



THE AFFORDABLE HOUSING PLANNING AND APPEAL ACT

Public Act 93-0595 and Public Act 93-0678

Problem: Many towns and cities in Illinois face shortages in homes affordable to nurses, police officers, teachers, firefighters, secretaries, and others who provide critical community services and help drive the local economy. This shortage can hinder economic development, increase traffic congestion, and limit opportunities for hard-working residents and their children. Unfortunately, local barriers, such as long permit processes or community opposition from a vocal minority of residents, and a lack of planning can contribute to this shortage of affordable housing.

Solution: The Affordable Housing Planning and Appeal Act, passed last year, provides new ways to remove inefficient barriers in the housing market and facilitate the creation of affordable housing.

HOW IT WORKS:

The Affordable Housing Planning and Appeal Act contains two provisions to help encourage the creation of affordable housing in communities that lack it. First, the law requires communities with less than 10% affordable housing to adopt an affordable housing plan by April 1, 2005. Second, the law creates a State Housing Appeals Board that, beginning in 2009, reviews developers' appeals of certain local government decisions affecting proposed affordable housing developments. Applicability to home rule communities has not yet been definitively resolved.

(1) The Affordable Housing Plan

- A local government must approve an affordable housing plan that states the total number of affordable housing units needed to reach the goal of 10% affordable housing within its jurisdiction.
- The affordable housing plan must also identify what lands within the local government's jurisdiction are most appropriate for the development of affordable housing, and what incentives can be provided to developers that would attract affordable housing to their jurisdiction.
- The plan must contain one of three very specific goals for increasing the stock of affordable housing in a community: 1) a minimum of 15% of all new development or redevelopment must be affordable; 2) the community will increase its overall percentage of affordable housing by three percentage points; or 3) the community will increase its overall percentage of affordable housing to 10% of the total housing stock.
- The Illinois Housing Development Authority (IHDA) is charged with publishing a list of non-exempt communities and notifying all non-exempt communities of their status. Though the law requires IHDA to do so by October 1, 2004, IHDA published this list of 49 communities in August 2004.

Benefits of Affordable Housing and an Affordable Housing Plan

Stimulates Economic Development: Implementing an affordable housing plan bolsters economic development by helping employers attract and retain workers who are able find housing closer to their jobs. Access to a pool of potential employees is an important factor a business considers when deciding where to locate and whether to stay in an existing location. Communities benefit along with local businesses, because employees tend to spend their wages in the communities in which they live. The result is a larger tax base, increased demand for goods and services, and local economic growth.

Strengthens the Social Fabric: Implementing a plan means that public servants, like police officers, teachers, and firefighters, can afford to live in and be a part of the communities they serve. Seniors have the opportunity to stay in the communities in which they have spent their lives, and young families have a chance to raise their children in the communities in which they grew up.

Improves Quality of Life: When working parents can live closer to their jobs, they spend less time commuting and have more time to invest in their children. For example, parents have more time to better prepare their young children for school. Reduced commuting times also result in less traffic congestion and air pollution.



Exemptions:

- (1) **Communities where 10% or more of the housing stock is affordable are exempt from the law.** In August 2004, the Illinois Housing Development Authority (IHDA) published the official list of every Illinois municipality and county and its percentage of affordable housing. 49 municipalities out of over 1200 have less than 10% affordable housing and thus are subject to the law.
- (2) Communities with less than 1,000 people are exempt.
- (3) Communities that can prove that they have met the goal in their affordable housing plan are exempt.

(2) State-Level Housing Appeals Board

The Affordable Housing Planning and Appeal Act also creates a State Housing Appeals Board empowered to hear appeals from developers who have been denied in their efforts to build affordable housing in communities that lack it. Communities with 10% or more affordable housing *or* communities that have met the goal outlined in their plan are NOT subject to the authority of the Appeals Board.

- This board includes governor-appointed representatives of local government, zoning boards of appeals, plan commissions, developers, and housing advocates. The board will be chaired by a retired judge.
- The board may review denials of affordable housing developments. The board may require a municipality to issue all approvals needed for an affordable housing development. The board's Order can be enforced in court.

WHO THIS LAW SERVES:

Working Families

The Affordable Housing Planning and Appeal Act encourages the production of for-sale housing for families making below 80% of the Area Median Income (AMI), and rental housing for families earning less than 60% AMI. These income levels for a family of four are listed below for key parts of the state:

	80%	60%
- Chicago Six-County Region:	\$57,500	\$45,240
- Davenport-Moline-Rock Island:	\$44,950	\$33,720
- Peoria-Pekin, IL:	\$46,550	\$34,920
- Rockford, IL:	\$47,850	\$35,880
- Springfield, IL:	\$51,900	\$38,940

Developers of Affordable Housing

To be eligible to make use of the appeals process, developers must make 20% of the housing units or homes in their development affordable to households at 80% of the area median income as determined by HUD each year.

Communities that Already Have Affordable Housing and Those that Need Affordable Housing

Municipalities are exempt from the statute if at least 10% of all housing units are already affordable. This provides municipalities with an *incentive* to plan and actively promote affordable housing in order to gain exemption.

How Does This Help Local Governments?

Most local leaders recognize the importance of affordable housing but are concerned about opponents capitalizing on residents' fears and misconceptions. In Massachusetts, for example, the housing appeals law has allowed local officials to evaluate affordable housing proposals on their merits, not on emotions.