



# **HB 1814 (Rita)**

## **Broadening Housing Typologies on Large Lots**

Illinois REALTORS®' "Housing Stability & Affordability Initiative" is our latest effort to bring to bear a concentrated and comprehensive plan to address the lack of housing inventory and affordability in Illinois. Our state, like the rest of the country, faces a housing supply crisis. By some estimates, in 2024, our statewide underproduction of new homes exploded to over 150,000, making Illinois one of, if not the worst state in the country for keeping up with housing needs.

Today, most areas of the state only have one to three months of housing supply on the market. Years of low inventory have driven prices higher and higher – almost 40 percent in only five years – and increased housing instability across the state. The "Housing Stability & Affordability Initiative" puts Illinois on a path to more housing stability and affordability.

Nowhere is the housing crisis seen more vividly than in the dramatic shortage of middle-income housing – or the "Missing Middle." "Missing middle" housing is starter homes and smaller multi-family units that are considered "affordable" by those earning between 80 percent and 120 percent of the area median income.

In 2024, Illinois Gov. JB Pritzker formed the Ad-Hoc Missing Middle Housing Solutions Advisory Committee, which Illinois REALTORS® was proud to serve on, to delve deeper into the causes and effects of this issue. Specifically, the committee was tasked with developing interventions the state could pursue to address this crisis. As Illinois REALTORS®' research had shown, the committee recognized that expanding housing availability, affordability, and choice for the missing middle also helps to preserve affordable housing, prevents homelessness, and invests in more inclusive, mixed-income communities throughout the state. And while some zoning reform proposals look at the elimination of certain zoning classes – like single-family zoning – more reasonable interventions can preserve zoning classes while opening up land use restrictions to allow for more housing types.

One of the interventions identified by the Governor's Committee and included in our initiative is captured by HB 1814 (Rep. Bob Rita), the "Missing Middle Housing Act." The legislation tackles density head-on, combats negative gentrification and the implicit segregation that can be caused by traditional zoning practices.

Local zoning ordinances can be used positively to bring effective order to the layout of towns and cities. However, because zoning involves limiting the ways in which real property in certain areas can be used, it is also an unfortunate tool to promote segregation and further discrimination. It's estimated that in most major cities, zoning codes ban multi-family housing, apartments, townhouses and duplexes in over 70 percent of their residential areas. Single-family zoning provisions essentially act as density limitations, obviously decrease the overall housing supply. Worst of all though, in the wake of legal prohibitions on redlining, single-family zoning codes have been used as a mechanism

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to promote negative gentrification, limiting construction to newer, more expensive homes or encouraging informal patterns in demographic relocation.

HB 1814 is another example of a sensible solution that balances public policy priorities. It provides for moderate increases in neighborhood density, without dramatic increases in the cost of living – or positive gentrification (the type that does not displace current residents, redefine the character of neighborhoods, or cause surrounding property values to increase at an unhealthy pace). By allowing more housing types on larger lots, developers and builders can design middle housing to meet the needs of tomorrow's home buyers, while reducing sprawl and costly land acquisition costs. At the same time, Illinois' cities and towns preserve single-family development as a housing typology that can be used in their city planning.