

TITLE 47: HOUSING AND COMMUNITY DEVELOPMENT  
CHAPTER II: ILLINOIS HOUSING DEVELOPMENT AUTHORITY

PART 380  
RENTAL HOUSING SUPPORT PROGRAM

SUBPART A: GENERAL RULES

- 380.101 Authority
- 380.102 Purpose and Objectives
- 380.103 Definitions
- 380.104 Compliance with Federal and State Law
- 380.105 Forms and Procedures for the Program
- 380.106 Application Fee
- 380.107 Program Operating Fees
- 380.108 Authority Administrative Expenses
- 380.109 Amendment
- 380.110 Severability
- 380.111 Gender and Number
- 380.112 Non-Discrimination
- 380.113 Titles and Captions

SUBPART B: DISTRIBUTION OF FUNDS

- 380.201 Distribution of Appropriation Funds
- 380.202 Fund Distributions to Geographic Areas
- 380.203 Long-Term Operating Support (LTOS) Program
- 380.204 Rural Area Set-Aside
- 380.205 Reserve Fund

SUBPART C: GENERAL REQUIREMENTS

- 380.301 Tenant Eligibility; Required Percentage of Severely Low-Income Tenants
- 380.302 Outreach Requirements
- 380.303 Income Certifications
- 380.304 Training Programs
- 380.305 Tenant Rent Contribution
- 380.306 Amount of Rental Assistance, Rent, and Maximum Rent
- 380.307 Rent Increases
- 380.308 Over-Income Tenants
- 380.309 Appeals
- 380.310 Rental Preferences for Tenants with Special Needs
- 380.311 Tenant Bill of Rights

380.312 Tenant Selection Plan

SUBPART D: ALLOCATIONS TO LOCAL ADMINISTERING AGENCIES

380.401 Request for Proposals  
380.402 Eligibility  
380.403 Application Requirements  
380.404 Service Area in Multiple Geographic Areas  
380.405 Qualification Requirements  
380.406 Administration of Allocations  
380.407 Inspection Requirements  
380.408 Selection of Landlords  
380.409 Contracts with Landlords  
380.410 Reporting Requirements  
380.411 Reconciliations  
380.412 Funding of Allocations  
380.413 Renewal of Commitments  
380.414 Leases  
380.415 Requirements for LAAs Designated by Municipalities  
380.416 Reporting Requirements for Municipalities

SUBPART E: LANDLORD RESPONSIBILITIES

380.501 Income Eligibility and Verification  
380.502 Record Submission and Retention  
380.503 Lead-Based Paint  
380.504 Housing Quality Standards  
380.505 Compliance with State and Local Law  
380.506 Eviction  
380.507 Reconciliations

SUBPART F: LONG-TERM OPERATING SUPPORT (LTOS)  
PROGRAM REQUIREMENTS

380.601 Allocations  
380.602 Allocations Only for New Units  
380.603 Application Procedures  
380.604 Developer Qualifications  
380.605 Application Requirements  
380.606 Agency Review  
380.607 Waiver  
380.608 Commitments  
380.609 Income Eligibility and Verification

380.610	Over-Income Tenants
380.611	Leases
380.612	Evictions
380.613	Housing Quality Standards
380.614	Lead-Based Paint
380.615	Reconciliations
380.616	Reporting Requirements
380.617	Agency Monitoring
380.618	Continuing Eligibility Requirements

**AUTHORITY:** Authorized by Section 7.19 of the Illinois Housing Development Act [20 ILCS 3805/7.19] and the Rental Housing Support Program Act [310 ILCS 105].

**SOURCE:** Adopted at 30 Ill. Reg. 17772, effective October 30, 2006.

### **Section 380.101 Authority**

The Illinois Housing Development Authority (Authority) is the designated administrator for the Rental Housing Support Program (RHS Program) in Illinois, which was established by the Rental Housing Support Program Act (RHS Program Act) [310 ILCS 105], effective July 5, 2005. This Part is authorized by Section 7.19 of the Illinois Housing Development Act [20 ILCS 3805/7.19] and Section 10 of the RHS Program Act.

### **Section 380.102 Purpose and Objectives**

The purpose of the RHS Program is to help localities address the need for decent, affordable, permanent rental housing. Under the RHS Program, the Agency shall make grants to Local Administering Agencies to provide subsidies to Landlords that will make housing units affordable to Extremely Low- and Severely Low-Income Households and to Developers to provide long-term operating support for Projects that will make housing units affordable to Extremely Low- and Severely Low-Income Households.

### **Section 380.103 Definitions**

The following terms used in this Part shall have the following definitions:

"Act": The Illinois Housing Development Act [20 ILCS 3805].

"Agency": The Illinois Housing Development Authority or a Municipality.

"Allocation": An award of funds from the RHS Program to an LAA or a Developer.

"Annual Adjustment Factor": The figure published monthly by HUD to determine rent increases for purposes of Section 8 of the United States Housing Act of 1937 (42 USC 1437).

"Annual Income": All amounts, monetary or not, received or anticipated to be received, from a source outside the Household, by or on behalf of the head, spouse or co-head of the Household, or any other Household member over the age of 18, during the 12-month period following admission or the date of the most recent recertification of the Household income. Annual Income includes income from the family's assets. The determination of Annual Incomes shall be made as provided in the HUD regulations governing Section 8 of the United States Housing Act of 1937 (42 USC 1437), 24 CFR 5.609(b) and (c) (2006), provided that imputed income from the Household's assets shall not be included. Examples and instructions for application of these requirements shall be included in the applicable Agency's Program.

"Applicant": An entity or an individual (as a Developer) making an Application for an Allocation.

"Application": The Application form and attachments that an Applicant must submit when applying for an Allocation under the RHS Program.

"Appropriation": The annual Appropriation of funds to the Illinois Department of Revenue for the Authority by the Illinois General Assembly for the RHS Program.

"Authority": The Illinois Housing Development Authority.

"Commitment": A contract executed by an Agency and an LAA or a Developer under which the Agency agrees to provide an Allocation. Each Commitment shall contain a provision to the effect that the Agency shall not be obligated to provide funds under the Commitment if the Agency has not received adequate funds from an Appropriation or a Fund Distribution, as applicable.

"Developer": The owner of a Project that has applied for or has been approved for an Allocation under the LTOS Program.

"Extremely Low-Income Household": A Household whose Annual Income is less than or equal to 30% of the Median Income.

"Fiscal Year": The Fiscal Year of the State.

"Fund Distribution": A distribution of funds from the Appropriation for a Fiscal Year to a Geographic Area.

"Geographic Areas": The City of Chicago, Suburban Areas, Small Metropolitan Areas, and Rural Areas.

"Household": A single person, family or unrelated persons living together.

"Housing Quality Standards": Inspection standards for units, which shall be set forth in the Program Guide or the Municipality Program Guide, as applicable.

"HUD": The U.S. Department of Housing and Urban Development.

"Income Range": A range of incomes published annually by the Authority that is used to determine the Tenant Contribution for Tenants.

"Landlord": An owner of one or more Units receiving or approved to receive Rental Assistance through an LAA. An LAA or subsidiary of an LAA may be a Landlord; provided, however, that the LAA must disclose its intention to be a Landlord, or appoint a subsidiary to be a Landlord, in its Application.

"LAA": A local administering agency that receives an Allocation to provide Rental Assistance.

"LTOS Program": The long-term operating support program established under the RHS Program, to be used exclusively to provide long-term operating support to Developers of Projects that provide Units newly affordable to Extremely Low-Income Households and Severely Low-Income Households.

"Maximum Rent": The maximum rent for a Unit, which shall be the greater of the Maximum Rent established under the federal Low Income Housing Tax Credit Program for a Unit rented by a Tenant with an Annual Income less than or equal to 60% of the Median Income and 120% of HUD's fair market rent for the area in which the Unit is located.

"Median Income": The Median Income of the area in which the Unit is located, adjusted for family size, as such adjusted income and Median Income for the area are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937 (42 USC 1437).

"Members": The members of the Authority.

"Municipality": A municipality with a population greater than 2,000,000.

"Municipality Program Guide": The guidelines published by a Municipality for Allocations made by the Municipality. Each Municipality Program Guide shall contain the provisions specifically required by Section 380.415 of this Part.

"Plan for Services": The plan through which each prospective LAA will provide information to Tenants on how to gain access to education, training, and other supportive services and that sets forth the procedures for identifying and referring prospective Tenants to Landlords. LAAs designated by a Municipality shall prepare a Plan for Services, and if a Municipality does not designate an LAA, the Municipality shall prepare a Plan for Services.

"Program Guide": The guidelines published by the Authority explaining the RHS Program and providing additional information about various RHS Program requirements.

"Project": A building or group of buildings that are financed under a common plan of financing.

"Receipts": Funds collected by the Illinois Department of Revenue for the RHS Program.

"Reconciliation": The determination of the difference between the amount of Rental Assistance payments made to Landlords or Developers and the amount of Rental Assistance payments the Landlords or the Developers were entitled to receive.

"Rental Assistance": The amount paid to a Landlord or a Developer as a subsidy for a Unit approved for assistance under the RHS Program.

"Rental Assistance Rider": The rider to be attached to each Tenant's lease that describes the RHS Program, requires the Tenant to provide a certification of its Annual Income, notifies the Tenant that the Tenant must report changes in its Annual Income to the Landlord or Developer, as applicable, on each occasion that the Tenant's lease is to be renewed, informs the Tenant that increases in Annual Income may result in an increase in the Tenant Contribution and sets forth the amount of the Tenant Contribution. The Rental Assistance Rider shall be included in the Program Guide or the Municipality's Program Guide, as applicable.

"Reserve Fund": The fund established either by the Authority or by a Municipality directly or through its LAA to provide a source of funds in the event that an annual Appropriation is not sufficient to provide adequate funding for existing Commitments.

"RFP": A request for proposals by an Agency soliciting Applications from LAAs or Developers.

"RHS Program Act": The Rental Housing Support Program Act [310 ILCS 105].

"RHS Program": The Rental Housing Support Program authorized by the RHS Program Act.

"Rural Area": All areas of the State not specifically included in any other Geographic Area.

"Service Area": The geographic boundaries of the area to be served by an LAA.

"Severely Low-Income Household": A Household whose Annual Income is less than or equal to 15% of the Median Income.

"Small Metropolitan Areas": The Geographic Area that includes the municipalities of Bloomington-Normal, Champaign-Urbana, Decatur, DeKalb, Moline, Pekin, Peoria, Rantoul, Rockford, Rock Island and Springfield, and the counties of Madison and St. Clair.

"Special Needs Households": Households that are homeless or imminently at risk of becoming homeless; that are, or imminently at risk of, living in institutional settings because of the unavailability of suitable housing; or that have one or more members with disabilities, including but not limited to physical disabilities, developmental disabilities, mental illness or HIV/AIDS.

"Suburban Areas": The Geographic Area that includes the counties of Cook (excluding Chicago), DuPage, Kane, Lake, McHenry, and Will.

"State": The State of Illinois.

"State Median Income": The State Median Income published by the U.S. Census Bureau in the most current decennial census.

"Tenant": A Household occupying a Unit.

"Tenant Bill of Rights": Information LAAs and Developers are required to provide to Tenants concerning how to contact the LAA; local Landlord-Tenant laws and procedures; the housing rights of persons with disabilities; how to contact the local agency or agencies administering local Landlord-Tenant laws and procedures or protecting or promoting such housing rights of persons with

disabilities; eligibility requirements for participating in the RHS Program; and the rights and responsibilities of prospective Tenants prior to occupancy of a Unit.

"Tenant Contribution": The portion of the monthly rent for a Unit to be paid by the Tenant, which shall be approximately one twelfth of 30% of the Median Income for the Income Range in which the Tenant's Annual Income falls, adjusted for Unit size.

"Tenant Income Certification": The form prescribed by the Authority and to be used by Landlords and Developers in determining and reporting a Tenant's Annual Income to an LAA or an Agency, as applicable.

"Tenant Selection Plan": The written plan prepared by a Landlord or a Developer and approved by the LAA or an Agency, as applicable, that governs the selection of Tenants for a Unit or an efficiency apartment, a single room occupancy Unit or a one bedroom or larger Project.

"Transitional Contribution": The Tenant Contribution for Tenants whose income has exceeded the income limit for Extremely Low-Income Households.

"Unit": A rental housing Unit receiving Rental Assistance through an Allocation. A Unit may be a single family dwelling or a Unit in a multifamily dwelling. Housing Units intended as transitional or temporary housing do not qualify as Units.

#### **Section 380.104 Compliance with Federal and State Law**

Notwithstanding anything in this Part to the contrary, this Part shall be construed in conformity and compliance with applicable federal and State law.

#### **Section 380.105 Forms and Procedures for the Program**

The Authority may prepare, use, supplement, and amend such forms, agreements, and other documents and such procedures as may be necessary to implement the RHS Program. Except as otherwise permitted in this Part or by the Authority in writing, all Agencies must use the forms prepared by the Authority.

#### **Section 380.106 Application Fee**

An Agency may charge an Application fee not to exceed \$500 in connection with its Application, as set forth in the Program Guide or Municipal Program Guide, as applicable.

#### **Section 380.107 Program Operating Fees**

Allocations to LAAs, including any LAA designated by a Municipality, shall include an amount to be paid to the LAA for the LAA's operating expenses in connection with the administration of the Allocation, including, but not limited to, the staff salaries and benefits of LAA employees for time spent performing duties associated with the Allocation, including Unit inspections; participation in Tenant referrals and determination of Tenant eligibility; negotiation with prospective Landlords regarding participation in the RHS Program; technical assistance; auditing and bookkeeping expenses; the LAA's use of equipment in operating under the RHS Program (such as cars, copiers, paper used in preparing required documentation, etc.); and costs for office space and utilities incurred in operating under the RHS Program. The amount of funds for an LAA's operating expenses shall not exceed 10% of the amount of an Allocation that is less than or equal to \$500,000 and 7% of the annual amount of an Allocation that is greater than \$500,000.

### **Section 380.108 Authority Administrative Expenses**

The Authority shall be entitled to deduct from each Appropriation, prior to any distribution of funds under the RHS Program, an amount not to exceed 7% of the Appropriation for expenses associated with the administration of the RHS Program, including, without limitation, expenses for staff salaries and benefits for time spent on design and administration of the RHS Program; training and marketing expenses incurred in performing outreach activities and providing technical assistance to LAAs; the use of the Authority's equipment for RHS Program purposes; the cost of office space and utilities incurred in connection with the RHS Program; and any other expenses incurred in the administration of the RHS Program; provided, that only administrative expenses specifically related to the RHS Program within a Municipality may be deducted from the annual Appropriation required by law to be distributed to Municipalities. The Authority shall maintain a detailed accounting of all administrative expenses, which shall be available to the applicable Agency, LAAs or the public for review.

### **Section 380.109 Amendment**

This Part may be supplemented, amended, or repealed by the Members from time to time and in a manner consistent with the Illinois Administrative Procedures Act [5 ILCS 100], this Part, the Act, the RHS Program Act, and other applicable laws. This Part shall not constitute or create any contractual rights.

### **Section 380.110 Severability**

If any clause, sentence, paragraph, subsection, Section, or Subpart of this Part is adjudged by any court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of this Part, but shall be confined in its operation to the clause, sentence, paragraph, subsection, Section, or Subpart as to which the judgment is rendered.

### **Section 380.111 Gender and Number**

All terms used in any one gender or number shall be construed to include any other gender or number as the context may require.

### **Section 380.112 Non-Discrimination**

Landlords, LAAs and Developers shall comply with the applicable provisions of the Illinois Human Rights Act [775 ILCS 5] and the regulations promulgated under that Act, the Fair Housing Act (42 USC 3601), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), the Illinois Environmental Barriers Act [410 ILCS 25], the Illinois Accessibility Code (71 Ill. Adm. Code 400), and all other applicable State and federal law concerning discrimination and fair housing.

### **Section 380.113 Titles and Captions**

Titles and captions of Subparts, Sections, and subsections are used for convenience and reference and are not a part of the text.

### **Section 380.201 Distribution of Appropriation Funds**

The Authority shall distribute funds from annual Appropriations in accordance with the following priorities:

- a) To the Authority for its administrative fee.
- b) To Municipalities.
  - 1) Each Municipality must use at least 10% of its Fund Distribution for an LTOS Program.
  - 2) Each Municipality shall distribute the balance of its Fund Distribution to its Reserve Fund and one or more designated non-profit organizations that meet the requirements for an LAA and that will serve as an LAA for the Municipality.
- c) To fund the Authority's Reserve Fund, as provided in Section 380.205 of this Part.
- d) After distributing the amounts listed in subsections (a), (b) and (c), the Authority shall use at least 10% of the remaining amount of the Appropriation for an LTOS Program, which the Authority shall allocate through a competitive Application process, as described in Subpart F, for Projects to be located outside the Municipalities.

- e) The balance of the Appropriation shall be distributed to Suburban Areas, Small Metropolitan Areas and Rural Areas.

### **Section 380.202 Fund Distributions to Geographic Areas**

- a) The Authority shall make Fund Distributions to Geographic Areas on a proportional basis using data from the most recent decennial census performed by the U.S. Census Bureau. Each Geographic Area's proportionate share shall be the fraction having a numerator equal to the number of all Households in that Geographic Area having an Annual Income less than 50% of the State Median Income (as determined by the U.S. Census Bureau) for a Household of four and paying more than 30% of their Annual Income for rent, and a denominator equal to the number of all Households in the State having an Annual Income less than 50% of the State Median Income for a Household of four and paying more than 30% of their Annual Income for rent.
- b) The proportionate Fund Distributions for the Geographic Areas shall be redetermined when data from a new decennial U.S. Census becomes available. The Authority may use funds in the Reserve Fund to alleviate hardships arising out of reductions in the proportionate amount of Fund Distributions that would otherwise result in reductions in the amount of Rental Assistance for existing Tenants.

### **Section 380.203 Long-Term Operating Support (LTOS) Program**

Each Agency shall establish a competitive Application process for providing long-term operating support to Projects providing Units newly available to Extremely Low-Income Households and Severely Low-Income Households within its jurisdiction. Each Agency shall administer the funds for its LTOS Program in a manner consistent with criteria established in Subpart F of this Part, but Municipalities may include additional preferences and requirements set forth in writing in the Municipality's Application form.

### **Section 380.204 Rural Area Set-Aside**

The Authority may award up to 20% of the Fund Distribution for Rural Areas to a single LAA, to be used for Rental Assistance within a designated portion of the Rural Area within which localities desire to support a number of Units too small to justify the establishment of a Rental Assistance program for such localities, as determined by the LAA and approved by the Authority. With the approval of the Authority, the designated LAA under the Rural Area set-aside may subcontract administrative tasks, such as inspection of Units, to local agencies.

### **Section 380.205 Reserve Fund**

- a) Each Agency shall establish a Reserve Fund in an interest bearing account from each Appropriation or Fund Distribution, as applicable, to offset decreases in funding caused by periodic fluctuation in annual Appropriations, to maintain continuity in funding when Commitments expire, and to phase out Rental Assistance lost by a shift in any Geographic Area's proportionate Fund Distribution as a result of a new decennial census. Municipalities may delegate the responsibility to establish a Reserve Fund to their designated LAAs.
- b) The amount to fund the Reserve Fund for the Authority shall be a maximum of 5% of the amount of each annual Appropriation after subtracting the Authority's operating fee and the Fund Distributions to Municipalities. The amount of each Municipality's Reserve Fund shall be a maximum of 5% of the Municipality's Fund Distribution. Each Reserve Fund shall also include income derived from investing funds in the Reserve Fund and funds received from LAAs that did not use the entire amount of their Allocations.

### **Section 380.301 Tenant Eligibility; Required Percentage of Severely Low-Income Tenants**

Eligible Tenants shall be either Extremely Low-Income Households or Severely Low-Income Households; provided, however, that a Household that is already receiving or will receive Rental Assistance under a federal program shall not be eligible to be a Tenant. At least 50% of the Units for which an LAA or a Developer receives Rental Assistance shall be reserved for Severely Low-Income Households unless the LAA or the Developer is able to demonstrate that there are an insufficient number of Severely Low-Income Households currently residing in the Service Area defined in the Application or the area in which the Project is located, as applicable, who are qualified to become Tenants. The LAA or the Developer must show that it has made extensive, but unsuccessful outreach efforts, including contacting non-profit corporations serving the homeless, disabled, and senior citizens in the Service Area or the area in which the Project is located; contacting public housing authorities with jurisdiction in the Service Area or the area in which the Project is located; and otherwise publicizing the availability of these Units at appropriate locations within and surrounding the Service Area or the area in which the Project is located, such as through advertising in local newspapers, or meetings with community groups. The Applicant must submit this evidence to the Agency with its Application.

### **Section 380.302 Outreach Requirements**

The LAA or the Developer must document that it has made extensive efforts to publicize the availability of Units under the RHS Program, including contacting non-profit corporations serving the homeless, the disabled and senior citizens in the Service Area or the area in which the Project is located; public housing authorities with jurisdiction in the Service Area or the area in which the Project is located; and otherwise publicizing the availability of these Units at appropriate locations within and surrounding the Service Area or the area in which the Project is located, such as by advertising in local newspapers, or through meetings with community groups.

The Applicant must submit this evidence to the Agency with its Application and with the report required under Section 380.410 of this Part.

### **Section 380.303 Income Certifications**

Each prospective Tenant must provide an Income Certification to the Landlord when applying to occupy a Unit and each time thereafter that the Tenant applies to renew the lease for the Unit.

### **Section 380.304 Training Programs**

For any year in which funding is available from the Authority for Allocations to new LAAs, the Authority shall provide training programs in areas of the State convenient to potential Applicants. The training shall include a program overview, a description of the requirements for both an LAA and a Developer, a thorough review of the Program Guide and, if applicable, the RFP process. The Authority shall provide reasonable notice of all training programs on its website and by any other means the Authority deems appropriate.

### **Section 380.305 Tenant Rent Contribution**

The LAA or Developer must establish for each Unit the amount of the Tenant Contribution. Each Tenant's Tenant Contribution shall be a fixed amount and must be based on the size of the Unit and the Tenant's Income Range. The Authority shall determine Income Ranges and Tenant Contribution schedules annually. A Tenant's Tenant Contribution may increase when the Tenant's lease is renewed if the Tenant's Annual Income increases or the annual Income Ranges or Tenant Contribution schedules change.

### **Section 380.306 Amount of Rental Assistance, Rent, and Maximum Rent**

- a) The amount of the Rental Assistance for each Unit shall be the difference between the amount of the rent for the Unit and the Tenant Contribution. The amount of Rental Assistance for the Unit shall be established by the LAA and the Landlord, or the Agency and the Developer, as applicable.
- b) Rents for a Unit must be comparable to those of similar size and condition in the market area in which the Unit is located with similar amenities. These comparable rents must be consistent with rent levels provided in the Application.
- c) Rents shall not exceed Maximum Rents established for the area, as determined annually by the Authority, unless the rents throughout the local community are at such levels that, if the Maximum Rent is used, it is highly unlikely that there will be Units available for inclusion in the RHS Program. If an LAA requests an increase in rents to a level greater than the Maximum Rent, the LAA must

document these circumstances to the satisfaction of the applicable Agency before the Agency will approve the request.

### **Section 380.307 Rent Increases**

Upon request from an LAA or a Developer, Agencies may allow an annual increase in the rent for Units, not to exceed the existing rent multiplied by the most recent Annual Adjustment Factor, except as otherwise permitted by Section 380.306(c). Rent increases shall be subject to the availability of funds in an Appropriation. In making this determination, the Agency shall review comparable rents in the market area, operating expenses of the building in which the Unit is located and any other information the Agency deems relevant. Any rent increase shall not increase the Tenant Contribution. If approved, rent increases shall take effect either at the time the lease for the Unit is renewed or, if a lease is not renewed, in the first month Rental Assistance is subsequently provided for a new Tenant for the Unit.

### **Section 380.308 Over-Income Tenants**

Landlords must recertify the Annual Income of each Tenant prior to the renewal of the Tenant's lease. If the Annual Income of a Tenant exceeds the Extremely Low-Income Household limit as a result of an increase in the Tenant's Annual Income, Rental Assistance shall be terminated no later than 12 months after the date of expiration of the Tenant's lease in effect when the Tenant's Annual Income exceeds the Extremely Low-Income Household limit. The Transitional Contribution during this period shall be the Tenant's Tenant Contribution prior to such increase, plus one-half of the difference between the Tenant Contribution and the current rent for the Unit.

### **Section 380.309 Appeals**

- a) All disputes between Landlord and Tenant or prospective Tenant concerning Annual Income or other eligibility requirements shall be initially resolved by the LAA providing Rental Assistance to the Landlord.
- b) If the LAA is unable to resolve the dispute, any of the parties involved may take an appeal to the applicable Agency. In the event of an appeal, all parties shall submit a written statement of their position and all relevant documentation to the applicable Agency; the Agency shall make a final decision based on the documentation submitted.

### **Section 380.310 Rental Preferences for Tenants with Special Needs**

An LAA or a Developer may include in its Application a pledge to use its best efforts to make up to 30% of the Units under its Allocation available to Special Needs Households.

Notwithstanding the fact that an LAA or a Developer has included such a pledge in its Application, LAAs must require Landlords to rent, and Developers must rent, available Units to

the first eligible Tenant, regardless of whether the prospective Tenant is a Special Needs Household. An LAA, a Landlord or a Developer shall not require a Tenant to have a diagnosis of a particular illness or the presence of a specific disability as a condition of eligibility for a Unit unless such diagnosis or disability is required by another funding source for the Unit or the Project.

### **Section 380.311 Tenant Bill of Rights**

Each LAA must provide each Landlord that is to receive Rental Assistance payments with a Tenant Bill of Rights, and shall require each Landlord to provide each Tenant with the Tenant Bill of Rights. Each Developer must provide all Tenants in its Project with a Tenant Bill of Rights.

### **Section 380.312 Tenant Selection Plan**

Landlords and Developers must submit to the funding LAA or Agency, as applicable, a Tenant Selection Plan acceptable to the LAA or Agency. All Tenant Selection Plans shall be made available to the general public for inspection.

### **Section 380.401 Request for Proposals**

From time to time the Authority shall issue an RFP for Applications from prospective LAAs. The RFP shall include a copy of the Program Guide and an Application form. The period for submitting a response to the initial RFP shall be at least nine months. For each subsequent RFP, the Authority shall allow a minimum of three months to submit a response to the RFP. Each Municipality shall designate an LAA that meets the requirements of Section 380.415 of this Part and that adopts a policy statement containing the same requirements for an Application to be an LAA, as set forth in Section 380.403 of this Part; however, Municipalities are not required to issue RFPs for selecting an LAA. Municipalities may designate an LAA according to procedures set forth in the Municipality Program Guide.

### **Section 380.402 Eligibility**

LAAs may be local governmental bodies, including Municipalities, counties, and townships in unincorporated areas of the State; local housing authorities organized under the Illinois Housing Authorities Act [310 ILCS 10]; or non-profit organizations registered and in good standing with the Illinois Secretary of State and the Illinois Attorney General.

### **Section 380.403 Application Requirements**

Each Application to be an LAA shall include the information required by this Section and, in the case of the Authority, any additional information the Authority may require to promote efficient

program administration and quality of performance, provided that those requirements are included in the Authority's RFP and are consistent with this Section.

- a) **Unit Types:** Each Application shall include, but not be limited to, two, three, and four-bedroom Units among those Units proposed for Rental Assistance. Each Applicant shall determine and document the need for and availability of two, three, and four-bedroom Units in its proposed Service Area. The Authority may adjust the number of these larger Units if the information in the Application indicates a greater or lesser need for specific Unit types. All LAAs must make a good faith effort to comply with the final determination of the number of two, three, and four bedroom Units to receive Rental Assistance in the Service Area.
- b) **Maximum Number of Units:** For buildings containing more than six Units, the number of Units proposed to receive Rental Assistance for RHS shall not exceed 30% of the Units in the building.
- c) **Rents:** Each Application shall include a schedule of rents for the proposed Units, the proposed Tenant Contribution and a rent study. The requirements for the rent study shall be included in the Program Guide.
- d) **Required Outreach:** As provided in Section 380.302 of this Part, each Applicant must demonstrate that it has made extensive efforts to establish working relationships with organizations serving populations in need of Rental Assistance, including, without limitation, local non-profit organizations and other entities serving the homeless, disabled, and senior citizens in the Service Area; public housing authorities with jurisdiction in the Service Area; and other organizations within the Service Area having experience in working with Extremely Low-Income Households and Severely Low-Income Households.
- e) Each Applicant must include in its Application a plan for selecting Landlords to participate in the RHS Program.
- f) **Preference in Making Allocations:** Applications that pledge to make efforts to offer up to 30% of the proposed Units to Special Needs Households, including persons now or imminently at risk of being required to live in institutional settings due to unavailability of suitable housing, shall receive the highest priority for an Allocation. Applications seeking this preference shall include executed written agreements with special needs service providers to refer eligible Households and a pledge to create and maintain procedures for referring the Special Needs Households. Applications shall not include a requirement that a Unit must be occupied by a Tenant having a diagnosis of a particular illness or the presence of a specific disability as a prerequisite for eligibility.

- g) **Plan for Services:** Each applicant shall provide its Plan for Services, which shall include a plan for advertising and making available information about the RHS Program to Landlords in its Service Area, a plan for providing information to Tenants on how to gain access to education, training, and other supportive services, and procedures for advertising available Units, and for identifying and referring prospective Tenants to Landlords for those Units.
- h) **Financial Procedures:** Each Application shall describe in detail the procedures for managing and disbursing the funds to be received through the requested Allocation and for making Reconciliations.
- i) **Monitoring Landlords:** Each LAA shall describe in detail how it proposes to monitor the performance of Landlords, including, at a minimum, the LAA's procedures for conducting physical inspections of Units, how the LAA will monitor the Landlord's procedures for verifying the Annual Income of Tenants and the Landlord's adherence to its Tenant Selection Plan.
- j) **Readiness to Proceed:** The Authority may give preference to Applicants who demonstrate a readiness to proceed, should they receive an Allocation. Readiness to proceed may be shown by a list of Households that have been pre-qualified to be Tenants, letters of intent from Landlords who own rental Units, or other factors, provided that the other factors are listed in the RFP. Letters of intent should include a certification from the Landlord that he/she is the owner of the rental Unit; the address of, the proposed rent for, and the number of bedrooms in, the Unit; a statement as to whether the Unit is accessible to disabled individuals or is adaptable so that it can be made accessible to disabled individuals; a statement that he/she will make the Unit available to eligible Households when funding is made available under the RHS Program; the signature of the owner; an executed acknowledgement by an authorized signatory of the Applicant; and other information as the Authority may require in the RFP.

#### **Section 380.404 Service Area for Multiple Geographic Areas**

If an Applicant designates a Service Area that includes areas in more than one Geographic Area, the Applicant must submit a separate Application for that portion of the proposed Service Area in each Geographic Area; provided, however, that for such Applications, if the Authority charges an Application Fee, the Authority may charge only one Application fee.

#### **Section 380.405 Qualification Requirements**

- a) Applicants to be an LAA must be financially viable, as determined through the Agency's review of the Applicant's audited financial statements for the two most recent years. If the Applicant is an entity formed as a non-profit corporation

wholly-owned or controlled by another entity solely for the purpose of applying for and administering Rental Assistance programs, audited financial statements of the parent company shall be submitted to satisfy this requirement.

- b) Applicants must demonstrate that they have the experience and knowledge necessary to administer an Allocation by documenting: their experience in verifying Tenant income eligibility and other aspects of administering Rental Assistance programs; their existing relationships with local Landlords; their capability to evaluate properties to determine whether the properties satisfy Housing Quality Standards; their ability to monitor procedures of Landlords in satisfying RHS Program requirements; their experience and performance in administering grants or other funds from outside sources; the extent and nature of their established relationships with service providers serving the homeless, disabled, or senior citizens in the Applicant's proposed Service Area; and any other factors established by the Authority and published in the RFP.
- c) Applicants may form partnerships with more experienced entities in order to satisfy the requirements of this Section. In such a case, all partners shall execute, and will be jointly responsible for compliance with, the terms of the Commitment.
- d) This Section shall not apply to Municipalities.

#### **Section 380.406 Administration of Allocations**

- a) **Commitment:** Each LAA shall enter into a Commitment with the Agency that is providing its Allocation; the Allocation may be less than the amount requested in the Application. The term of Commitments may be one, two or three years, subject to the availability of funds from an Appropriation or a Fund Distribution, and may be renewed.
- b) **Record Retention:** Each LAA shall maintain records in connection with all Units receiving Rental Assistance under the LAA's Commitment for five years after the date of termination of the Commitment.
- c) **Agency Monitoring:** Each Agency shall have the right to monitor all records of LAAs relating to the administration of the Allocation granted by the Agency. Each Agency may perform its own physical inspection of Units in addition to the physical inspections that the LAA is required to perform. Each LAA shall make all records relating to its Commitment available for inspection by the funding Agency upon the Agency's request. The required documentation may include a copy of the LAA's response to the RFP, if applicable; all physical inspection records; occupancy records for all Units; a description of all outreach efforts made by the LAA; records of payments or Rental Assistance to Landlords and

Reconciliation payments made to the Agency; copies of contracts with Landlords, the Agency and, where applicable, sub-contractors; documentation of the LAA's administrative expenses; and any other documentation required by the Agency.

- d) Tenant Income Certifications: Each LAA shall obtain, maintain, and forward to the Agency annual Tenant Income Certifications for all Tenants benefiting from Rental Assistance from the LAA.
- e) Landlord Procedures: Each LAA shall be responsible for monitoring the Landlord's compliance with its Tenant Selection Plan and the Landlord's performance in certifying and recertifying Tenants' Annual Income, including verification of all family income and assets, family characteristics and other factors that may affect a Tenant's eligibility or level of assistance.

### **Section 380.407 Inspection Requirements**

Before releasing Rental Assistance funds for a Unit, the LAA or its agent shall inspect the Unit and the common areas and grounds of the building in which the Unit is located, and shall certify that the Unit and the common areas and grounds of the building comply with Housing Quality Standards. LAAs shall also make inspections of all Units, together with the common areas and grounds of the Unit's building, at least bi-annually. In other years, LAAs shall inspect a sampling of Units to visually observe the physical condition of the Units, including appliances, doors, locks, and smoke detectors and other health and safety items. In other years, if a Landlord receives Rental Assistance for fewer than three Units, the LAA shall perform a visual inspection of all Units; but if a Landlord is receiving Rental Assistance for three or more Units, the LAA may inspect a sample of these Units in each building in which the Units are located, but no fewer than three Units in each building. An Agency may decide to conduct inspections of Units itself, in the manner set forth in this Section. If an LAA or an Agency determines that one or more Units do not satisfy the Housing Quality Standards, it shall give the Landlord of the Unit or Units a period not to exceed 30 days in which to correct the deficiencies discovered in the inspection; provided, however, that if the deficiency is in an occupied Unit and poses a serious threat to the health and safety of the Tenant, the deficiency must be corrected within 72 hours. If the deficiency is not corrected within such 72 hour period, the LAA shall use its best efforts to find a replacement Unit for the Tenant.

### **Section 380.408 Selection of Landlords**

- a) An LAA shall select Landlords to participate in the RHS Program in accordance with its plan for selecting Landlords.
- b) An LAA may select as a Landlord a fully- or partially-owned subsidiary of the LAA only if it provides for an independent third party acceptable to the Authority to perform the inspection of Units required under Section 380.407 of this Part, at

its own cost. If the LAA acts as a Landlord, it must supply to the Authority the certifications required in Sections 380.502, 380.503 and 380.506.

#### **Section 380.409 Contracts with Landlords**

LAAs shall enter into a payment contract with each Landlord for all Units for which the Landlord wants to receive Rental Housing Assistance. The contract shall provide that the LAA will make quarterly Rental Assistance payments to Landlords in advance. The contract shall identify the Landlord and LAA; have a term not less than one year and not greater than three years; identify the Units to receive Rental Assistance by address and Unit type; set forth the rent to be charged for each Unit, which shall not be greater than the Maximum Rent unless otherwise approved by the Authority pursuant to Section 380.306(c); and require that the Landlord abide by the requirements of the RHS Program. The contract shall also provide that the Landlord is responsible for determining the family size and Annual Income of each Tenant and reporting this information to the LAA, but that the LAA shall assist the Landlord in determining the Annual Income of each prospective Tenant; and that the Landlord shall not reveal any information in connection with the prospective Tenant's Annual Income except to the LAA, the applicable Agency or as otherwise required by law.

#### **Section 380.410 Reporting Requirements**

Each LAA shall provide reports to its funding Agency, on forms provided by the Agency, at the end of each quarter of the term of its Commitment. The report shall identify each Unit that is receiving Rental Assistance and shall state the amount of Rental Assistance received from the Agency for each Unit; the amount paid to each Landlord for Rental Assistance, including any adjustments made in accordance with Section 380.411 of this Part; the Tenant Contribution for each Unit; any vacancies, including the full rent of each vacant Unit; a statement of the extent to which the LAA was successful in meeting the preference goals set forth in the LAA's Application; and other information as the Agency may require. The LAA shall provide all new and updated Tenant Income Certifications along with its report.

#### **Section 380.411 Reconciliations**

Each LAA shall perform a Reconciliation every six months during the term of its Commitment and, if the Reconciliation indicates that the LAA has received funds in excess of the amount required for Rental Assistance payments, the LAA shall return all excess funds to its funding Agency; provided, however, that an LAA created by a Municipality must use the excess funds to provide Rental Assistance for additional Units. The funding Agency may reduce the amount of subsequent quarterly payments to the LAA under the Commitment to offset Reconciliation amounts owing to, but not forwarded to, the Agency.

#### **Section 380.412 Funding of Allocations**

During the term of each Commitment with an LAA, the Agencies shall provide funds to LAAs in quarterly installments. An Agency shall increase the amount of an LAA's Allocation if the Agency has approved an annual rent increase for occupied Units, provided that the rent for each Unit, including the Rental Assistance, does not exceed the Maximum Rent for each Unit and funding is available from an Appropriation.

### **Section 380.413 Renewal of Commitments**

- a) LAAs may apply for a renewal of their Commitments, which shall be granted at the discretion of the applicable Agency, subject to the restrictions set forth in this Section. Agencies shall review the performance of each LAA at the end of the LAA's Commitment term. Agencies shall only renew the Commitments of those LAAs that have satisfactorily performed their obligations under their Commitments, as determined by the Agency. The performance review shall include, without limitation, the LAA's compliance with requirements for Tenant eligibility, Tenant Contribution, and rent charged for the Units; the number of two, three, and four bedroom Units included among the Units receiving Rental Assistance; the adequacy, frequency, and sufficiency of inspections of Units; the proper and timely submission of quarterly reports and Reconciliations; the LAA's compliance with its service plan and its outreach plan, including outreach activities conducted by the LAA within and around the LAA's Service Area; the LAA's compliance with its selection plan for Landlords; the implementation of the LAA's pledge to offer Rental Assistance for Units for Special Needs Households, if applicable; the LAA's responsiveness in addressing concerns about the LAA's performance under its Commitment; and proper documentation of the LAA's operating expenses and other program requirements.
- b) If an LAA does not wish to renew its Commitment or the Agency does not renew the Commitment of an LAA, the Agency shall seek another LAA to provide Rental Assistance for Units receiving Rental Assistance under the unrenewed Commitment. The Agency may offer a temporary Commitment to an LAA working in the same Service Area, and if the substitute LAA's performance is satisfactory, may extend the temporary Commitment for a period not to exceed three years. If the Agency is unable to find a replacement LAA, the Agency shall give 90 days notice to the Tenants and Landlords of its intention to terminate Rental Assistance for the Units, and shall reallocate the Rental Assistance funds for these Units.
- c) In the event an Agency does not renew an LAA Commitment due to poor performance, the Agency shall inform the LAA in writing of the reasons for the non-renewal. The written notification of non-renewal shall also indicate that the LAA will have 30 days to submit a written appeal to the Agency. The LAA's appeal shall be addressed to the Agency General Counsel and shall include a

written statement of the LAA's position, including, without limitation, responses to any allegations of poor performance, along with all relevant supporting documentation. The Agency will review and make a final decision as to the renewal of the Commitment within 30 days after receiving the written appeal. Commitments not renewed due to lack of funding are not subject to appeal.

#### **Section 380.414 Leases**

Landlords shall enter into a written lease with each Tenant that shall have a term of no less than 12 months and that shall contain a Rental Assistance Rider. The LAA shall review each lease and certify to the applicable Agency that the leases do not violate any provision of State or local law or this Part. The lease shall indicate which party is responsible for paying the utilities. Landlords shall provide each Tenant and the LAA with a copy of the lease.

#### **Section 380.415 Requirements for LAAs Designated by Municipalities**

LAAs designated by Municipalities must comply with Sections 380.301, 380.303, 380.305, 380.306, 380.307, 380.308, 380.309, 380.310, 380.311, 380.401, 380.406, 380.407, 380.408, 380.409, 380.410 and 380.414 and Subpart F of this Part and the RHS Program Act.

#### **Section 380.416 Reporting Requirements for Municipalities**

Within 120 days after the close of each Fiscal Year, each Municipality shall provide a report to the Authority documenting the use of funds from its Fund Disbursement. The report shall include a list of all Units receiving the benefits of Rental Housing Assistance, the addresses of the Units, the number of bedrooms in each Unit, the income level of the Tenants in each Unit, the outreach efforts made by the Municipality or its designated LAA in connection with Special Needs Households, the compliance of the Municipality or its designated LAA in connection with Special Needs Households, the compliance of the Municipality or its designated LAA with the Plan for Services of the Municipality of its designated LAA and such other information as the Authority may require to ascertain the effectiveness of the operation of the RHS Program.

#### **Section 380.501 Income Eligibility and Verification**

Landlords shall verify the Annual Income of each prospective Tenant prior to occupancy of a Unit and thereafter prior to lease renewal, using the Tenant Income Certification form prescribed by the Agency. Landlords shall verify all Household income and assets, following the rules and requirements provided by the Authority, as set forth in this Part.

#### **Section 380.502 Record Submission and Retention**

Landlords shall maintain monthly records of the Tenant Contribution and Rental Assistance payments received for each Unit, including Unit vacancies, for the term of the lease plus three

years from the date of termination of the lease. Landlords shall submit copies of these records to the LAA at least quarterly, unless the contract between the Landlord and the LAA requires more frequent submittals.

### **Section 380.503 Lead-Based Paint**

All Units eligible for Rental Assistance payments must be free of lead-based paint hazards. For Units in buildings constructed prior to January 1, 1978, Landlords must certify to the LAA and the Agency that they have visually inspected the Unit for lead-based paint hazards and, if such hazards have been found, have performed remediation, abatement, or encapsulation, in conformance with federal and State law. For buildings constructed on or after January 1, 1978, Landlords shall certify, using the form prescribed by the Agency to the LAA, that the buildings or Units contain no lead-based paint.

### **Section 380.504 Housing Quality Standards**

Landlords must maintain each Unit in compliance with the Housing Quality Standards.

### **Section 380.505 Compliance with State and Local Law**

The Landlord must certify to the LAA, in the form provided by the Agency, that the lease for each Unit receiving Rental Assistance does not violate State and local law or this Part.

### **Section 380.506 Eviction**

Landlords shall have the right to evict Tenants from Units for good cause, as permitted under State and local law.

### **Section 380.507 Reconciliations**

Landlords shall make Reconciliations to their funding LAAs at least every six months.

### **Section 380.601 Allocations**

Agencies shall reserve at least 10% of each year's Appropriation or Fund Distribution, as applicable, for LTOS Allocations. Agencies are not required to spend those funds in the year reserved, but may combine these funds with the reserved amounts from past or subsequent years; provided, however, that such funds must be used within three years after their Appropriation or Fund Distribution. A Municipality may delegate its responsibilities under Subpart F to establish and administer an LTOS Program to its designated LAA.

### **Section 380.602 Allocations Only for New Units**

Grants under an LTOS Program will only be available for Projects involving housing Units newly created for Extremely Low-Income Households or Severely Low-Income Households.

### **Section 380.603 Application Procedures**

- a) From time to time, Agencies shall accept Applications from prospective Developers for funding under the LTOS Program in a manner described in the Program Guide or the Municipality Program Guide, as applicable.
- b) The Authority shall prescribe forms and consider Applications for funding under the LTOS Program for Units to be located outside the Municipalities. Municipalities shall prescribe forms and consider Applications for funding under the LTOS Program for Units to be located within the Municipalities. All Applications must satisfy the applicable requirements of this Part.

### **Section 380.604 Developer Qualifications**

To be eligible to receive funding under an LTOS Program, a Developer must be financially viable, as determined by the applicable Agency at the time of its Application. In making this determination, the applicable Agency shall review, among other things, the Developer's audited financial statements for the most recent year or, if it does not have an audited financial statement, its federal income tax return for the most recent year. Developers must also demonstrate to the satisfaction of the Agency experience in or capacity for the operation and management of affordable housing developments, including housing developments that serve Extremely Low-Income Households and Severely Low-Income Households.

### **Section 380.605 Application Requirements**

- a) Applicants shall specify the number of Units for which they are requesting an Allocation. For supportive housing Projects containing more than 16 Units, and for all other Projects containing more than six Units, the number of Units proposed to receive Rental Assistance shall not exceed 30% of the Units in the Project.
- b) Developers shall specify in their Applications how vacancies in Units will be advertised and shall include in their Application provisions for outreach to local homeless shelters, organizations that work with Special Needs Households, and others interested in affordable housing.

### **Section 380.606 Agency Review**

The Agency shall review each complete Application and approve or reject it. The Agency's review of an Application may include, but is not limited to, the following criteria:

- a) the availability of funds under the RHS Program that have been reserved for the LTOS Program;
- b) the increase of the geographic diversity of Projects funded under the LTOS Program;
- c) the level of local government and community support for the proposed Project;
- d) the suitability of the Project site;
- e) cost per Unit of the Project, including soft costs (non-construction costs);
- f) the need for funding for the Project;
- g) the affordability of the Units to Extremely Low-Income Households and Severely Low-Income Households;
- h) the amount of LTOS Program funds requested;
- i) the number of Units to be available for Special Needs Households;
- j) the proposed term of the Allocation, which shall not exceed 30 years from the date of completion, construction or rehabilitation;
- k) the site and market study for the Project; and
- l) the Developer's Plan for Services.

### **Section 380.607 Waiver**

An Agency may waive any LTOS Program requirements only when special circumstances exist under which the Application of those requirements would hinder the purpose of the RHS Program.

### **Section 380.608 Commitments**

- a) Upon the approval of a Project under the LTOS Program, the Agency shall enter into a Commitment with the Developer. The term of the Commitment may be for a maximum of 15 years, provided, however, that Agencies may provide long-term financing to Developers for a period not to exceed 30 years. The Commitment shall also be subject to the Agency's annual review of the Developer's performance under the Commitment, and may be revoked in the event of clearly

unsatisfactory performance. Except in the case of long-term financing, the Commitment shall contain a provision that continued funding of the Allocation shall be conditioned on receipt of sufficient Appropriations for the RHS Program.

- b) Except in the case of long-term financing, during the term of each Commitment the Agency shall provide regular funding for Units in the Project, but not more frequently than in quarterly installments each year.
- c) Except in the case of long-term financing, the Agency shall provide increased funding if the Agency has approved an annual rent increase for occupied Units in accordance with Section 380.307 of this Part, provided that the rent for each Unit, including the funds for Rental Assistance, does not exceed the Maximum Rent for each Unit, except as provided in Section 308.306(c), and funding is available from an Appropriation.
- d) In the case of long-term financing, the Developer will be required to enter into a regulatory agreement with the applicable Agency pursuant to which, among other requirements, it will agree to rent a set number of Units to Households who meet the income qualifications for the RHS Program.

### **Section 380.609 Income Eligibility and Verification**

Developers shall verify the Annual Income of each prospective Tenant prior to occupancy of a Unit and thereafter prior to lease renewal, using the Tenant Income Certification form prescribed by the Agency. Developers shall verify all Household income and assets, as required in this Part and the Program Guide or the Municipality Program Guide, as applicable. Developers shall maintain records in connection with all Units receiving Rental Assistance under their Commitments for five years after the date of termination of the Commitment.

### **Section 380.610 Over-Income Tenants**

Developers must recertify the Annual Income of each Tenant prior to the renewal of the Tenant's lease. If the Annual Income of a Tenant exceeds the Extremely Low-Income Household limit as a result of an increase in the Tenant's Annual Income, Rental Assistance shall be terminated no later than 12 months after the date of expiration of the Tenant's lease in effect when the Tenant's Annual Income exceeds the Extremely Low-Income Household limit. The Transitional Contribution during this period shall be the Tenant's Tenant Contribution prior to such increase plus one half of the difference between the Tenant Contribution and the current rent for the Unit.

### **Section 380.611 Leases**

Developers must enter into a written lease with each Tenant having a term of no less than 12 months. The lease shall contain a Rental Assistance Rider. The lease shall indicate which party

is responsible for paying the utilities. Developers shall provide each Tenant and the LAA with a copy of the lease.

### **Section 380.612 Evictions**

Developers shall have the right to evict Tenants from Units for good cause, as permitted under State and local law.

### **Section 380.613 Housing Quality Standards**

- a) Prior to the initial occupancy of a Project, the applicable Agency shall inspect the Project to determine whether the Project satisfies the Housing Quality Standards. If the Project does not satisfy the Housing Quality Standards, the Agency shall not provide an Allocation for the Project until all deficiencies have been removed to the satisfaction of the Agency.
- b) During the period in which the Developer is receiving funding under the LTOS Program or, in the case of long-term financing, during the term of such long-term financing, the Project must continue to meet the Housing Quality Standards. Agencies shall make annual inspections of the Units in each Project, as provided in Section 380.407 of this Part.
- c) If an Agency determines that one or more Units do not satisfy the Housing Quality Standards, it shall give the Developer a period not to exceed 30 days in which to correct the deficiencies discovered in the inspection; provided, however, that if the deficiency is in an occupied Unit and poses a serious threat to the health and safety of the Tenant, the deficiency must be corrected within 72 hours.

### **Section 380.614 Lead-Based Paint**

All Projects involving rehabilitation must be free of lead-based paint hazards. For all buildings constructed prior to January 1, 1978, Developers shall certify to the Agency that they have visually inspected the building for lead-based paint hazards and, if such hazards have been found, have performed remediation, abatement, or encapsulation, in conformance with federal and State law. For buildings constructed on or after January 1, 1978, Developers shall certify, using the form prescribed by the Agency, that the building contains no lead-based paint.

### **Section 380.615 Reconciliations**

Each Developer shall, every six months during the term of its Commitment, perform a Reconciliation and, if the Reconciliation indicates that the Developer has received funds in excess of the amount required for Rental Assistance payments, the Developer shall return all excess funds to its funding Agency. The funding Agency may reduce the amount of subsequent

quarterly payments to the Developer under the Commitment to offset Reconciliation amounts owing to, but not forwarded to, the Agency.

### **Section 380.616 Reporting Requirements**

Each Developer shall provide reports to its funding Agency, on forms provided by the Agency, at the end of each quarter of the term of its Commitment. The report shall identify each Unit that is receiving Rental Assistance and shall state the amount of Rental Assistance received from the Agency for each Unit; the Tenant Contribution for each Unit; and any vacancies, including the rent of each vacant Unit. The Developer shall provide all new and updated Tenant Income Certifications along with its report.

### **Section 380.617 Agency Monitoring**

Each Agency shall have the right to monitor all records of Developers relating to the administration of Allocations granted by the Agency. Developers shall make all records relating to its Commitment available for inspection by the funding Agency upon the Agency's request. The records for review may include, without limitation, a copy of the Developer's response to the RFP, if applicable; all physical inspection records; occupancy records for all Units; a description of all outreach efforts; Reconciliation payments to the Agency; and any other documentation required by the Agency.

### **Section 380.618 Continuing Eligibility Requirements**

If a Developer does not perform in accordance with the provisions of its Commitment with an Agency, as determined upon review by the Agency, the Agency shall not renew the Commitment. In determining whether a Developer has adequately performed under its Commitment, the Agency may review, without limitation, the Developer's compliance with Authority requirements for Tenant eligibility, Tenant Contribution, and rent charged for the Units; the compliance of the Project with the Housing Quality Standards; responsiveness to the Agency, including, without limitation, all reporting requirements; the Developer's compliance with the Project's Tenant Selection Plan; and outreach activities conducted by the Developer within and surrounding the area in which the Project is located, where applicable. In the case of long-term financing, if the Developer does not perform in accordance with the requirements of the regulatory agreement with the Agency required under Section 380.608(d), the Agency shall have the right to recapture all or part of the Rental Assistance for the Project if the Developer is unable to correct any material violations of the regulatory agreement within a reasonable period of time.