



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3292

Introduced 2/17/2023, by Rep. Theresa Mah

SYNOPSIS AS INTRODUCED:

New Act

Creates the Limited-Equity Housing Cooperative Task Force Act. Provides that the purpose of the Act is to establish the Illinois Limited-Equity Housing Cooperative Task Force to collect data and qualitative experiences regarding the needs of limited-equity housing cooperatives with the goal of analyzing their potential to (i) increase the supply of affordable ownership housing across Illinois and (ii) further home ownership and build wealth among lower-income and moderate-income Illinoisans, especially those locked out of the traditional homeownership market. Provides that the Task Force is created within the Illinois Housing Development Authority to study: (1) opportunities to expand the number of limited-equity housing cooperatives statewide, including the number of properties that could be developed as limited-equity housing cooperatives; (2) the use of limited-equity housing cooperatives as a tool to create permanently affordable ownership housing; (3) the impact that substantial investments in limited-equity housing cooperatives would have on closing the racial wealth gap in Illinois; and other matters. Requires the Task Force to prepare and submit a final report, on or before December 31, 2024, to the Governor and the General Assembly making specific recommendations of legislative and budgetary action that supports the mission of limited-equity housing cooperatives to foster permanently affordable ownership housing and homeownership among lower-income and moderate-income Illinois residents. Contains provisions concerning Task Force membership; meetings; vacancies; and other matters. Provides that the Task Force is dissolved and the Act is repealed on December 31, 2024. Effective immediately.

LRB103 30445 KTG 56877 b

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 Limited-Equity Cooperative Housing Task Force Act.

6 Section 5. Purposes. The purposes of this Act are to
7 establish the Illinois Limited-Equity Housing Cooperative Task
8 Force to collect data and qualitative experiences regarding
9 the needs of limited-equity housing cooperatives with the goal
10 of analyzing their potential to (i) increase the supply of
11 affordable ownership housing across Illinois and (ii) further
12 home ownership and build wealth among lower-income and
13 moderate-income Illinoisans, especially those locked out of
14 the traditional homeownership market.

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

17 (1) Homeownership is the principal way families build
18 wealth, yet homeownership is most inaccessible to
19 communities of color in Illinois, where roughly 75% of
20 white families own their homes, but only 61% of Asian
21 families, 52% of Hispanic families, and 38% of Black
22 families are homeowners.

1 (2) Private development into neighborhoods displaces
2 long-time residents by purchasing and demolishing older,
3 single-family homes at low costs in favor of luxury
4 housing, raising property taxes and rents for surrounding
5 homes.

6 (3) Limited-equity housing cooperatives curb
7 displacement and foster generational wealth by creating
8 opportunities for permanently affordable homeownership.

9 (4) Limited-equity housing cooperatives preserve
10 naturally occurring affordable housing by closing the
11 affordability gap so that low-to-moderate income
12 households can live in high opportunity neighborhoods.

13 (5) Limited-equity housing cooperatives can be a
14 powerful solution for homeowners facing delinquent
15 property taxes or other financial threats to continued
16 homeownership that keeps residents in their homes and
17 creates permanently affordable properties for future
18 buyers and long-term residents.

19 (6) Limited-equity housing cooperatives foster safe
20 environments, community organizing and cooperation, civic
21 engagement, and collective decision-making.

22 (7) Limited-equity housing cooperatives currently
23 operate to successfully preserve and create affordable
24 housing in urban areas in Illinois, but there is need for
25 centralized support and coordination for the establishment
26 of limited-equity housing cooperatives across the State.

1 (8) The State of Illinois commits to becoming a
2 national exemplar by supporting and encouraging the
3 establishment of limited-equity housing cooperatives
4 across the State.

5 Section 15. Task Force; composition. The Limited-Equity
6 Housing Cooperative Task Force is created within the Illinois
7 Housing Development Authority and shall consist of the
8 following members:

9 (1) The Executive Director of the Illinois Housing
10 Development Authority, or the Executive Director's
11 designee.

12 (2) One member of the Senate, appointed by the
13 President of the Senate.

14 (3) One member of the Senate, appointed by the
15 Minority Leader of the Senate.

16 (4) One member of the House of Representatives,
17 appointed by the Speaker of the House of Representatives.

18 (5) One member of the House of Representatives,
19 appointed by the Minority Leader of the House of
20 Representatives.

21 (6) One representative from at least 3 Illinois
22 limited-equity housing cooperatives appointed by the
23 Governor.

24 (7) A representative from one organization, either
25 within Illinois or outside Illinois, devoted to the

1 creation of limited-equity housing cooperatives.

2 (8) A representative from a bank or lender that serves
3 housing cooperatives.

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

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

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

13 Section 20. Task force duties.

14 (a) The Task Force shall study:

15 (1) opportunities to expand the number of
16 limited-equity housing cooperatives statewide, including
17 the number of properties that could be developed as
18 limited-equity housing cooperatives;

19 (2) the use of limited-equity housing cooperatives as
20 a tool to create permanently affordable ownership housing;

21 (3) strategies that support the use of limited-equity
22 housing cooperatives;

23 (4) the impact that substantial investments in
24 limited-equity housing cooperatives would have on closing
25 the racial wealth gap in Illinois;

1 (5) any different considerations in the use of
2 limited-equity housing cooperatives in gentrifying and
3 disinvested communities; and

4 (6) any incentive packages that might encourage
5 current property owners to sell their homes to
6 limited-equity housing cooperatives.

7 (b) The Task Force shall also:

8 (1) make recommendations for establishing a
9 sustainable, dedicated source of funding for
10 limited-equity housing cooperatives;

11 (2) create a cost-benefit analysis describing any
12 savings to the State if a limited-equity housing
13 cooperative model were pursued, including when compared to
14 current affordable rental housing programs and savings
15 across other sectors;

16 (3) outline financing and lending opportunities for
17 limited-equity housing cooperatives to make homeownership
18 attainable to long-term neighborhood residents;

19 (5) explore complementary uses of limited-equity
20 housing cooperative and community land trusts.

21 Following the study, the Task Force shall prepare a final
22 report to the Governor and the General Assembly making
23 specific recommendations of legislative and budgetary action
24 that supports the mission of limited-equity housing
25 cooperatives to foster permanently affordable ownership
26 housing and homeownership among lower-income and

1 moderate-income Illinois residents.

2 Section 25. Meetings; co-chair; administrative support.
3 All members appointed under Section 15 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 thereafter, a replacement shall be appointed by the co-chairs
7 of the Task Force. The Task Force shall hold its initial
8 meetings within 60 days after the effective date of this Act.
9 The Task Force shall meet at least 6 times. Additional
10 meetings may be called at the direction of the co-chairs. The
11 following individuals shall serve as co-chairs of the Task
12 Force:

13 (1) The Executive Director of the Illinois Housing
14 Development Authority, or the Executive Director's
15 designee.

16 (2) One member of the Senate, appointed by the
17 President of the Senate.

18 (3) One member of the House of Representatives,
19 appointed by the Speaker of the House of Representatives.

20 Additionally, one member from the non-governmental sector,
21 appointed by the Governor, shall be appointed Vice-Chair.

22 The Illinois Housing Development Authority shall provide
23 administrative and technical support to the Task Force and be
24 responsible for administering its operations and ensuring that
25 the requirements of the Task Force are met.

1 Section 30. Duties. The Task Force shall submit its final
2 report to the Governor and General Assembly no later than
3 December 31, 2024. The final report shall be made available
4 online for the general public.

5 Section 35. Repeal. This Task Force is dissolved, and this
6 Act is repealed, on December 31, 2024.

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