

1 AN ACT concerning housing.

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

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

6 Section 5. Purpose. The purpose of this Act is to ensure
7 access to affordable housing loan products, grants, and other
8 types of assistance for buyers and owners of housing located
9 in a community land trust or other leasehold ownership
10 structure with a ground lease between the buyer or owner and a
11 501(c)(3) organization.

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

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

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

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

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

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

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

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

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

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

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

3 Section 15. Definitions. As used in this Act:

4 "501(c)(3) organization" means a nonprofit organization
5 that is exempt or qualified for exemption from taxation under
6 Section 501(c)(3) of the Internal Revenue Code of 1986.

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

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

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

6 Section 30. Community Land Trust Task Force.

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

11 (1) The Governor, or his or her designee.

12 (2) The Executive Director of the Illinois Housing
13 Development Authority, or his or her designee.

14 (3) The Director of Revenue, or his or her designee.

15 (4) The Secretary of Human Services, or his or her
16 designee.

17 (5) The Director of Commerce and Economic Opportunity,
18 or his or her designee.

19 (6) One member representing the Governor's Office of
20 Management and Budget, appointed by the Governor.

21 (7) One member of the Senate, appointed by the
22 President of the Senate.

23 (8) One member of the Senate, appointed by the
24 Minority Leader of the Senate.

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

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

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

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

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

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

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

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

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

1 the Task Force:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 Section 55. Duration. The Community Land Trust Task Force
11 is dissolved, and this Section and Sections 30, 35, 40, 45, and
12 50 are repealed, 14 months after the date upon which the Task
13 Force holds its first meeting.

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