

Money from recording fees should be reinvested in communities

By Josh Langfelder

In 2005 the Illinois General Assembly passed legislation to establish a Rental Housing Support Program (RHSP). By definition, this program promotes permanent housing through the funding of rent subsidies for "rent burdened" extremely and severely low-income households. Funding for rental assistance was identified as a significant need under the 2005 "Building for Success: Illinois' Comprehensive Affordable Housing Plan."

This program was created to provide rental assistance to Illinois households below 30% of the area median income.

To help coordinate the program, IHDA will contract with agencies around the state to manage the program in their area. These agencies are identified as Local Administering Agencies (LAAs), which can be local governments, nonprofits or housing authorities established within the area. Not all counties have a LAA within their own county. If that is the case, the LAA generally is from the adjacent county. For example, Sangamon County's LAA is the Springfield Housing Authority.

The LAA will identify landlords that meet the criteria to participate in this program and contract with landlords to provide the RHSP units and monitor the funding and compliance of the rules for the program. Landlords will have the responsibilities such as assisting with the processing of potential tenant applications and reporting on the assistance needed. Agencies submit applications to the Illinois Housing Development Authority for grant funding through this program.

The funding source for the Rental Housing Support Program comes from documents that are recorded with the county recorder's office. The \$10 surcharge, collected by all 102 recorders across the state, is included in every recording fee for documents relating to real estate. The

surcharge, also known as the RHSP fee, is broken down into two parts - \$9 to the state to fund the program and \$1 stays with the county for administering the RHSP fee. By the 15th of each month, the money collected for the Rental Housing Support Program is then transferred to the Illinois Department of Revenue (IDOR). The money collected by IDOR is then transferred to



IHDA to administer grants for the Rental Housing Support Program. Projected funding for this program is approximately \$26 million a year.

Recently, the Illinois State Legislature modified the Rental Housing Support Program. HB3878 was passed on Jan. 6, 2023, and increases the overall fee collected by recorders by an additional \$10, bringing the total collected for this program to \$20. The new fee will have \$18 going to IHDA to administer grants for the program and \$2 will stay with the county.

Since the inception of this program in 2005, Sangamon County has submitted \$5.5 million to IHDA and has only received \$750,000 in grants for the program. Excluding Cook County and

Chicago Metro, each county has submitted their monies to IHDA but have seen less-than-equitable support for their county residents with rental assistance. Lack of equity, transparency and proper documentation has been an ongoing issue for recorders with the Rental Housing Support Program.

A new bill, HB3878, is a step in the right direction to bring those monies back to our communities. This house bill will create a 12-member task force to review the distribution of these monies so that all communities that collect these funds will be receiving grants back to assist the residents in need. Outreach is a huge part of this program, to inform landlords as well as renters that there is an option out there to provide rental assistance.

Since being elected in 2008, I have spoken to the Springfield Housing Authority, state legislators, the local landlord association and lobbyists for the Realtor association to make them aware of the Rental Housing Support Program as well as to express the interest of recorders across the state to help with implementing changes to this program to make it equitable for all counties. With the establishment of the task force in HB3878, it will be an opportunity to review the procedures and suggest changes to IHDA and the state legislature to improve the Rental Housing Support Program.

Today, landlords and renters should inquire with their assigned LAA on the availability of these grants through the Rental Housing Support Program. This is the first step to ensure that these dollars collected through the RHSP fee are brought back to our community to assist with rent subsidies and promote permanent housing within our counties. Further information on this program can be found at IHDA's website, www.ihda.org. **SBJ**

Josh Langfelder has been the Sangamon County Recorder since 2008.