



HB 1813 (Rita) Sparking Inventory with ADUs

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 more than 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 both 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, prevent homelessness, and invest in more inclusive, mixed-income communities throughout the state.

Housing experts and the Governor’s Committee concur that one of the biggest impediments to sparking the construction of new homes is outdated local zoning and land use controls. These local regulations increase the cost of development and reduce the number of new homes that can be built. Sensible reforms aim to moderately increase housing density, without dramatically increasing the cost of living in any particular area.

One of the components of the “Housing Stability & Affordability Initiative” is the “Local Accessory Dwelling Unit Act,” which is an example of a reasonable solution that balances the need to create more housing, with a city or town’s desire to ensure housing safety. Accessory Dwelling Units (ADUs) represent a relatively easy option to increase the available number of housing units in cities and towns.

Despite the relative ease at which these units can be brought online and the fact that they’re generally seen as a quick supply of “affordable” housing units, many municipalities ban the construction or use of these housing types. It provides that local zoning codes shall not prohibit ADUs outright but maintains a local municipality’s ability to enact reasonable restrictions on ADUs to ensure they remain safe. This commonsense legislation opens the door to this useful housing typology while prioritizing new housing is still safe and healthy.