

Working to Make Your **BUILDING CODE AND ZONING CODE MORE AFFORDABLE FOR HOUSING**

By reviewing building and zoning codes to address potential barriers to affordable housing, municipalities may be able to help reverse the affordable housing shortfall in time for the surge of millennials. Local leaders need to look at their housing stock as well as at existing codes and regulations, and think creatively about the kind of community they want to be.



The following discussion presents some suggestions that may work in your municipality.

Include smaller lot sizes in the zoning code

Many jurisdictions require large lot and low densities for new residential development. As a way to achieve more flexibility and more affordable housing, a municipality could establish some small lot zones with reduced minimum lot size requirements. This will reduce the cost of land associated with each residence and allow developments with more units per acre. It could also foster more creative town-home developments. (Surveys and studies show that millennials prefer smaller lots.)

Re-visit impact fees

Local governments that currently impose impact fees should consider declining enrollments in the schools and

stable population numbers in general in their jurisdictions. Are impact fees even necessary? At a minimum, existing impact fees should be re-examined. Impact fees, while necessary in areas that are newly developing, drive up the cost of housing. A review of land values may be necessary, especially after the 2007-2009 Recession. Land values are an important component of how impact fees are assessed. To use pre-recession values would result in an inflated impact fee.

Review zoning provisions to allow adaptive re-use of properties for housing

A vacant building, once non-residential, can become residential. This can be combined with property tax abatement to help make the deal a reality.

Allow more multi-family housing—both rental and condos

Zoning restrictions can impede affordable housing development. There are many communities that zone out rental properties completely.



For decades, the focus has been on the construction of single-family homes. In recent years, however, it has become clear that the municipalities that thrive are those with a good balance of owners and renters. But many zoning ordinances are woefully out of date. Municipal planners should examine the zoning codes to eliminate provisions which can suppress rather than encourage lower-cost rental development and condominium development.



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Consider cost off-sets to incentivize more affordable units

Cost off-sets with developers include:

- An increase in the maximum floor area ratio.
- A density bonus equal to one market rate unit for each affordable unit developed.
- A reduction in the minimum number of parking spaces required. (This can be done in areas that have good proximity to public transportation.)

Review point-of-sale inspection ordinances, procedures

Some municipalities which have point-of-sale home inspection ordinances allow the buyer to make the required repairs. But in addition to that, the municipality requires the buyer to put up a large escrow amount before the closing. This makes it very difficult for some buyers to come up with that sum of money (in addition to the actual cost of repairs, the down payment and other routine closing costs). **Escrow provisions can be very burdensome and costly for lower-income buyers.**

Allow more accessory dwelling units

An excellent, organic means to augmenting housing choices are accessory dwelling units (ADUs). Defined as an additional dwelling unit that is independent of the principal residence but located on the same, single-family lot, ADUs are a win-win for the both occupants of the primary home and the ADU. For the primary home occupants, often, the additional income from ADU offsets the cost of housing, while the accessory structure provides an affordable housing option for the ADU occupants. In other cases, ADUs provide the unique opportunity for the elderly and adults with disabilities to live next to their family while maintaining some independence.

Consider creating a residential TIF

A municipality can create a Tax Increment Finance (TIF) district that can be a mix of commercial and residential uses. The municipality could require a set-aside of a specific number of affordable residential units for new development in the TIF district.

Develop programs for seniors



Grant or loan programs for necessary home upgrades can keep the housing stock in good shape and allow seniors to “age in place.” These same homes could eventually be “starter homes” for younger couples/families.

Property tax abatement for new home construction

Make use of a State law (35 ILCS 200/18-180) which permits a home rule municipality to adopt an ordinance to provide for a 10-year property tax abatement on newly constructed single-family or duplex residential property located in an area of urban decay. Area of urban decay means an area which has “blight” (“blight” is defined the same as in the TIF statute.)

Reduce costly requirements in your building code

The building code, especially when it comes to electrical and plumbing can be needlessly cost prohibitive. Consider alternative materials that reduce costs without compromising life safety.

Many municipalities require copper piping or conduit in all situations. While these are optimum materials



they come with major expense for purchase, installation, and later for owner maintenance. In addition, depending on the circumstances, they are also targeted for theft on construction sites.

Consider going with universally acceptable materials in model building codes. For example, the City of Chicago, with permission from the Building Commissioner offers opportunities for developers to utilize plastic piping for plumbing. This will save considerable costs for the developer now and the home owner later. Many materials for low voltage electrical that carry the UL label should also be considered as conduit can also be costly.