

AN ACT concerning housing.

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

Section 1. Short title. This Act may be cited as the Community Land Trust Home Ownership Act.

Section 5. Purpose. The purpose of this Act is to ensure access to affordable housing loan products, grants, and other types of assistance for buyers and owners of housing located in a community land trust or other leasehold ownership structure with a ground lease between the buyer or owner and a 501(c)(3) organization.

Section 10. Findings. The General Assembly finds the following:

(1) The State of Illinois is facing an affordable housing crisis.

(2) Homeownership is the principal way families build wealth, yet homeownership is most inaccessible to communities of color in Illinois, who are 1.6 times less likely than white people to be homeowners.

(3) Homeownership serves as a critical tool to close the racial wealth gap by enabling historically excluded families to build generational wealth.

(4) Community land trusts and other ownership structures that promote long-term affordability are critical housing options that can reduce the affordable housing gap.

(5) Community land trusts and other ownership structures that promote long-term affordability curb displacement and foster generational wealth by creating opportunities for homeownership to remain affordable for generations.

(6) Community land trusts and other ownership structures that promote long-term affordability preserve naturally occurring affordable housing by closing the affordability gap so that low-to-moderate income households can live in high opportunity neighborhoods.

(7) The property tax sale system contributes to the racial wealth gap in homeownership by transferring home equity from communities of color to investors, threatening community stability, and increasing housing costs.

(8) Community land trusts can be a powerful solution for homeowners facing delinquent property taxes or other financial threats to continued homeownership that keeps residents in their homes and creates permanently affordable properties for future buyers.

(9) Local community land trusts currently operate to successfully preserve and create affordable housing in urban areas in Illinois, but there is need for centralized

support and coordination for the establishment of local community land trusts across the State.

Section 15. Definitions. As used in this Act:

"501(c)(3) organization" means a nonprofit organization that is exempt or qualified for exemption from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986.

"Community land trust" means a 501(c)(3) organization governed by a board of community land trusts residents, community residents, and public representatives that provide permanent or long-term affordability and shared equity homeownership opportunities.

Section 20. Eligibility for homeownership programs. The Illinois Housing Development Authority's homeownership programs, including loan products, grants, and other types of assistance, shall be made available to home buyers and owners seeking to purchase or maintain housing where a leasehold interest in real property is held by a community land trust or other 501(c)(3) organization for the purposes of promoting long-term affordability, preservation of affordable housing, or community revitalization efforts. Any other type of seller, including for-profit or private sellers of homes, through leasehold agreements, such as installment contracts, contract for deeds, or any other type of purchase or ownership structure, shall not be eligible under this Section.

Section 25. Rulemaking. Within 90 days after the effective date of this Act, the Illinois Housing Development Authority shall propose new or amended administrative rules that will make the Authority's homeownership programs consistent with the purposes of this Act.

Section 30. Community Land Trust Task Force.

(a) The Community Land Trust Task Force is created within the Illinois Housing Development Authority to explore the findings of the 2024 Community Land Trust Report. The Task Force shall consist of the following members:

- (1) The Governor, or his or her designee.
- (2) The Executive Director of the Illinois Housing Development Authority, or his or her designee.
- (3) The Director of Revenue, or his or her designee.
- (4) The Secretary of Human Services, or his or her designee.
- (5) The Director of Commerce and Economic Opportunity, or his or her designee.
- (6) One member representing the Governor's Office of Management and Budget, appointed by the Governor.
- (7) One member of the Senate, appointed by the President of the Senate.
- (8) One member of the Senate, appointed by the Minority Leader of the Senate.

(9) One member of the House of Representatives, appointed by the Speaker of the House of Representatives.

(10) One member of the House of Representatives, appointed by the Minority Leader of the House of Representatives.

(11) One representative from each of the 4 Illinois-based community land trusts that were established for the purpose of supporting affordable housing, appointed by the Governor.

(12) One representative of a university located in Illinois who has expertise on housing studies, appointed by the Governor.

(13) One member representing a national laboratory that provides technical support to advance affordable housing solutions, appointed by the Governor.

(14) One member representing a statewide organization that advocates for affordable housing in Illinois, appointed by the Governor.

(15) One member from the nongovernmental sector, appointed by the Governor.

(b) All members of the Task Force shall serve without compensation. Task Force members shall be appointed within 30 days after the effective date of this Act. If a vacancy occurs in the membership, a replacement shall be appointed by the co-chairs of the Task Force.

(c) The following individuals shall serve as co-chairs of

the Task Force:

(1) the Executive Director of the Illinois Housing Development Authority, or his or her designee;

(2) the member of the Senate appointed by the President of the Senate; and

(3) the member of the House of Representatives appointed by the Speaker of the House of Representatives.

(d) The member from the nongovernmental sector shall serve as vice-chair of the Task Force.

Section 35. Administrative support. The Illinois Housing Development Authority shall provide administrative and technical support to the Community Land Trust Task Force, be responsible for administering the Task Force's operations, and ensure that the duties of the Task Force are completed.

Section 40. Meetings. The Community Land Trust Task Force shall hold its initial meeting within 60 days after the effective date of this Act. The Task Force shall convene and meet at the call of the co-chairs and shall meet as frequently as necessary to carry out its duties under Section 45.

Section 45. Duties. The Community Land Trust Task Force shall:

(1) implement the 2024 Community Land Trust Task Force Report recommendations including, but not limited to:

(A) exploring funding mechanisms currently existing through the State as well as identifying new revenue streams including, but not limited to, bond issuance, innovation funding, real estate transfer tax, and the Illinois Affordable Housing Trust Fund;

(B) considering the incorporation of community land trusts into the local tax sale process;

(C) exploring methods for providing technical assistance support to emerging community land trusts;

(D) evaluating different approaches to community land trust centralization; and

(E) ensuring statewide use of existing tax assessment language and adjusting policy to ease burdens on community land trusts and community land trust owners;

(2) study the use of community land trusts as a tool to create permanently affordable housing, including as an alternative to property tax sales;

(3) increase the number of State grants for organizational capacity-building and housing development, with spending rules tailored to the needs of community land trusts and the size of community land trust projects;

(4) promote innovative sources of dedicated funding and property for community land trusts;

(5) leverage rising industry and catalytic projects to generate revenue for lasting affordable housing; and

(6) encourage partnerships between community land trusts and land banks.

Section 50. Report. The Community Land Trust Task Force shall submit a report to the Governor and General Assembly covering the Task Force's investigation into community land trusts and the Task Force's duties under Section 45. The report shall be made available on the Illinois Housing Development Authority's website for viewing by the general public.

Section 55. Duration. The Community Land Trust Task Force is dissolved, and this Section and Sections 30, 35, 40, 45, and 50 are repealed, 14 months after the date upon which the Task Force holds its first meeting.

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