

# SB2927



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB2927

Introduced 1/26/2024, by Sen. Natalie Toro

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Community Land Trust Home Ownership Act. Provides that 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. Provides that 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 the amendatory Act. Requires the Illinois Housing Development Authority, within 90 days after the effective date of the Act, to propose new or amended administrative rules that will make the Authority's homeownership programs consistent with the purposes of the Act. Effective immediately.

LRB103 34516 KTG 64350 b

A BILL FOR

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. 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 housing  
15 crisis.

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

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

22 (4) Community land trusts and other ownership structures

1 that promote long-term affordability curb displacement and  
2 foster generational wealth by creating opportunities for  
3 homeownership to remain affordable for generations.

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

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

10 "Authority" means the Illinois Housing Development  
11 Authority.

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

17 "501(c)(3) organization" means a nonprofit organization  
18 that is exempt or qualified for exemption from taxation  
19 pursuant to Section 501(c)(3) of the Internal Revenue Code of  
20 1986.

21 Section 20. Eligibility for Authority homeownership  
22 programs. The Authority's homeownership programs, including  
23 loan products, grants, and other types of assistance, shall be  
24 made available to home buyers and owners seeking to purchase

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

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

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