 (2) if the owner of the residential real property
6 commits for a period of at least 10 years that at least 35%
7 of the multifamily building's units have rents at or below
8 maximum rents and are occupied by households with
9 household incomes at or below maximum income limits, the
10 assessed value of the property used to calculate the tax
11 bill shall be reduced by an amount equal to 35% of the
12 assessed value of the property as determined by the
13 assessor for the property in the current assessment year
14 for the newly constructed residential real property or
15 based on the improvements to an existing residential real
16 property.

17 (e) The amount of the reduction for residential real
18 property meeting the conditions set forth in subparagraph (2)
19 of subsection (c) shall be calculated as follows:

20 (1) for the first, second, and third taxable year
21 after the residential real property is placed in service,
22 the residential real property is entitled to a reduction
23 in its assessed value in an amount equal to the difference
24 between the assessed value in the year for which the
25 incentive is sought and the assessed value for the
26 residential real property in the base year;

1 (2) for the fourth, fifth, and sixth taxable year
2 after the residential real property is placed in service,
3 the property is entitled to a reduction in its assessed
4 value in an amount equal to 80% of the difference between
5 the assessed value in the year for which the incentive is
6 sought and the assessed value for the residential real
7 property in the base year;

8 (3) for the seventh, eighth, and ninth taxable year
9 after the property is placed in service, the residential
10 real property is entitled to a reduction in its assessed
11 value in an amount equal to 60% of the difference between
12 the assessed value in the year for which the incentive is
13 sought and the assessed value for the residential real
14 property in the base year;

15 (4) for the tenth, eleventh, and twelfth taxable year
16 after the residential real property is placed in service,
17 the residential real property is entitled to a reduction
18 in its assessed value in an amount equal to 40% of the
19 difference between the assessed value in the year for
20 which the incentive is sought and the assessed value for
21 the residential real property in the base year; and

22 (5) for the thirteenth through the thirtieth taxable
23 year after the residential real property is placed in
24 service, the residential real property is entitled to a
25 reduction in its assessed value in an amount equal to 20%
26 of the difference between the assessed value in the year

1 for which the incentive is sought and the assessed value
2 for the residential real property in the base year.

3 (f) Application requirements.

4 (1) In order to receive the reduced valuation under
5 this Section, the owner must submit an application
6 containing the following information to the chief county
7 assessment officer for review in the form and by the date
8 required by the chief county assessment officer:

9 (A) the owner's name;

10 (B) the postal address and permanent index number
11 or numbers of the parcel or parcels for which the owner
12 is applying to receive reduced valuation under this
13 Section;

14 (C) a deed or other instrument conveying the
15 parcel or parcels to the current owner;

16 (D) written evidence that the new construction or
17 qualifying rehabilitation has been completed with
18 respect to the residential real property, including,
19 but not limited to, copies of building permits, a
20 notarized contractor's affidavit, and photographs of
21 the interior and exterior of the building after new
22 construction or rehabilitation is completed;

23 (E) written evidence that the residential real
24 property meets local building codes, or if there are
25 no local building codes, Housing Quality Standards, as
26 determined by the United States Department of Housing

1 and Urban Development;

2 (F) a list identifying the affordable units in
3 residential real property and a written statement that
4 the affordable units are comparable to the market rate
5 units in terms of unit type, number of bedrooms per
6 unit, quality of exterior appearance, energy
7 efficiency, and overall quality of construction;

8 (G) a written schedule certifying the rents in
9 each affordable unit and a written statement that
10 these rents do not exceed the maximum rents allowable
11 for the area in which the residential real property is
12 located;

13 (H) documentation from the administering agency
14 verifying the owner's participation in a qualifying
15 income-based rental subsidy program as defined in
16 subsection (e) of this Section if units receiving
17 rental subsidies are to be counted among the
18 affordable units in order to meet the thresholds
19 defined in this Section;

20 (I) a written statement identifying the household
21 income for every household occupying an affordable
22 unit and certifying that the household income does not
23 exceed the maximum income limits allowable for the
24 area in which the residential real property is
25 located;

26 (J) a written statement that the owner has

1 verified and retained documentation of household
2 income for every household occupying an affordable
3 unit; and

4 (K) any additional information consistent with
5 this Section as reasonably required by the chief
6 county assessment officer, including, but not limited
7 to, any information necessary to ensure compliance
8 with applicable local ordinances and to ensure the
9 owner is complying with the provisions of this
10 Section.

11 (1.1) In order for a development to receive the
12 reduced valuation under subsection (e), the owner must
13 provide evidence to the county assessor's office of a
14 fully executed project labor agreement entered into with
15 the applicable local building trades council, prior to
16 commencement of any and all construction, building,
17 renovation, demolition, or any material change to the
18 structure or land.

19 (2) The application requirements contained in
20 paragraph (1) of subsection (f) are continuing
21 requirements for the duration of the reduction in assessed
22 value received and may be annually or periodically
23 verified by the chief county assessment officer for the
24 county whereby the benefit is being issued.

25 (3) In lieu of submitting an application containing
26 the information prescribed in paragraph (1) of subsection

1 (f), the chief county assessment officer may allow for
2 submission of a substantially similar certification
3 granted by the Illinois Housing Development Authority or a
4 comparable local authority provided that the chief county
5 assessment officer independently verifies the veracity of
6 the certification with the Illinois Housing Development
7 Authority or comparable local authority.

8 (4) The chief county assessment officer shall notify
9 the owner as to whether or not the property meets the
10 requirements of this Section. If the property does not
11 meet the requirements of this Section, the chief county
12 assessment officer shall provide written notice of any
13 deficiencies to the owner, who shall then have 30 days
14 from the date of notification to provide supplemental
15 information showing compliance with this Section. The
16 chief county assessment officer shall, in its discretion,
17 grant additional time to cure any deficiency. If the owner
18 does not exercise this right to cure the deficiency, or if
19 the information submitted, in the sole judgment of the
20 chief county assessment officer, is insufficient to meet
21 the requirements of this Section, the chief county
22 assessment officer shall provide a written explanation of
23 the reasons for denial.

24 (5) The chief county assessment officer may charge a
25 reasonable application fee to offset the administrative
26 expenses associated with the program.

1 (6) The reduced valuation conferred by this Section is
2 limited as follows:

3 (A) The owner is eligible to apply for the reduced
4 valuation conferred by this Section beginning in the
5 first assessment year after the effective date of this
6 amendatory Act of the 102nd General Assembly through
7 December 31, 2027. If approved, the reduction will be
8 effective for the current assessment year, which will
9 be reflected in the tax bill issued in the following
10 calendar year. Owners that are approved for the
11 reduced valuation under paragraph (1) of subsection
12 (c) of this Section before December 31, 2027 shall, at
13 minimum, be eligible for annual renewal of the reduced
14 valuation during an initial 10-year period if annual
15 certification requirements are met for each of the 10
16 years, as described in subparagraph (B) of paragraph
17 (4) of subsection (d) of this Section.

18 (B) Property receiving a reduction outlined in
19 paragraph (1) of subsection (c) of this Section shall
20 continue to be eligible for an initial period of up to
21 10 years if annual certification requirements are met
22 for each of the 10 years, but shall be extended for up
23 to 2 additional 10-year periods with annual renewals
24 if the owner continues to meet the requirements of
25 this Section, including annual certifications, and
26 excluding the requirements regarding new construction

1 or qualifying rehabilitation defined in subparagraph
2 (D) of paragraph (1) of this subsection.

3 (C) The annual certification materials in the year
4 prior to final year of eligibility for the reduction
5 in assessed value must include a dated copy of the
6 written notice provided to tenants informing them of
7 the date of the termination if the owner is not seeking
8 a renewal.

9 (D) If the property is sold or transferred, the
10 purchaser or transferee must comply with all
11 requirements of this Section, excluding the
12 requirements regarding new construction or qualifying
13 rehabilitation defined in subparagraph (D) of
14 paragraph (1) of this subsection, in order to continue
15 receiving the reduction in assessed value. Purchasers
16 and transferees who comply with all requirements of
17 this Section excluding the requirements regarding new
18 construction or qualifying rehabilitation defined in
19 subparagraph (D) of paragraph (1) of this subsection
20 are eligible to apply for renewal on the schedule set
21 by the initial application.

22 (E) The owner may apply for the reduced valuation
23 if the residential real property meets all
24 requirements of this Section and the newly constructed
25 residential real property or improvements to existing
26 residential real property were put in service on or

1 after January 1, 2015. However, the initial 10-year
2 eligibility period or 30-year eligibility period,
3 depending on the applicable program, shall be reduced
4 by the number of years between the placed in service
5 date and the date the owner first receives this
6 reduced valuation.

7 (F) The owner may apply for the reduced valuation
8 within 2 years after the newly constructed residential
9 real property or improvements to existing residential
10 real property are put in service. However, the initial
11 10-year eligibility period or 30-year eligibility
12 period, depending on the applicable program, shall be
13 reduced for the number of years between the placed in
14 service date and the date the owner first receives
15 this reduced valuation.

16 (G) Owners of a multifamily building receiving a
17 reduced valuation through the Cook County Class 9
18 program during the year in which this amendatory Act
19 of the 102nd General Assembly takes effect shall be
20 deemed automatically eligible for the reduced
21 valuation defined in paragraph (1) of subsection (c)
22 of this Section in terms of meeting the criteria for
23 new construction or substantial rehabilitation for a
24 specific multifamily building regardless of when the
25 newly constructed residential real property or
26 improvements to existing residential real property

1 were put in service. If a Cook County Class 9 owner had
2 Class 9 status revoked on or after January 1, 2017 but
3 can provide documents sufficient to prove that the
4 revocation was in error or any deficiencies leading to
5 the revocation have been cured, the chief county
6 assessment officer may deem the owner to be eligible.
7 However, owners may not receive both the reduced
8 valuation under this Section and the reduced valuation
9 under the Cook County Class 9 program in any single
10 assessment year. In addition, the number of years
11 during which an owner has participated in the Class 9
12 program shall count against the 3 10-year periods of
13 eligibility for the reduced valuation as defined in
14 subparagraph (1) of subsection (c) of this Section.

15 (H) At the completion of the assessment reduction
16 period described in this Section: the entire parcel
17 will be assessed as otherwise provided by law.

18 (e) As used in this Section:

19 "Affordable units" means units that have rents that do not
20 exceed the maximum rents as defined in this Section.

21 "Assessed value for the residential real property in the
22 base year" means the value in effect at the end of the taxable
23 year prior to the latter of: (1) the date of initial
24 application; or (2) the date on which 20% of the total number
25 of units in the property are occupied by eligible tenants
26 paying eligible rent under this Section.

1 "Household income" includes the annual income for all the
2 people who occupy a housing unit that is anticipated to be
3 received from a source outside of the family during the
4 12-month period following admission or the annual
5 recertification, including related family members and all the
6 unrelated people who share the housing unit. Household income
7 includes the total of the following income sources: wages,
8 salaries and tips before any payroll deductions; net business
9 income; interest and dividends; payments in lieu of earnings,
10 such as unemployment and disability compensation, worker's
11 compensation and severance pay; Social Security income,
12 including lump sum payments; payments from insurance policies,
13 annuities, pensions, disability benefits and other types of
14 periodic payments, alimony, child support, and other regular
15 monetary contributions; and public assistance, except for
16 assistance from the Supplemental Nutrition Assistance Program
17 (SNAP). "Household income" does not include: earnings of
18 children under age 18; temporary income such as cash gifts;
19 reimbursement for medical expenses; lump sums from
20 inheritance, insurance payments, settlements for personal or
21 property losses; student financial assistance paid directly to
22 the student or to an educational institution; foster child
23 care payments; receipts from government-funded training
24 programs; assistance from the Supplemental Nutrition
25 Assistance Program (SNAP).

26 "Low affordability community" means (1) a municipality or

1 jurisdiction with less than 1,000,000 inhabitants in which 40%
2 or less of its total year-round housing units are affordable,
3 as determined by the Illinois Housing Development Authority
4 during the exemption determination process under the
5 Affordable Housing Planning and Appeal Act; (2) "D" zoning
6 districts as now or hereafter designated in the Chicago Zoning
7 Ordinance; or (3) a jurisdiction located in a municipality
8 with 1,000,000 or more inhabitants that has been designated as
9 a low affordability community by passage of a local ordinance
10 by that municipality, specifying the census tract or property
11 by permanent index number or numbers.

12 "Maximum income limits" means the maximum regular income
13 limits for 60% of area median income for the geographic area in
14 which the multifamily building is located for multifamily
15 programs as determined by the United States Department of
16 Housing and Urban Development and published annually by the
17 Illinois Housing Development Authority.

18 "Maximum rent" means the maximum regular rent for 60% of
19 the area median income for the geographic area in which the
20 multifamily building is located for multifamily programs as
21 determined by the United States Department of Housing and
22 Urban Development and published annually by the Illinois
23 Housing Development Authority. To be eligible for the reduced
24 valuation defined in this Section, maximum rents are to be
25 consistent with the Illinois Housing Development Authority's
26 rules; or if the owner is leasing an affordable unit to a

1 household with an income at or below the maximum income limit
2 who is participating in qualifying income-based rental subsidy
3 program, "maximum rent" means the maximum rents allowable
4 under the guidelines of the qualifying income-based rental
5 subsidy program.

6 "Qualifying income-based rental subsidy program" means a
7 Housing Choice Voucher issued by a housing authority under
8 Section 8 of the United States Housing Act of 1937, a tenant
9 voucher converted to a project-based voucher by a housing
10 authority or any other program administered or funded by a
11 housing authority, the Illinois Housing Development Authority,
12 another State agency, a federal agency, or a unit of local
13 government where participation is limited to households with
14 incomes at or below the maximum income limits as defined in
15 this Section and the tenants' portion of the rent payment is
16 based on a percentage of their income or a flat amount that
17 does not exceed the maximum rent as defined in this Section.

18 "Qualifying rehabilitation" means, at a minimum,
19 compliance with local building codes and the replacement or
20 renovation of at least 2 primary building systems to be
21 approved for the reduced valuation under paragraph (1) of
22 subsection (d) of this Section and at least 5 primary building
23 systems to be approved for the reduced valuation under
24 subsection (e) of this Section. Although the cost of each
25 primary building system may vary, to be approved for the
26 reduced valuation under paragraph (1) of subsection (d) of

1 this Section, the combined expenditure for making the building
2 compliant with local codes and replacing primary building
3 systems must be at least \$8 per square foot for work completed
4 between January 1 of the year in which this amendatory Act of
5 the 102nd General Assembly takes effect and December 31 of the
6 year in which this amendatory Act of the 102nd General
7 Assembly takes effect and, in subsequent years, \$8 adjusted by
8 the Consumer Price Index for All Urban Consumers, as published
9 annually by the U.S. Department of Labor. To be approved for
10 the reduced valuation under paragraph (2) of subsection (d) of
11 this Section, the combined expenditure for making the building
12 compliant with local codes and replacing primary building
13 systems must be at least \$12.50 per square foot for work
14 completed between January 1 of the year in which this
15 amendatory Act of the 102nd General Assembly takes effect and
16 December 31 of the year in which this amendatory Act of the
17 102nd General Assembly takes effect, and in subsequent years,
18 \$12.50 adjusted by the Consumer Price Index for All Urban
19 Consumers, as published annually by the U.S. Department of
20 Labor. To be approved for the reduced valuation under
21 subsection (e) of this Section, the combined expenditure for
22 making the building compliant with local codes and replacing
23 primary building systems must be at least \$60 per square foot
24 for work completed between January 1 of the year that this
25 amendatory Act of the 102nd General Assembly becomes effective
26 and December 31 of the year that this amendatory Act of the

1 102nd General Assembly becomes effective and, in subsequent
2 years, \$60 adjusted by the Consumer Price Index for All Urban
3 Consumers, as published annually by the U.S. Department of
4 Labor. "Primary building systems", together with their related
5 rehabilitations, specifically approved for this program are:

6 (1) Electrical. All electrical work must comply with
7 applicable codes; it may consist of a combination of any
8 of the following alternatives:

9 (A) installing individual equipment and appliance
10 branch circuits as required by code (the minimum being
11 a kitchen appliance branch circuit);

12 (B) installing a new emergency service, including
13 emergency lighting with all associated conduits and
14 wiring;

15 (C) rewiring all existing feeder conduits ("home
16 runs") from the main switchgear to apartment area
17 distribution panels;

18 (D) installing new in-wall conduits for
19 receptacles, switches, appliances, equipment, and
20 fixtures;

21 (E) replacing power wiring for receptacles,
22 switches, appliances, equipment, and fixtures;

23 (F) installing new light fixtures throughout the
24 building including closets and central areas;

25 (G) replacing, adding, or doing work as necessary
26 to bring all receptacles, switches, and other

1 electrical devices into code compliance;

2 (H) installing a new main service, including
3 conduit, cables into the building, and main disconnect
4 switch; and

5 (I) installing new distribution panels, including
6 all panel wiring, terminals, circuit breakers, and all
7 other panel devices.

8 (2) Heating. All heating work must comply with
9 applicable codes; it may consist of a combination of any
10 of the following alternatives:

11 (A) installing a new system to replace one of the
12 following heat distribution systems:

13 (i) piping and heat radiating units, including
14 new main line venting and radiator venting; or

15 (ii) duct work, diffusers, and cold air
16 returns; or

17 (iii) any other type of existing heat
18 distribution and radiation/diffusion components;

19 or

20 (B) installing a new system to replace one of the
21 following heat generating units:

22 (i) hot water/steam boiler;

23 (ii) gas furnace; or

24 (iii) any other type of existing heat
25 generating unit.

26 (3) Plumbing. All plumbing work must comply with

1 applicable codes. Replace all or a part of the in-wall
2 supply and waste plumbing; however, main supply risers,
3 waste stacks and vents, and code-conforming waste lines
4 need not be replaced.

5 (4) Roofing. All roofing work must comply with
6 applicable codes; it may consist of either of the
7 following alternatives, separately or in combination:

8 (A) replacing all rotted roof decks and
9 insulation; or

10 (B) replacing or repairing leaking roof membranes
11 (10% is the suggested minimum replacement of
12 membrane); restoration of the entire roof is an
13 acceptable substitute for membrane replacement.

14 (5) Exterior doors and windows. Replace the exterior
15 doors and windows. Renovation of ornate entry doors is an
16 acceptable substitute for replacement.

17 (6) Floors, walls, and ceilings. Finishes must be
18 replaced or covered over with new material. Acceptable
19 replacement or covering materials are as follows:

20 (A) floors must have new carpeting, vinyl tile,
21 ceramic, refurbished wood finish, or a similar
22 substitute;

23 (B) walls must have new drywall, including joint
24 taping and painting; or

25 (C) new ceilings must be either drywall, suspended
26 type, or a similar material.

1 (7) Exterior walls.

2 (A) replace loose or crumbling mortar and masonry
3 with new material;

4 (B) replace or paint wall siding and trim as
5 needed;

6 (C) bring porches and balconies to a sound
7 condition; or

8 (D) any combination of (A), (B), and (C).

9 (8) Elevators. Where applicable, at least 4 of the
10 following 7 alternatives must be accomplished:

11 (A) replace or rebuild the machine room controls
12 and refurbish the elevator machine (or equivalent
13 mechanisms in the case of hydraulic elevators);

14 (B) replace hoistway electro-mechanical items
15 including: ropes, switches, limits, buffers, levelers,
16 and deflector sheaves (or equivalent mechanisms in the
17 case of hydraulic elevators);

18 (C) replace hoistway wiring;

19 (D) replace door operators and linkage;

20 (E) replace door panels at each opening;

21 (F) replace hall stations, car stations, and
22 signal fixtures; or

23 (G) rebuild the car shell and refinish the
24 interior.

25 (9) Health and safety.

26 (A) Install or replace fire suppression systems;

- 1 (B) install or replace security systems; or
- 2 (C) environmental remediation of lead-based paint,
- 3 asbestos, leaking underground storage tanks, or radon.
- 4 (10) Energy conservation improvements undertaken to
- 5 limit the amount of solar energy absorbed by a building's
- 6 roof or to reduce energy use for the property, including,
- 7 but not limited to, any of the following activities:
- 8 (A) installing or replacing reflective roof
- 9 coatings (flat roofs);
- 10 (B) installing or replacing R-49 roof insulation;
- 11 (C) installing or replacing R-19 perimeter wall
- 12 insulation;
- 13 (D) installing or replacing insulated entry doors;
- 14 (E) installing or replacing Low E, insulated
- 15 windows;
- 16 (F) installing or replacing WaterSense labeled
- 17 plumbing fixtures;
- 18 (G) installing or replacing 90% or better sealed
- 19 combustion heating systems;
- 20 (H) installing Energy Star hot water heaters;
- 21 (I) installing or replacing mechanical ventilation
- 22 to exterior for kitchens and baths;
- 23 (J) installing or replacing Energy Star
- 24 appliances;
- 25 (K) installing or replacing Energy Star certified
- 26 lighting in common areas; or

1 (L) installing or replacing grading and
2 landscaping to promote on-site water retention if the
3 retained water is used to replace water that is
4 provided from a municipal source.

5 (11) Accessibility improvements. All accessibility
6 improvements must comply with applicable codes. An owner
7 may make accessibility improvements to residential real
8 property to increase access for people with disabilities.
9 As used in this paragraph (11), "disability" has the
10 meaning given to that term in the Illinois Human Rights
11 Act. As used in this paragraph (11), "accessibility
12 improvements" means a home modification listed under the
13 Home Services Program administered by the Department of
14 Human Services (Part 686 of Title 89 of the Illinois
15 Administrative Code) including, but not limited to:
16 installation of ramps, grab bars, or wheelchair lifts;
17 widening doorways or hallways; re-configuring rooms and
18 closets; and any other changes to enhance the independence
19 of people with disabilities.

20 (12) Any applicant who has purchased the property in
21 an arm's length transaction not more than 90 days before
22 applying for this reduced valuation may use the cost of
23 rehabilitation or repairs required by documented code
24 violations, up to a maximum of \$2 per square foot, to meet
25 the qualifying rehabilitation requirements.

1 Section 925. The Affordable Housing Planning and Appeal
2 Act is amended by changing Sections 15, 25, and 50 and by
3 adding Section 70 as follows:

4 (310 ILCS 67/15)

5 Sec. 15. Definitions. As used in this Act:

6 "Affordable housing" means housing that has a value or
7 cost or rental amount that is within the means of a household
8 that may occupy moderate-income or low-income housing. In the
9 case of owner-occupied dwelling units, housing that is
10 affordable means housing in which mortgage, amortization,
11 taxes, insurance, and condominium or association fees, if any,
12 constitute no more than 30% of the gross annual household
13 income for a household of the size that may occupy the unit. In
14 the case of dwelling units for rent, housing that is
15 affordable means housing for which the rent, any required
16 parking, maintenance, landlord-imposed fees, and utilities
17 constitute no more than 30% of the gross annual household
18 income for a household of the size that may occupy the unit.

19 "Affordable housing developer" means a nonprofit entity,
20 limited equity cooperative or public agency, or private
21 individual, firm, corporation, or other entity seeking to
22 build an affordable housing development.

23 "Affordable housing development" means (i) any housing
24 that is subsidized by the federal or State government or (ii)
25 any housing in which at least 20% of the dwelling units are

1 subject to covenants or restrictions that require that the
2 dwelling units be sold or rented at prices that preserve them
3 as affordable housing for a period of at least 15 years, in the
4 case of owner-occupied housing, and at least 30 years, in the
5 case of rental housing.

6 "Approving authority" means the governing body of the
7 county or municipality.

8 "Area median household income" means the median household
9 income adjusted for family size for applicable income limit
10 areas as determined annually by the federal Department of
11 Housing and Urban Development under Section 8 of the United
12 States Housing Act of 1937.

13 "Community land trust" means a private, not-for-profit
14 corporation organized exclusively for charitable, cultural,
15 and other purposes and created to acquire and own land for the
16 benefit of the local government, including the creation and
17 preservation of affordable housing.

18 "Development" means any building, construction,
19 renovation, or excavation or any material change in any
20 structure or land, or change in the use of such structure or
21 land, that results in a net increase in the number of dwelling
22 units in a structure or on a parcel of land by more than one
23 dwelling unit.

24 "Exempt local government" means any local government in
25 which at least 10% of its total year-round housing units are
26 affordable, as determined by the Illinois Housing Development

1 Authority pursuant to Section 20 of this Act; or any
2 municipality under 1,000 population.

3 "Household" means the person or persons occupying a
4 dwelling unit.

5 "Housing trust fund" means a separate fund, either within
6 a local government or between local governments pursuant to
7 intergovernmental agreement, established solely for the
8 purposes authorized in subsection (d) of Section 25,
9 including, without limitation, the holding and disbursing of
10 financial resources to address the affordable housing needs of
11 individuals or households that may occupy low-income or
12 moderate-income housing.

13 "Local government" means a county or municipality.

14 "Low-income housing" means housing that is affordable,
15 according to the federal Department of Housing and Urban
16 Development, for either home ownership or rental, and that is
17 occupied, reserved, or marketed for occupancy by households
18 with a gross household income that does not exceed 50% of the
19 area median household income.

20 "Moderate-income housing" means housing that is
21 affordable, according to the federal Department of Housing and
22 Urban Development, for either home ownership or rental, and
23 that is occupied, reserved, or marketed for occupancy by
24 households with a gross household income that is greater than
25 50% but does not exceed 80% of the area median household
26 income.

1 "Non-appealable local government requirements" means all
2 essential requirements that protect the public health and
3 safety, including any local building, electrical, fire, or
4 plumbing code requirements or those requirements that are
5 critical to the protection or preservation of the environment.
6 (Source: P.A. 98-287, eff. 8-9-13.)

7 (310 ILCS 67/25)

8 Sec. 25. Affordable housing plan.

9 (a) Prior to April 1, 2005, all non-exempt local
10 governments must approve an affordable housing plan. Any local
11 government that is determined by the Illinois Housing
12 Development Authority under Section 20 to be non-exempt for
13 the first time based on the recalculation of U.S. Census
14 Bureau data after 2010 shall have 18 months from the date of
15 notification of its non-exempt status to approve an affordable
16 housing plan under this Act. On and after the effective date of
17 this amendatory Act of the 102nd General Assembly, an
18 affordable housing plan, or any revision thereof, shall not be
19 adopted by a non-exempt local government until notice and
20 opportunity for public hearing have first been afforded.

21 (b) For the purposes of this Act, the affordable housing
22 plan shall consist of at least the following:

23 (i) a statement of the total number of affordable
24 housing units that are necessary to exempt the local
25 government from the operation of this Act as defined in

1 Section 15 and Section 20;

2 (ii) an identification of lands within the
3 jurisdiction that are most appropriate for the
4 construction of affordable housing and of existing
5 structures most appropriate for conversion to, or
6 rehabilitation for, affordable housing, including a
7 consideration of lands and structures of developers who
8 have expressed a commitment to provide affordable housing
9 and lands and structures that are publicly or
10 semi-publicly owned;

11 (iii) incentives that local governments may provide
12 for the purpose of attracting affordable housing to their
13 jurisdiction; and

14 (iv) a goal of a minimum of 15% of all new development
15 or redevelopment within the local government that would be
16 defined as affordable housing in this Act; or a minimum of
17 a 3 percentage point increase in the overall percentage of
18 affordable housing within its jurisdiction, as described
19 in subsection (b) of Section 20 of this Act; or a minimum
20 of a total of 10% affordable housing within its
21 jurisdiction as described in subsection (b) of Section 20
22 of this Act. These goals may be met, in whole or in part,
23 through the creation of affordable housing units under
24 intergovernmental agreements as described in subsection
25 (e) of this Section.

26 (c) Within 60 days after the adoption of an affordable

1 housing plan or revisions to its affordable housing plan, the
2 local government must submit a copy of that plan to the
3 Illinois Housing Development Authority.

4 (d) In order to promote the goals of this Act and to
5 maximize the creation, establishment, or preservation of
6 affordable housing throughout the State of Illinois, a local
7 government, whether exempt or non-exempt under this Act, may
8 adopt the following measures to address the need for
9 affordable housing:

10 (1) Local governments may individually or jointly
11 create or participate in a housing trust fund or otherwise
12 provide funding or support for the purpose of supporting
13 affordable housing, including, without limitation, to
14 support the following affordable housing activities:

15 (A) Housing production, including, without
16 limitation, new construction, rehabilitation, and
17 adaptive re-use.

18 (B) Acquisition, including, without limitation,
19 land, single-family homes, multi-unit buildings, and
20 other existing structures that may be used in whole or
21 in part for residential use.

22 (C) Rental payment assistance.

23 (D) Home-ownership purchase assistance.

24 (E) Preservation of existing affordable housing.

25 (F) Weatherization.

26 (G) Emergency repairs.

1 (H) Housing related support services, including
2 homeownership education and financial counseling.

3 (I) Grants or loans to not-for-profit
4 organizations engaged in addressing the affordable
5 housing needs of low-income and moderate-income
6 households.

7 Local governments may authorize housing trust funds to
8 accept and utilize funds, property, and other resources
9 from all proper and lawful public and private sources so
10 long as those funds are used solely for addressing the
11 affordable housing needs of individuals or households that
12 may occupy low-income or moderate-income housing.

13 (2) A local government may create a community land
14 trust, which may: acquire developed or undeveloped
15 interests in real property and hold them for affordable
16 housing purposes; convey such interests under long-term
17 leases, including ground leases; convey such interests for
18 affordable housing purposes; and retain an option to
19 reacquire any such real property interests at a price
20 determined by a formula ensuring that such interests may
21 be utilized for affordable housing purposes.

22 (3) A local government may use its zoning powers to
23 require the creation and preservation of affordable
24 housing as authorized under Section 5-12001 of the
25 Counties Code and Section 11-13-1 of the Illinois
26 Municipal Code.

1 (4) A local government may accept donations of money
2 or land for the purpose of addressing the affordable
3 housing needs of individuals or households that may occupy
4 low-income or moderate-income housing. These donations may
5 include, without limitation, donations of money or land
6 from persons, as long as the donations are demonstrably
7 used to preserve, create, or subsidize low-income housing
8 or moderate-income housing within the jurisdiction ~~in lieu~~
9 ~~of building affordable housing.~~

10 (e) In order to encourage regional cooperation and the
11 maximum creation of affordable housing in areas lacking such
12 housing in the State of Illinois, any non-exempt local
13 government may enter into intergovernmental agreements under
14 subsection (e) of Section 25 with local governments within 10
15 miles of its corporate boundaries in order to create
16 affordable housing units to meet the goals of this Act. A
17 non-exempt local government may not enter into an
18 intergovernmental agreement, however, with any local
19 government that contains more than 25% affordable housing as
20 determined under Section 20 of this Act. All intergovernmental
21 agreements entered into to create affordable housing units to
22 meet the goals of this Act must also specify the basis for
23 determining how many of the affordable housing units created
24 will be credited to each local government participating in the
25 agreement for purposes of complying with this Act. All
26 intergovernmental agreements entered into to create affordable

1 housing units to meet the goals of this Act must also specify
2 the anticipated number of newly created affordable housing
3 units that are to be credited to each local government
4 participating in the agreement for purposes of complying with
5 this Act. In specifying how many affordable housing units will
6 be credited to each local government, the same affordable
7 housing unit may not be counted by more than one local
8 government.

9 (f) To enforce compliance with the provisions of this
10 Section, and to encourage local governments to submit their
11 affordable housing plans to the Illinois Housing Development
12 Authority in a timely manner, the Illinois Housing Development
13 Authority shall notify any local government and may notify the
14 Office of the Attorney General that the local government is in
15 violation of State law if the Illinois Housing Development
16 Authority finds that the affordable housing plan submitted is
17 not in substantial compliance with this Section or that the
18 local government failed to submit an affordable housing plan.
19 The Attorney General may enforce this provision of the Act by
20 an action for mandamus or injunction or by means of other
21 appropriate relief.

22 (Source: P.A. 98-287, eff. 8-9-13.)

23 (310 ILCS 67/50)

24 Sec. 50. Housing Appeals Board.

25 (a) Prior to January 1, 2008, a Housing Appeals Board

1 shall be created consisting of 7 members appointed by the
2 Governor as follows:

3 (1) a retired circuit judge or retired appellate
4 judge, who shall act as chairperson;

5 (2) a zoning board of appeals member;

6 (3) a planning board member;

7 (4) a mayor or municipal council or board member;

8 (5) a county board member;

9 (6) an affordable housing developer; and

10 (7) an affordable housing advocate.

11 In addition, the Chairman of the Illinois Housing
12 Development Authority, ex officio, shall serve as a non-voting
13 member. No more than 4 of the appointed members may be from the
14 same political party. Appointments under items (2), (3), and
15 (4) shall be from local governments that are not exempt under
16 this Act.

17 (b) Initial terms of 4 members designated by the Governor
18 shall be for 2 years. Initial terms of 3 members designated by
19 the Governor shall be for one year. Thereafter, members shall
20 be appointed for terms of 2 years. After a member's term
21 expires, the member shall continue to serve until a successor
22 is appointed. There shall be no limit to the number of terms an
23 appointee may serve. A member shall receive no compensation
24 for his or her services, but shall be reimbursed by the State
25 for all reasonable expenses actually and necessarily incurred
26 in the performance of his or her official duties. The board

1 shall hear all petitions for review filed under this Act and
2 shall conduct all hearings in accordance with the rules and
3 regulations established by the chairperson. The Illinois
4 Housing Development Authority shall provide space and clerical
5 and other assistance that the Board may require.

6 (c) (Blank).

7 (d) To the extent possible, any vacancies in the Housing
8 Appeals Board shall be filled within 90 days of the vacancy.

9 (Source: P.A. 98-287, eff. 8-9-13.)

10 (310 ILCS 67/70 new)

11 Sec. 70. Home rule application. Unless otherwise provided
12 under this Act or otherwise in accordance with State law, a
13 unit of local government, including a home rule unit, or any
14 non-home rule county within the unincorporated territory of
15 the county, may not regulate the activities described in this
16 Act in a manner more restrictive than the regulation of those
17 activities by the State under this Act. This Section is a
18 limitation under subsection (i) of Section 6 of Article VII of
19 the Illinois Constitution on the concurrent exercise by home
20 rule units of powers and functions exercised by the State.

21 Section 999. Effective date. This Act takes effect upon
22 becoming law.