

HOUSING SUPPLY SOLUTIONS & CASE STUDIES

PART A – MODERNIZE LOCAL REGULATIONS

A-1 *Reduce Minimum Lot Sizes*

Overview

Minimum lot size requirements determine the smallest parcel on which a home may be built. Communities may wish to periodically evaluate whether existing standards continue to reflect current housing needs, neighborhood development patterns, and long-term planning goals. In some locations, modest reductions in minimum lot size requirements can create additional housing opportunities while preserving community character.

Why It Matters

Minimum lot sizes directly affect the cost and availability of new housing. Larger lots require more land per home, increasing development costs and limiting the number of homes that can be built. Thoughtfully reducing lot size requirements may improve housing affordability and make more efficient use of existing infrastructure.

COMMUNITY SPOTLIGHT

Modernizing Minimum Lot Sizes Through Comprehensive Zoning Reform

As part of its Unified Development Ordinance (UDO), Charlotte, NC, revised many of its residential development standards, including reducing minimum lot dimensions in certain zoning districts. Rather than treating minimum lot sizes as a fixed community standard, the city evaluated how lot dimensions affected housing choice, neighborhood compatibility, and the efficient use of land.

The updated ordinance established different lot standards based on neighborhood context and intended development patterns while preserving other design and compatibility requirements. The changes were one component of a broader effort to modernize Charlotte's development regulations and expand opportunities for a wider range of housing types.

Takeaways for Illinois Communities:

- Minimum lot sizes can be evaluated as part of a broader zoning modernization effort rather than as a stand-alone policy change.
- Different neighborhoods may warrant different lot standards based on their existing development pattern and long-term planning goals.
- Changes to lot standards can be paired with other design requirements to help new development fit the surrounding community.

Key Considerations

- Evaluate infrastructure capacity before reducing lot sizes.
- Review related regulations, including setbacks, lot coverage, building height, and parking requirements.
- Consider whether changes should apply community-wide or only in selected zoning districts or redevelopment areas.

Potential Benefits

- Expands opportunities for new housing.
- Reduces land costs per home.
- Makes more efficient use of existing infrastructure.
- Supports a wider range of housing price points.

Potential Challenges

- Residents may have concerns about neighborhood character, traffic, or stormwater impacts.
- Additional zoning amendments may be needed to fully realize the benefits of smaller lots.

Questions for Local Discussion

- Do our current lot size requirements reflect today's housing needs?
- Where could smaller lots be accommodated while remaining compatible with surrounding development?

A-2 Expand “By Right” Zoning for Higher-Density Housing

Overview

By-right zoning allows housing that complies with adopted zoning and development standards to be approved administratively without discretionary approvals such as special use permits or planned developments. Communities may consider expanding by-right zoning to allow additional housing types—including duplexes, triplexes, fourplexes, and townhomes—in appropriate locations while maintaining clear development standards.

Why It Matters

Discretionary approval processes can increase the time, cost, and uncertainty associated with housing development. By-right zoning creates a more predictable approval process while preserving local control through the adoption of objective zoning and design standards.

Key Considerations

- Establish clear development standards before expanding by-right housing opportunities.
- Consider focusing by-right zoning in targeted areas, such as redevelopment districts, mixed-use corridors, or transit-served neighborhoods.
- Ensure proposed changes are consistent with the community's comprehensive plan.

Potential Benefits

- Creates a more predictable approval process.
- Reduces development delays and uncertainty.
- Encourages investment and housing production.
- Allows elected officials to focus discretionary review on more complex projects.

Potential Challenges

- Some residents may have concerns about reduced opportunities for public input on individual projects.
- Existing zoning ordinances may require substantial updates before additional housing types can be permitted by right.

Questions for Local Discussion

- Which housing types could reasonably be permitted by right in our community?
- Are discretionary approvals routinely required for projects that generally comply with our adopted plans and regulations?

A-3 Legalize Accessory Dwelling Units (ADUs)

Overview

Accessory Dwelling Units (ADUs) are smaller, independent residential units located on the same lot as a primary residence. They may be attached to the primary home, created within an existing structure, or constructed as a detached building. Communities may consider allowing ADUs in appropriate residential districts to expand housing opportunities while preserving established neighborhood character.

Why It Matters

ADUs can increase housing supply without requiring large-scale redevelopment or new subdivisions. They provide flexible housing options for older adults, young professionals, caregivers, and multigenerational families while making efficient use of existing infrastructure. Well-designed ADU regulations can expand housing choices with relatively modest neighborhood impacts.

COMMUNITY SPOTLIGHT

Expanding Housing Choices Through Accessory Dwelling Units

As part of a broader effort to increase housing opportunities within existing neighborhoods, Portland, OR, revised its development regulations to make Accessory Dwelling Units (ADUs) easier to construct. Over time, the city updated zoning and development standards, simplified portions of the permitting process, and temporarily waived certain system development charges to encourage homeowners to consider adding ADUs.

Rather than viewing ADUs as a replacement for traditional single-family neighborhoods, Portland treated them as one option for gently increasing housing opportunities while making use of existing infrastructure. Also, rather than viewing ADUs as a “yes or no” proposition, Portland developed a comprehensive plan for when, where and how they’re allowed.

Takeaways for Illinois Communities:

- ADUs can be one component of a broader housing strategy that expands housing options while preserving established neighborhoods.
- Local regulations – including dimensional standards, owner-occupancy requirements, parking requirements, and permitting procedures – can significantly influence whether ADUs are practical to build.
- Incentives and streamlined review processes may encourage greater homeowner participation than zoning changes alone.

Key Considerations

- Establish clear standards for size, height, placement, and design.
- Review owner-occupancy, parking, and minimum lot size requirements to ensure they do not unnecessarily limit ADU construction.
- Coordinate permitting, utility, and building code requirements across municipal departments.

Potential Benefits

- Expands housing opportunities within existing neighborhoods.
- Supports aging in place and multigenerational living.
- Provides homeowners with additional housing and income opportunities.
- Makes efficient use of existing infrastructure.

Potential Challenges

- Residents may express concerns regarding parking, privacy, or neighborhood character.
- Restrictive development standards may significantly limit ADU construction.

Questions for Local Discussion

- Do our zoning regulations provide practical opportunities for ADU development?
- Are existing standards appropriately balanced between neighborhood compatibility and housing opportunity?

A-4 Review and Modernize Minimum Parking Requirements

Overview

Minimum parking requirements establish the number of off-street parking spaces required for new development. Communities may wish to periodically review these standards to ensure they reflect current transportation patterns, housing types, and local parking demand. Parking requirements should balance the need for adequate parking with the goal of supporting efficient housing development.

Why It Matters

Parking requirements can significantly affect the cost and feasibility of new housing. Excessive parking requirements may increase development costs, reduce the amount of land available for housing, and make infill development more difficult. Right-sizing parking requirements can improve housing feasibility while continuing to meet local parking needs.

Key Considerations

- Evaluate parking demand by housing type, neighborhood, and transit availability.
- Consider reduced parking requirements in mixed-use districts, transit-served areas, or for smaller housing types.
- Review opportunities for shared parking or alternative compliance options.

Potential Benefits

- Reduces development costs.
- Improves the feasibility of infill and redevelopment projects.
- Makes more efficient use of land.
- Provides greater flexibility for housing development.

Potential Challenges

- Residents may have concerns regarding on-street parking or neighborhood parking demand.
- Parking needs vary considerably between communities and neighborhoods.

Questions for Local Discussion

- Do our parking requirements reflect actual parking demand?
- Are there areas where parking standards could be modernized without creating significant impacts?

A-5 *Review and Modernize Bulk Regulations*

Overview

Bulk regulations – including setbacks, lot coverage, floor area ratios, building height, and lot width requirements – shape the size and placement of buildings on a site. Communities should periodically review these standards to ensure they continue to support community planning objectives while allowing practical housing development.

Why It Matters

Even when housing is permitted, overly restrictive bulk regulations can significantly reduce the number of homes that can be built or increase development costs. Reviewing these standards may improve housing opportunities while maintaining neighborhood compatibility.

Key Considerations

- Evaluate setbacks, height limits, lot coverage, and floor area ratios together.
- Consider context-sensitive standards for infill and redevelopment.
- Coordinate changes with design and compatibility standards.

Potential Benefits

- Expands development flexibility.
- Improves feasibility of infill housing.
- Makes more efficient use of land.

Potential Challenges

- Residents may express concerns about neighborhood character or building scale.
- Multiple zoning provisions may require amendment.

Questions for Local Discussion

- Which bulk regulations most affect housing development in our community?
- Are existing standards achieving their intended planning objectives?

PART B – IMPROVE DEVELOPMENT PROCESSES

B-1 Establish Concurrent Department Reviews

Overview

Whenever practical, municipal departments should review development applications simultaneously rather than sequentially.

COMMUNITY SPOTLIGHT

Improving Development Reviews Through Concurrent Department Coordination

As Gilbert, AZ, experienced rapid population growth, the town evaluated how development applications moved through the review process. Rather than relying primarily on sequential reviews Gilbert expanded the use of concurrent reviews, allowing multiple departments to evaluate applications at the same time. Planning, engineering, utilities, transportation, and other reviewing agencies coordinated their reviews, while maintaining their individual responsibilities and technical standards.

The approach improved communication and reduced unnecessary delays, without reducing the level of review. Their concurrent review process provides applicants with more predictable review schedules while enabling staff to resolve comments more efficiently.

Takeaways for Illinois Communities:

- Evaluate whether applications move sequentially between departments when concurrent review may be feasible.
- Encourage early coordination among reviewing departments to identify and resolve issues before later stages of the review process.
- Improving efficiency does not require reducing technical standards or eliminating departmental oversight.
- More predictable review timelines can benefit both applicants and local governments by reducing uncertainty and improving project planning.

Why It Matters

Concurrent review can significantly reduce approval timelines without reducing the quality of municipal review.

Key Considerations

- Establish internal review schedules.
- Coordinate review comments.
- Identify a project manager.

Potential Benefits

- Faster reviews.
- Better interdepartmental coordination.
- Greater predictability.

Potential Challenges

- Requires coordination across departments.
- Smaller communities may have limited staffing.

Question(s)

- Where do delays most frequently occur?

B-2 *Expand Administrative Approvals*

Overview

Allow projects that comply with adopted standards to be approved administratively whenever appropriate.

Why It Matters

Administrative approvals reduce unnecessary discretionary review while preserving standards established through the zoning ordinance.

Key Considerations

- Adopt objective review standards and clearly define administrative authority.
- Reserve discretionary review for more complex projects.

Potential Benefits

- Faster approvals.
- Greater certainty.
- More efficient use of public meetings.

Potential Challenges

- May require ordinance amendments.
- Public education may be needed.

Question(s)

- Which compliant projects currently require discretionary approval?

B-3 *Right-Size the Development Approval Timelines & Process*

Overview

Review requirements and timelines can be tailored to the scale and complexity of the proposed project.

Why It Matters

Small housing projects should not necessarily undergo the same review process as major developments. Predictable timelines provide certainty (less cost) and improves transparency.

Key Considerations

- Review approval thresholds.
- Simplify procedures for smaller projects.
- Maintain appropriate oversight.

Potential Benefits

- More efficient reviews.
- Lower development costs.
- Better staff utilization.

Potential Challenges

- Existing ordinances may require revision.
- Staff training may be necessary.

Questions

- Are smaller housing projects subject to unnecessarily complex reviews?
- Which approvals could be simplified?
- Are we prepared to monitor and enforce timelines?

B-4 Utilize Third-Party Plan Review and Inspection Services

Overview

Communities may supplement municipal staff by utilizing qualified third-party professionals for plan review or inspections.

Why It Matters

Third-party services can help address staffing shortages and reduce permit backlogs.

Key Considerations

- Maintain municipal oversight.
- Establish qualification standards.
- Clearly define responsibilities.

COMMUNITY SPOTLIGHT**Expanding Review Capacity Through Third-Party Plan Review**

As development activity has increased and put a strain on municipal staff, Nashville, TN, expanded its ability to process development applications by providing for qualified third-party professionals to perform certain plan reviews and inspections that met established municipal standards.

Rather than replacing the city's oversight responsibilities, third-party reviewers supplemented municipal capacity during periods of high demand while remaining subject to the city's review procedures and approval requirements. Paired with strict licensing and minimum qualifications standards issued by the state Fire Marshall, the third-party reviewers create an expert-level force multiplier.

Takeaways for Illinois Communities:

- Third-party review can supplement (not replace) municipal capacity during periods of high development activity or staffing constraints.
- Municipalities retain responsibility for establishing review standards and maintaining oversight of the development approval process.
- Communities can define when third-party review is appropriate and which types of applications are eligible.
- Third-party review is one tool that may improve review capacity while allowing municipal staff to focus on projects requiring greater technical review or policy analysis

Potential Benefits

- Faster permitting.
- Increased capacity.
- Greater flexibility.

Potential Challenges

- Additional administrative coordination.
- Potential costs.

Questions

- Would third-party review improve permitting efficiency?
- When does staff capacity become a constraint?

PART C – PLAN FOR STRATEGIC GROWTH

C-1 Encourage Housing Near Transit and Commercial Corridors

Overview

Focus efforts to add housing in areas already served by public transit and commercial activity. Transit routes, transit stations, and established commercial corridors are often well suited for higher-density and mixed-use development because they provide convenient access to jobs, shopping, services, and transportation.

Why It Matters

Locating housing near transit and commercial corridors can reduce infrastructure costs by directing growth to areas that are already served by public facilities and services. It can also improve access to employment, retail, and daily services while supporting local businesses. Concentrating housing in these areas may reduce development pressure in established low-density neighborhoods.

Key Considerations

- Identify corridors and activity centers that have adequate infrastructure capacity.
- Coordinate housing policies with transportation, land use, and economic development plans.
- Consider allowing a mix of housing types and mixed-use development near transit stations and along major transit routes.
- Evaluate opportunities to improve pedestrian and bicycle connectivity.

Potential Benefits

- Encourages efficient use of existing infrastructure.
- Supports walkable, mixed-use neighborhoods.
- Improves access to jobs, shopping, and public transportation.
- Strengthens commercial corridors through increased residential activity.

Potential Challenges

- Infrastructure upgrades may still be needed in some locations.
- Residents may have concerns regarding traffic, building scale, or neighborhood transition.

Questions for Local Discussion

- Which transit routes, stations, or commercial corridors are best positioned to accommodate additional housing?
- Do our current zoning regulations support mixed-use and higher-density housing in these areas?

C-2 *Develop an Infill Housing Strategy*

Overview

An infill housing strategy identifies opportunities to encourage new housing on vacant, underutilized, or re-developable properties within existing neighborhoods. Rather than focusing solely on outward expansion, an infill strategy helps communities make more effective use of existing land, infrastructure, and public investment.

Why It Matters

New housing developments matter, but almost every community has vacant lots, obsolete commercial properties, aging shopping centers, or other underutilized sites that could accommodate additional housing. Encouraging redevelopment of these locations can increase housing opportunities while strengthening neighborhoods and making more efficient use of existing infrastructure. A proactive strategy also helps communities communicate where they would like future housing investment to occur.

Key Considerations

- Inventory vacant, underutilized, and publicly owned properties.
- Identify redevelopment barriers, including zoning, environmental, infrastructure, or ownership issues.
- Coordinate infill planning with downtown revitalization, corridor planning, and economic development initiatives.
- Consider incentives or public-private partnerships for priority redevelopment sites.

Potential Benefits

- Revitalizes underutilized properties.
- Expands housing without extending infrastructure.
- Supports neighborhood reinvestment.
- Encourages more efficient land use.

Potential Challenges

- Site assembly, environmental remediation, or infrastructure improvements may increase redevelopment costs.
- Redevelopment projects often involve multiple property owners and more complex approval processes.

Questions for Local Discussion

- Which underutilized properties present the greatest opportunity for new housing?
- What barriers currently discourage redevelopment of infill sites?

COMMUNITY SPOTLIGHT

Encouraging Infill Housing Through Strategic Redevelopment

To encourage reinvestment in existing neighborhoods, Des Moines, IA, established an Infill Housing Program focused on promoting residential development on vacant and underutilized properties. The program combines strategic planning with financial incentives to encourage construction on sites that already have access to public infrastructure and municipal services.

Rather than focusing exclusively on outward growth, Des Moines incorporated infill housing into its broader neighborhood revitalization strategy. The program emphasizes making efficient use of existing streets, utilities, parks, schools, and other public investments.

Takeaways for Illinois Communities:

- Infill is not the same thing as urban density (with an emphasis on multifamily properties).
- Consider whether financial incentives or public-private partnerships could encourage redevelopment of challenging infill sites.

PART D – EXPAND LOCAL HOUSING INVESTMENT TOOLS***D-1 Modernize Impact Fee Ordinances******Overview***

Impact fees help fund public infrastructure needed to serve new (and some existing) development. Communities should periodically review their impact fee ordinances to ensure fees are transparent, proportionate, legally supportable, and aligned with current infrastructure needs. For some fees, state statutes apply (i.e., the Road Improvement Impact Fee Act). A predictable and well-designed fee structure can support both infrastructure investment and housing development.

Why It Matters

Impact fees influence the cost of new housing and can affect whether proposed developments are financially feasible. Fees that are clearly calculated, consistently administered, and regularly updated provide greater certainty for both municipalities and developers. Perhaps more importantly, builders and developers should be assured that the fees will be devoted to actual infrastructure improvements that serve the development they are associated with.

Key Considerations

- Periodically review fee calculations to ensure they reflect current infrastructure costs and service demands.
- Clearly communicate how fees are calculated and how revenues are used.
- Consider whether fee reductions, waivers, or deferrals may be appropriate for targeted housing priorities or redevelopment areas.

Potential Benefits

- Improves transparency and predictability, while reducing legal risk to the municipality.
- Supports infrastructure needed to accommodate growth.
- Reduces uncertainty during project planning.
- Provides flexibility to encourage priority housing projects.

Potential Challenges

- Revising impact fee ordinances may require updated technical studies and legal review.
- Reducing or restructuring fees may affect the timing or availability of infrastructure funding.

COMMUNITY SPOTLIGHT

Modernizing Impact Fees Through Regular Review and Transparency

As one of Arizona's fastest-growing cities, Mesa has periodically reviewed and updated its development impact fee program to ensure that fees reflect current infrastructure needs and comply with state law. Rather than viewing impact fees as a static revenue source, the city conducts impact fee studies to evaluate anticipated growth, planned capital improvements, and the relationship between new development and future infrastructure costs.

Mesa's approach also emphasizes transparency. Supporting studies, project lists, and fee schedules are made publicly available, helping builders, developers, and property owners better understand how fees are calculated and how revenues will be used. Regular updates allow the city to adjust fees as construction costs, infrastructure priorities, and growth patterns change over time.

Takeaways for Illinois Communities:

- Review impact fee ordinances on a regular basis to ensure they continue to reflect current infrastructure needs and development patterns.
- Make supporting studies and fee calculations readily available to improve transparency and predictability.
- Evaluate whether fees remain proportionate to the infrastructure impacts created by new development.
- Consider impact fee reviews as part of a broader discussion about housing affordability, economic development, and long-term capital planning.

Questions for Local Discussion

- Has our impact fee ordinance been reviewed recently to ensure it reflects current infrastructure needs?
- Does our impact fee ordinance comply with statute statutes and case law?
- Are our impact fees appropriately balanced between supporting public infrastructure and encouraging housing development?

D-2 Utilize Land Banks to Support Housing Development

Overview

Land banks are public entities that acquire, hold, manage, and dispose of vacant, abandoned, tax-delinquent, or foreclosed properties for productive reuse. They can help return underutilized properties to the tax rolls (often at discounted prices) while supporting housing development and neighborhood revitalization. Communities may establish a new land bank or, where available, partner with an existing county or neighboring municipal land bank to accomplish these objectives.

Why It Matters

Vacant and abandoned properties can discourage private investment, reduce surrounding property values, and limit opportunities for new housing. Land banks provide communities with a mechanism to assemble, manage, and market these properties for redevelopment. By working through an existing land bank, many municipalities can access these benefits without creating a new organization.

Key Considerations

- Determine whether an existing county or regional land bank can serve the community before creating a new entity.
- Identify priority areas where vacant or tax-delinquent properties could support housing development.
- Coordinate land bank activities with local planning, redevelopment, and housing goals.
- Establish clear policies for property acquisition, maintenance, and disposition.

Potential Benefits

- Returns vacant and abandoned properties to productive use.
- Supports infill housing and neighborhood revitalization.
- Encourages private investment in underutilized areas.
- Makes strategic redevelopment of multiple properties more feasible.
- Allows smaller communities to leverage existing land bank expertise and resources.

Potential Challenges

- Property acquisition, maintenance, and environmental remediation can require significant time and resources.
- Successful redevelopment often depends on market conditions, available infrastructure, and private development interest.

Questions for Local Discussion

- Is there an existing county or regional land bank that our community could partner with?
- Which vacant or tax-delinquent properties present the greatest opportunity for housing redevelopment?
- How could a land bank support our broader housing and neighborhood revitalization goals?

PART E – STRENGTHEN COLLABORATION

E-1 Establish a Local Housing Roundtable

Overview

A Housing Roundtable is an ongoing forum that brings together representatives from local government, the housing industry, and other community stakeholders to discuss housing trends, monitor local market conditions, and identify emerging opportunities or challenges. Unlike the Housing Supply Accelerator – which is formed to complete the Housing Readiness Assessment and develop recommendations – the Housing Roundtable serves as a long-term mechanism for maintaining communication and collaboration after the Accelerator’s work has concluded.

Why It Matters

Housing markets and community needs continually evolve. A regular Housing Roundtable provides an opportunity for local leaders and stakeholders to share information, discuss emerging issues, and evaluate progress toward community housing goals. By maintaining these relationships over time, communities can identify potential challenges earlier and respond more proactively.

Key Considerations

- Meet on a regular schedule, such as quarterly or semiannually.
- Include representatives from local government, REALTORS®, builders, lenders, employers, utility providers, and other organizations with an interest in housing.
- Focus meetings on housing trends, development activity, implementation of Accelerator recommendations, and emerging barriers or opportunities.
- Keep meetings focused on information sharing, collaboration, and problem-solving rather than project-specific approvals or advocacy.

Potential Benefits

- Strengthens relationships among housing stakeholders.
- Improves communication between the public and private sectors.
- Helps communities identify emerging housing issues before they become significant challenges.
- Maintains momentum following completion of the Housing Supply Accelerator.

Potential Challenges

- Without a defined purpose and agenda, meetings may lose focus or become less productive over time.
- Sustaining participation may require continued leadership and administrative support.

Questions for Local Discussion

- Which organizations should participate in an ongoing Housing Roundtable?
- How can the Roundtable help monitor housing conditions and support implementation of the community's housing priorities?
- What topics should be reviewed regularly to ensure meetings remain productive and action-oriented?