



THE AFFORDABLE HOUSING PLANNING AND APPEAL ACT

Public Acts 93-0595, 93-0678, and 94-0303

BACKGROUND

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.

The Affordable Housing Planning and Appeal Act, passed in 2003, provides new ways to facilitate the creation of affordable housing in communities where *less than 10%* of the housing is affordable to working-class families.

MAJOR COMPONENTS OF THE LAW:

- The Illinois Housing Development Authority has determined that 49 municipalities in the state have less than 10% affordable housing and are therefore not exempt from the law. These communities were required to approve local **Affordable Housing Plans** by April 1, 2005. Plans were required to 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
 3. The community will increase its overall percentage of affordable housing to 10% of the total housing stock
- In 2009, **A State Housing Appeals Board** will be empowered to review developers' appeals of certain local government decisions affecting proposed affordable housing developments. 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:
 1. This balanced 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.
 2. 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.
 3. To be eligible to make use of the appeals process, developers must include 20% affordable housing in their development.
- Communities are permitted to enter into **Intergovernmental Agreements** with other municipalities or counties with less than 25% affordable housing and within 10 miles of their corporate boundaries. Together, these municipalities and/or counties can work to meet the requirements of the law.
- The law empowers communities to use a **variety of tools** to help in the creation/preservation of affordable housing. Communities will have the authority to: create Community Land Trusts and/or Housing Trust Funds; use local zoning powers to create affordable housing; and accept donations of money or land to address affordable housing needs.



EXEMPTIONS:

- (1) Communities where 10% or more of the housing stock is affordable are exempt from 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.

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 2006 income levels for a family of four are listed below for key parts of the state:

	<u>80%</u>	<u>60%</u>
- Chicago Metropolitan Area:	\$59,600	\$45,240
- Bloomington/Normal:	\$58,800	\$44,100
- Peoria-Pekin, IL:	\$49,900	\$37,440
- Rockford, IL:	\$50,900	\$38,160
- Springfield, IL:	\$51,900	\$38,940

HOW DOES THIS LAW 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, the housing appeals law has allowed local officials to evaluate affordable housing proposals on their merits, not on emotions. Some residents may still oppose affordable housing, but they recognize that their local leaders are simply carrying out state law.

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.