

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 5. The Housing Authorities Act is amended by
5 adding Section 8.4a and changing Sections 11, 17, and 21 as
6 follows:

7 (310 ILCS 10/8.4a new)

8 Sec. 8.4a. An Authority may do any of the following:

9 (a) Issue revenue bonds for the purpose of financing the
10 acquisition, construction, equipping, rehabilitation, or
11 refinancing of multifamily rental housing and for the
12 provision of capital improvements in connection with and
13 determined necessary to the multifamily rental housing.

14 (b) Make or undertake commitments to make loans to
15 finance the acquisition, construction, equipping,
16 rehabilitation, or refinancing of multifamily rental housing.

17 (c) Purchase or undertake, directly or indirectly
18 through lending institutions, commitments to purchase,
19 construction loans, and mortgage loans originated in
20 accordance with a financing agreement with the Authority to
21 finance the acquisition, construction, equipping,
22 rehabilitation, or refinancing of multifamily rental housing,
23 or make loans to lending institutions under terms and
24 conditions which, in addition to other provisions determined
25 by the Authority, shall require the lending institutions to
26 use the net proceeds of the loans for the making, directly or
27 indirectly, of construction loans or mortgage loans to
28 finance the acquisition, construction, equipping,
29 rehabilitation, or refinancing of multifamily rental housing.

30 (310 ILCS 10/11) (from Ch. 67 1/2, par. 11)

1 Sec. 11. An Authority shall have power to issue bonds
2 from time to time in its discretion to finance in whole or in
3 part the cost of acquisition, purchase, construction,
4 reconstruction, improvement, alteration, extension or repair
5 of any project or undertaking hereunder. An Authority shall
6 also have power to issue refunding bonds for the purpose of
7 paying or retiring bonds previously issued by it. An
8 Authority may issue such types of bonds as it may determine
9 by resolution, including bonds on which the principal and
10 interest are payable; (a) exclusively from the income and
11 revenues of the housing project financed with the proceeds of
12 such bonds (including, without limitation, income and
13 revenues derived from a loan agreement), or with such
14 proceeds together with a grant from the Federal Government or
15 any political subdivision of the State in aid of such
16 project; (b) exclusively from the income and revenues of
17 certain designated housing projects of such Authority whether
18 or not they were financed in whole or in part with the
19 proceeds of such bonds; or (c) from its revenues generally.
20 Any of such bonds may be additionally secured by a pledge of
21 any revenues of any housing project, projects or other
22 property of the Authority.

23 The Authority may grant a specific pledge or assignment
24 of, and lien on or security interest in, the income and
25 revenues of the Authority derived from the loan agreement
26 with respect to the project or projects, as well as in any
27 reserves, funds, or accounts established in the resolution
28 authorizing the bonds or the indenture or other instrument
29 under which the bonds are issued. As evidence of such
30 pledge, assignment, lien, and security interest, the
31 Authority may execute and deliver a mortgage, trust
32 agreement, indenture, security agreement, or an assignment
33 thereof.

34 Neither the commissioners of an Authority nor any person

1 executing the bonds shall be liable personally on the bonds
2 by reason of the issuance thereof. The bonds and other
3 obligations of an Authority (and such bonds and obligations
4 shall so state on their face) shall not be a debt of any
5 city, village, incorporated town, county, the State or any
6 political subdivision thereof and neither the city, village,
7 incorporated town or the county, nor the State or any
8 political subdivision thereof shall be liable thereon, nor in
9 any event shall such bonds or obligations be payable out of
10 any funds or properties other than those of said Authority.
11 The bonds shall not constitute an indebtedness within the
12 meaning of any constitutional or statutory debt limitation or
13 restriction.

14 (Source: Laws 1937, p. 679.)

15 (310 ILCS 10/17) (from Ch. 67 1/2, par. 17)

16 Sec. 17. The following terms, wherever used or referred
17 to in this Act shall have the following respective meanings,
18 unless in any case a different meaning clearly appears from
19 the context:

20 (a) "Authority" or "housing authority" shall mean a
21 municipal corporation organized in accordance with the
22 provisions of this Act for the purposes, with the powers and
23 subject to the restrictions herein set forth.

24 (b) "Area" or "area of operation" shall mean: (1) in the
25 case of an authority which is created hereunder for a city,
26 village, or incorporated town, the area within the
27 territorial boundaries of said city, village, or incorporated
28 town, and so long as no county housing authority has
29 jurisdiction therein, the area within three miles from such
30 territorial boundaries, except any part of such area located
31 within the territorial boundaries of any other city, village,
32 or incorporated town; and (2) in the case of a county shall
33 include all of the county except the area of any city,

1 village or incorporated town located therein in which there
2 is an Authority. When an authority is created for a county
3 subsequent to the creation of an authority for a city,
4 village or incorporated town within the same county, the area
5 of operation of the authority for such city, village or
6 incorporated town shall thereafter be limited to the
7 territory of such city, village or incorporated town, but the
8 authority for such city, village or incorporated town may
9 continue to operate any project developed in whole or in part
10 in an area previously a part of its area of operation, or may
11 contract with the county housing authority with respect to
12 the sale, lease, development or administration of such
13 project. When an authority is created for a city, village or
14 incorporated town subsequent to the creation of a county
15 housing authority which previously included such city,
16 village or incorporated town within its area of operation,
17 such county housing authority shall have no power to create
18 any additional project within the city, village or
19 incorporated town, but any existing project in the city,
20 village or incorporated town currently owned and operated by
21 the county housing authority shall remain in the ownership,
22 operation, custody and control of the county housing
23 authority.

24 (c) "Presiding officer" shall mean the presiding officer
25 of the board of a county, or the mayor or president of a
26 city, village or incorporated town, as the case may be, for
27 which an Authority is created hereunder.

28 (d) "Commissioner" shall mean one of the members of an
29 Authority appointed in accordance with the provisions of this
30 Act.

31 (e) "Government" shall include the State and Federal
32 governments and the governments of any subdivisions, agency
33 or instrumentality, corporate or otherwise, of either of
34 them.

1 (f) "Department" shall mean the Department of Commerce
2 and Community Affairs.

3 (g) "Project" shall include all lands, buildings, and
4 improvements, acquired, owned, leased, managed or operated by
5 a housing authority, and all buildings and improvements
6 constructed, reconstructed or repaired by a housing
7 authority, designed to provide housing accommodations and
8 facilities appurtenant thereto (including community
9 facilities and stores) which are planned as a unit, whether
10 or not acquired or constructed at one time even though all or
11 a portion of the buildings are not contiguous or adjacent to
12 one another; and the planning of buildings and improvements,
13 the acquisition of property, the demolition of existing
14 structures, the clearing of land, the construction,
15 reconstruction, and repair of buildings or improvements and
16 all other work in connection therewith. As provided in
17 Sections 8.14 to 8.18, inclusive, "project" also means, for
18 Housing Authorities for municipalities of less than 500,000
19 population and for counties, the conservation of urban areas
20 in accordance with an approved conservation plan. "Project"
21 shall also include (1) acquisition of (i) a slum or blighted
22 area or a deteriorated or deteriorating area which is
23 predominantly residential in character, or (ii) any other
24 deteriorated or deteriorating area which is to be developed
25 or redeveloped for predominantly residential uses, or (iii)
26 platted urban or suburban land which is predominantly open
27 and which because of obsolete platting, diversity of
28 ownership, deterioration of structures or of site
29 improvements, or otherwise substantially impairs or arrests
30 the sound growth of the community and which is to be
31 developed for predominantly residential uses, or (iv) open
32 unplatted urban or suburban land necessary for sound
33 community growth which is to be developed for predominantly
34 residential uses, or (v) any other area where parcels of land

1 remain undeveloped because of improper platting, delinquent
2 taxes or special assessments, scattered or uncertain
3 ownerships, clouds on title, artificial values due to
4 excessive utility costs, or any other impediments to the use
5 of such area for predominantly residential uses; (2)
6 installation, construction, or reconstruction of streets,
7 utilities, and other site improvements essential to the
8 preparation of sites for uses in accordance with the
9 development or redevelopment plan; and (3) making the land
10 available for development or redevelopment by private
11 enterprise or public agencies (including sale, initial
12 leasing, or retention by the local public agency itself). If
13 in any city, village or incorporated town there exists a land
14 clearance commission created under the "Blighted Areas
15 Redevelopment Act of 1947" having the same area of operation
16 as a housing authority created in and for any such
17 municipality such housing authority shall have no power to
18 acquire land of the character described in subparagraph
19 (iii), (iv) or (v) of paragraph 1 of the definition of
20 "project" for the purpose of development or redevelopment by
21 private enterprise.

22 (h) "Community facilities" shall include lands,
23 buildings, and equipment for recreation or social assembly,
24 for education, health or welfare activities and other
25 necessary utilities primarily for use and benefit of the
26 occupants of housing accommodations to be constructed,
27 reconstructed, repaired or operated hereunder.

28 (i) "Real property" shall include lands, lands under
29 water, structures, and any and all easements, franchises and
30 incorporeal hereditaments and estates, and rights, legal and
31 equitable, including terms for years and liens by way of
32 judgment, mortgage or otherwise.

33 (j) The term "governing body" shall include the city
34 council of any city, the president and board of trustees of

1 any village or incorporated town, the council of any city or
2 village, and the county board of any county.

3 (k) The phrase "individual, association, corporation or
4 organization" shall include any individual, private
5 corporation, insurance company, housing corporation,
6 neighborhood redevelopment corporation, non-profit
7 corporation, incorporated or unincorporated group or
8 association, educational institution, hospital, or charitable
9 organization, and any mutual ownership or cooperative
10 organization.

11 (l) "Conservation area", for the purpose of the exercise
12 of the powers granted in Sections 8.14 to 8.18, inclusive,
13 for housing authorities for municipalities of less than
14 500,000 population and for counties, means an area of not
15 less than 2 acres in which the structures in 50% or more of
16 the area are residential having an average age of 35 years or
17 more. Such an area is not yet a slum or blighted area as
18 defined in the Blighted Areas Redevelopment Act of 1947, but
19 such an area by reason of dilapidation, obsolescence,
20 deterioration or illegal use of individual structures,
21 overcrowding of structures and community facilities,
22 conversion of residential units into non-residential use,
23 deleterious land use or layout, decline of physical
24 maintenance, lack of community planning, or any combination
25 of these factors may become a slum and blighted area.

26 (m) "Conservation plan" means the comprehensive program
27 for the physical development and replanning of a
28 "Conservation Area" as defined in paragraph (l) embodying the
29 steps required to prevent such Conservation Area from
30 becoming a slum and blighted area.

31 (n) "Fair use value" means the fair cash market value of
32 real property when employed for the use contemplated by a
33 "Conservation Plan" in municipalities of less than 500,000
34 population and in counties.

1 (o) "Community facilities" means, in relation to a
2 "Conservation Plan", those physical plants which implement,
3 support and facilitate the activities, services and interests
4 of education, recreation, shopping, health, welfare, religion
5 and general culture.

6 (p) "Loan agreement" means any agreement pursuant to
7 which an Authority agrees to loan the proceeds of its revenue
8 bonds issued with respect to a project or other funds of the
9 Authority to any person upon terms providing for loan
10 repayment installments at least sufficient to pay when due
11 all principal of, premium, if any, and interest on the
12 revenue bonds of the Authority issued with respect to the
13 project, and providing for maintenance, insurance, and other
14 matters as may be deemed desirable by the Authority.

15 (Source: P.A. 87-200.)

16 (310 ILCS 10/21) (from Ch. 67 1/2, par. 21)

17 Sec. 21. In connection with the issuance of bonds or the
18 incurring of obligations under leases and in order to secure
19 the payment of such bonds or obligations, an Authority, in
20 addition to its other powers, shall have power:

21 (a) To pledge all or any part of its gross or net rents,
22 fees or revenues to which its right then exists or may
23 thereafter come into existence.

24 (b) To covenant against pledging all or any part of its
25 rents, fees and revenues, or against permitting or allowing
26 any lien on such revenues or property; to covenant with
27 respect to limitations on its right to sell, lease or
28 otherwise dispose of any housing project or any part thereof;
29 and to covenant as to what other, or additional debts or
30 obligations may be incurred by it.

31 (c) To covenant as to the bonds to be issued and as to
32 the issuance of such bonds in escrow or otherwise, and as to
33 the use and disposition of the proceeds thereof: to provide

1 for the replacement of lost, destroyed or mutilated bonds; to
2 covenant against extending the time for the payment of its
3 bonds or interest thereon; and to redeem the bonds, and to
4 covenant for their redemption and to provide the terms and
5 conditions thereof.

6 (d) To covenant (subject to the limitations contained in
7 this Act) as to the rents and fees to be charged in the
8 operation of a housing project or projects, the amount to be
9 raised each year or other period of time by rents, fees and
10 other revenues, and as to the use and disposition to be made
11 thereof; to create or to authorize the creation of special
12 funds for moneys held for construction or operating costs,
13 debt service, reserves, or other purposes, and to covenant as
14 to the use and disposition of the moneys held in such funds.

15 (e) To prescribe the procedure, if any, by which the
16 terms of any contract with bondholders may be amended or
17 abrogated, the amount of bonds the holders of which must
18 consent thereto and the manner in which such consent may be
19 given.

20 (f) To covenant as to the use of any or all of its real
21 or personal property; and to covenant as to the maintenance
22 of its real and personal property, the replacement thereof,
23 the insurance to be carried thereon and the use and
24 disposition of insurance moneys.

25 (g) To covenant as to the rights, liabilities, powers
26 and duties arising upon the breach by it of any covenant,
27 condition, or obligation; and to covenant and prescribe as to
28 events of default and terms and conditions upon which any or
29 all of its bonds or obligations shall become or may be
30 declared due before maturity, and as to the terms and
31 conditions upon which such declaration and its consequences
32 may be waived.

33 (h) To vest in a trustee or trustees or the holders of
34 bonds or any specified proportion of them the right to

1 enforce the payment of the bonds or any covenants securing or
2 relating to the bonds; to vest in a trustee or trustees the
3 right, in the event of a default by the Authority, to take
4 possession of any housing project or part thereof, and (so
5 long as the Authority shall continue in default) to retain
6 such possession and use, operate and manage the project, and
7 to collect the rents and revenues arising therefrom and to
8 dispose of such moneys in accordance with the agreement of
9 the Authority with the trustee; to provide for the powers and
10 duties of a trustee or trustees and to limit the liabilities
11 thereof; and to provide the terms and conditions upon which
12 the trustee or trustees or the holders of bonds or any
13 proportion of them may enforce any covenant or rights
14 securing or relating to the bonds.

15 (i) To enter into loan agreements, regulatory
16 agreements, and all other instruments or documentation with
17 private borrowers of the proceeds of the Authority's
18 multifamily housing revenue bonds and to accept guaranties
19 from persons of its loans or the resultant evidences of
20 obligations to the Authority.

21 (j) To exercise all or any part or combination of the
22 powers herein granted; to make covenants other than and in
23 addition to the covenants herein expressly authorized, of
24 like or different character; to make such covenants and to do
25 any and all such acts and things as may be necessary or
26 convenient or desirable in order to secure its bonds, or, in
27 the absolute discretion of the Authority, as will tend to
28 make the bonds more marketable notwithstanding that such
29 covenants, acts or things may not be enumerated herein.

30 (Source: P.A. 84-551.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.