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## **Illinois Housing Development Authority Releases List of 49 Communities that Must Comply with Affordable Housing Planning and Appeal Act**

*New Law Requires Impacted Communities to Adopt Strategies for Creating  
more Affordable Homes*

CHICAGO – A full ten weeks ahead of the October 1, 2004, legislative deadline and just six weeks after a new law accelerated the deadline by 18 months, the Illinois Housing Development Authority (IHDA) today released the list of municipalities that are required to comply with the Affordable Housing Planning and Appeal Act (Planning Act.) The early release of the non-exempt list will allow the impacted municipalities more time to better understand the law, and to create and pass their affordable housing plans, which are due on April 1, 2005. Municipalities that are required to comply with the Planning Act are those with less than 10% of their housing stock affordable to working families.

Several groups, including Business and Professional People for the Public Interest and the Illinois Municipal League, the organization of 1600 local government entities across Illinois, supported the legislation last year to help its member municipalities address several serious social and economic problems, such as high commute times for municipal workers and a shortage of homes for teachers, police officers, the elderly and for young families that want to stay in the communities in which they were raised and lived.

“We worked very hard to generate a highly accurate list, in compliance with the legislation, and a detailed plan for how to implement this law moving forward,” said Kelly King Dibble, Executive Director of IHDA. “But we have been very surprised and excited by the number of municipalities that have already begun to take innovative steps – above and beyond the requirements of the law – to address the problems that this law was written to help alleviate.”

IHDA plans to host a series of seminars for the impacted municipalities to help explain the law and its requirements, as well as identify resources that city planners can use as they move forward to implement their affordable housing plan. The first seminar for municipal planners and

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elected officials from the non-exempt municipalities will be held on Wednesday August 25, 2004, at 1:00PM at Oakton Community College. Additional workshops for the non-exempt communities as well as a broader base of interested parties and municipalities that are not on the non-exempt list, are being planned for September 22, September 27 and October 4. (Locations and times will be announced at a later date).

The communities required to comply with the Planning Act mirror those that have experienced significant increases in housing costs over the last decade. There were 49 municipalities identified – all in the Chicago area, including 19 communities in Lake County, 16 in Cook, seven in DuPage, three each in Kane and McHenry, and one in Will County. All the non-exempt municipalities are in the Chicago Primary Metropolitan Statistical Area. The full list of municipalities, including the number of units, is attached to this release.

The Planning Act was signed into law in 2003 to help provide diversity and an economic boost in communities throughout Illinois. IHDA is charged with calculating and publishing a list of non-exempt communities that must come into compliance with the act, which became law on Jan. 1, 2004.

The Planning Act requires local governments to identify in their plan the total number of affordable homes, identify land and structures that could be targeted for affordable homes, and offer incentives to attract developers of affordable housing.

#### **Local Control is Maintained**

“One of the important provisions of the law is that local decisions remain with the local government and that all developments must meet the standards of the local community,” explained Dibble. “The community can tailor its own plan for its own needs and concerns. And once they have their plan in place, the community is in charge of its own destiny.”

Communities also have the option of choosing one of three planning goals. They can adopt a plan that requires 15% of all new developments to be affordable; a plan whereby the community will increase its overall percentage of affordable housing by three percentage points; or a plan whereby communities will increase their overall percentage of affordable housing to 10%.

The type of development – rental or for sale – as well as the type of buildings – detached single family, attached townhomes, condos, etc. – are all completely under the control of the municipality. Also, the population that the community intends to address is completely flexible and under the control of the municipality. Communities with aging populations may consider rental developments for seniors, but others may plan for a homeownership program for teachers, hospital workers, or other municipal employees. Still others may develop a program to retain the young families who grew up in the community, who are otherwise forced to find homes in other communities.

#### **State Housing Appeals Board**

The non-exempt communities that fail to adopt a plan, and those that have not adhered to their plan, will be subject to a newly created State Housing Appeal Board that can review developers' appeals of local government zoning or other decisions that impact proposed affordable housing developments. The board will begin hearing appeals in 2009.

The seven members of the Appeal Board will be appointed by the Governor and will include three representatives from the non-exempt municipalities. The board will be comprised as follows:

1. A Retired Circuit or Appellate Court Judge (Chair)
2. A Zoning Board of Appeals member – chosen from a non-exempt community
3. A Planning Board member – chosen from a non-exempt community
4. A Mayor, Municipal Council or Board member – chosen from a non-exempt community
5. A County Board member
6. An Affordable Housing Developer
7. An Affordable Housing Advocate

The Executive Director of IHDA holds a non-voting position on the Appeal Board as well.

The Appeal Board will be available to developers that propose developments with at least 20% of the homes or apartments affordable to households at or below 80% of the median area income. Developers may appeal any projects that are denied or come with conditions that in the developer's judgment may render the affordable housing provision infeasible.

The Planning Act is inspired by the Massachusetts Builder's Appeal Law that was enacted in 1969, which has helped create more than 30,000 additional units of affordable housing. Density bonuses and the high cost of property have essentially created internal subsidies that allows more properties to be built without need for any additional state or federal financing. In Massachusetts, property values have increased dramatically in the communities, thanks in part to a larger tax base and a vibrant economy due to their law.

#### About the Illinois Housing Development Authority

The Illinois Housing Development Authority (IHDA) is a self-supporting state agency that finances the creation and the preservation of affordable housing across Illinois. Since its creation by an act of the Illinois legislature in 1967, IHDA has allocated more than \$6 billion and financed more than 150,000 units of affordable housing across the state. IHDA accomplishes its mission through a number of federal and state funding sources, including the Illinois Affordable Housing Trust Fund, the State's Donations Tax Credit Fund, the allocation of federal Low Income Housing Tax Credits, HOME Investment Partnership funds and others. IHDA is also a bonding authority, and independently sells bonds, based on its own good credit, to finance affordable housing across the state.

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Non-Exempt Local Governments

Local government	County	For-sale units		Rental units		Total affordable units		
		Affordable sales price	Affordable ownership units	Affordable monthly rent	Affordable rental units	Total affordable units	Total units <sup>1</sup>	% of affordable units
Algonquin	McHenry <sup>2</sup>	\$123,720	516	\$775	249	765	7,827	9.80%
Barrington Hills	Cook <sup>2</sup>	\$124,559	33	\$775	0	33	1,370	2.40%
Burr Ridge	DuPage <sup>2</sup>	\$123,385	87	\$775	14	101	3,485	2.90%
Deer Park	Lake <sup>2</sup>	\$123,721	9	\$775	11	20	1,008	2.00%
Deerfield	Lake <sup>2</sup>	\$123,722	92	\$775	134	226	6,451	3.50%
Frankfort	Will <sup>2</sup>	\$123,720	93	\$775	154	247	3,460	7.10%
Gilberts	Kane	\$123,720	26	\$775	5	31	394	7.90%
Glencoe	Cook	\$125,244	60	\$775	46	106	3,111	3.40%
Green Oaks	Lake	\$123,720	0	\$775	4	4	1,131	0.40%
Hainesville	Lake	\$123,720	14	\$775	34	48	735	6.50%
Hawthorn Woods	Lake	\$123,720	8	\$775	8	16	1,894	0.80%
Highland Park	Lake	\$123,720	223	\$775	653	876	11,518	7.60%
Hinsdale	DuPage <sup>2</sup>	\$122,710	112	\$775	399	511	6,102	8.40%
Inverness	Cook	\$125,244	32	\$775	24	56	2,222	2.50%
Kenilworth	Cook	\$125,244	0	\$775	3	3	803	0.40%
Kildeer	Lake	\$123,720	4	\$775	3	7	1,129	0.60%
Lake Barrington	Lake	\$123,720	16	\$775	8	24	2,056	1.20%
Lake Bluff	Lake	\$123,720	7	\$775	95	102	2,173	4.70%
Lake Forest	Lake	\$123,720	60	\$775	279	339	6,681	5.10%
Lake Zurich	Lake	\$123,720	216	\$775	227	443	5,727	7.70%
Lakewood	McHenry	\$123,720	17	\$775	4	21	861	2.40%
Lincolnshire	Lake	\$123,720	34	\$775	5	39	2,169	1.80%
Lincolnwood	Cook	\$125,244	107	\$775	56	163	4,492	3.60%
Lindenhurst	Lake	\$123,720	345	\$775	57	402	4,307	9.30%
Long Grove	Lake	\$123,720	29	\$775	25	54	1,895	2.80%
Morton Grove	Cook	\$125,244	550	\$775	228	778	8,177	9.50%
Naperville	DuPage <sup>2</sup>	\$122,712	2,299	\$775	1,921	4,220	44,832	9.40%
North Barrington	Lake	\$123,720	12	\$775	10	22	1,000	2.20%
Northbrook	Cook	\$125,244	439	\$775	205	644	12,197	5.30%
Northfield	Cook	\$125,244	65	\$775	34	99	2,177	4.50%
Oak Brook	DuPage <sup>2</sup>	\$122,381	44	\$775	5	49	3,054	1.60%
Oakbrook Terrace	DuPage	\$122,381	38	\$775	78	116	1,314	8.80%
Olympia Fields	Cook	\$125,244	81	\$775	27	108	1,878	5.80%
Palos Heights	Cook	\$125,244	196	\$775	26	222	4,153	5.30%
Palos Park	Cook	\$125,244	26	\$775	13	39	1,740	2.20%
Park Ridge	Cook	\$125,244	497	\$775	632	1,129	14,284	7.90%
Riverwoods	Lake	\$123,720	7	\$775	16	23	1,205	1.90%
Sleepy Hollow	Kane	\$123,720	21	\$775	54	75	1,220	6.10%
South Barrington	Cook	\$125,244	12	\$775	0	12	1,152	1.00%
Spring Grove	McHenry	\$123,720	39	\$775	43	82	1,149	7.10%
Sugar Grove	Kane	\$123,720	63	\$775	59	122	1,299	9.40%
Third Lake	Lake	\$123,720	25	\$775	3	28	443	6.30%
Tower Lakes	Lake	\$123,720	5	\$775	0	5	451	1.10%
Wadsworth	Lake	\$123,720	47	\$775	39	86	1,028	8.40%
Wayne	DuPage <sup>2</sup>	\$122,876	3	\$775	11	14	703	2.00%
Western Springs	Cook	\$125,244	71	\$775	71	142	4,399	3.20%
Wilmette	Cook	\$125,244	309	\$775	245	554	10,032	5.50%
Winfield	DuPage	\$122,381	263	\$775	22	285	2,958	9.60%
Winnetka	Cook	\$125,244	49	\$775	121	170	4,176	4.10%