



Sen. Graciela Guzmán

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1 AMENDMENT TO SENATE BILL 1261

2 AMENDMENT NO. _____. Amend Senate Bill 1261 by replacing
3 everything after the enacting clause with the following:

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

6 Section 5. Purposes. The purposes of this Act are to
7 ensure access to affordable housing loan products, grants, and
8 other types of assistance for buyers and owners of housing
9 located 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.

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

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

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

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

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

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

26 (8) Community land trusts can be a powerful solution

1 for homeowners facing delinquent property taxes or other
2 financial threats to continued homeownership that keeps
3 residents in their homes and creates permanently
4 affordable properties for future buyers.

5 (9) Local community land trusts currently operate to
6 successfully preserve and create affordable housing in
7 urban areas in Illinois, but there is need for centralized
8 support and coordination for the establishment of local
9 community land trusts across the State.

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

11 "501(c)(3) organization" means a nonprofit organization
12 that is exempt or qualified for exemption from taxation under
13 Section 501(c)(3) of the Internal Revenue Code of 1986.

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

19 "Task Force" means the Community Land Trust Task Force.

20 Section 20. Eligibility for homeownership programs. The
21 Illinois Housing Development Authority's homeownership
22 programs, including loan products, grants, and other types of
23 assistance, shall be made available to home buyers and owners
24 seeking to purchase or maintain housing where a leasehold

1 interest in real property is held by a community land trust or
2 other 501(c)(3) organization for the purposes of promoting
3 long-term affordability, preservation of affordable housing,
4 or community revitalization efforts. Any other type of seller,
5 including for-profit or private sellers of homes, through
6 leasehold agreements, such as installment contracts, contract
7 for deeds, or any other type of purchase or ownership
8 structure, shall not be eligible under this Section.

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

14 Section 30. Community Land Trust Task Force.

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

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

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

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

23 (4) The Secretary of Human Services, or his or her
24 designee.

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

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

5 (7) One member of the Senate, appointed by the
6 President of the Senate.

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

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

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

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

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

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

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

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

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

8 (c) The following individuals shall serve as co-chairs of
9 the Task Force:

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

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

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

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

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

23 Section 40. Meetings. The Task Force shall hold its
24 initial meeting within 60 days after the effective date of

1 this Act. The Task Force shall convene and meet at the call of
2 the co-chairs and shall meet as frequently as necessary to
3 carry out its duties under Section 45.

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

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

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

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

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

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

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

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

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

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

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

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

11 Section 50. Report. The Task Force shall submit periodic
12 reports to the Governor and General Assembly covering the Task
13 Force's investigation into community land trusts and the Task
14 Force's duties under Section 45. These reports shall be made
15 available on the Illinois Housing Development Authority's
16 website for viewing by the general public.

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