

FACT SHEET: **Building Up Illinois Developments (BUILD)**

Gov. Pritzker's Affordability Agenda Proposes Suite of Housing Solutions to Cut Red Tape, Increase Supply, and Lower Costs

Working families are struggling to buy or rent a home because the United States, including Illinois, is facing a housing crisis. Illinois is short about [142,000 housing units and will need to build over 225,000 units in five years](#) to keep up with growing demand. With few housing options to choose from, Illinoisans are spending more of their income on housing – oftentimes in inadequate spaces for their families.

Developer demand to build is high, but red tape gets in the way. A patchwork of different local building restrictions makes it harder for developers to get permits to build, driving up the costs of building new housing. In the past five years alone, the number of home listings has dropped 64 percent and new construction permits have dipped to 13 percent.

As part of Governor Pritzker's Affordability Agenda, Illinois is proposing a comprehensive approach to expand housing for working families by accelerating homebuilding through a holistic, coordinated strategy that combines legislative reform, targeted capital investment, and innovative financial tools.

Unlock existing housing potential in communities across Illinois:

- Legalize a wider range of family friendly housing types (duplexes, triplexes, four-flats, etc.) statewide, expanding access to homes families can afford.
- Allow homeowners to boost their income and increase housing supply by allowing them to add Accessory Dwelling Units (ADUs, like granny flats, backyard cottages, or above-garage apartments) to existing property.
- Let developers build more housing with fewer and more sensible parking space requirements.

Cut red tape to build housing faster and more economical:

- Streamline the permitting process to give developers clear, predictable timelines for housing permit reviews and inspections
- Allow developers to use a qualified third-party who follows all applicable local and state standards to sign off on permits when local delays occur – relieving pressure for local governments.
- Standardize impact fee practices, which increase predictability for developers while preserving local decision-making.
- Modernize outdated building codes to maintain resident safety, free up space for more housing, and drive down costs

\$250 Million in capital investment and grants to spur development and support homeownership:

- **\$150 million administered by the Illinois Housing Development Authority (IHDA):**
 - **\$100 million:** Capital funding to support middle housing construction.
 - **\$50 million:** Down payment assistance for first-time homebuyers.
- **\$100 million administered by the Illinois Department of Commerce and Economic Opportunity (DCEO):** Capital grant funding for municipalities to remove upfront infrastructure barriers that hinder viable housing projects, for example, funding for stormwater improvements, sewer, and site access improvements.

FACT SHEET:
Expanding Housing Options for Illinois' Middle Class
HB 5626 (Buckner) / SB 4060 (Hunter)

Gov. Pritzker Proposes Expanding Housing Options Families Can Afford

Across Illinois, many of the homes that working families rely on—such as two-flats, four-flats, townhomes, and small courtyard or cottage-style buildings—are no longer allowed in most residential neighborhoods due to outdated zoning rules. These restrictions limit housing choice, drive up costs, and make it harder for families to find homes that meet their needs. Middle housing offers a practical way to add family-friendly homes at a scale that fits within existing communities.

This bill modernizes local zoning rules to allow more of these attainable housing types while maintaining clear, objective standards for safety, design, and livability.

How will this spur construction of more family-friendly housing types statewide?

- Protects single-family zoning by ensuring this housing type by-right on smaller residentially zoned lots
- Allows duplexes, triplexes, four-flats, townhomes, and cottage-style housing in larger residentially zoned lots that tend to permit only single-family homes
- Permits these housing types by-right, subject to clear and objective standards, rather than discretionary review processes that add delay and cost
- Supports development patterns that fit naturally into existing neighborhoods and use existing infrastructure efficiently

What are the benefits of increasing family-friendly housing types statewide?

- Creates more opportunities for families to buy or rent homes in the communities where they work, attend school, and have support networks
- Supports aging in place, multigenerational living, and starter home options that help communities grow in an incremental and predictable way
- Strengthens communities and local economies by supporting small- and mid-scale builders and construction jobs across Illinois

FACT SHEET:
Single Stair
HB 5626 (Buckner) / SB 4061 (Feigenholtz)

*Gov. Pritzker Proposes Modernizing Building Codes to Spur Housing
Development*

Small to midsize apartment buildings tend to be the most affordable to rent across rural, suburban, and urban areas. But outdated building codes make it more expensive and difficult to build on small or irregularly shaped plots of land.

Buildings taller than three stories must have two separate exit stairways, despite research showing one exit stairway is [proven to be safe and effective](#). This requirement can raise developer costs by over 10% and deters development of small to midsize buildings.

Requiring a single exit stairway frees up valuable space on each floor to add more housing units and reduces the cost of developing—all while maintaining safety standards.

This bill will:

Generate more midsized housing options by safely relaxing outdated building codes:

- **Permits apartment buildings up to six stories to be served by a single exit stairway given that the building:**
 - Is safely equipped with standard fire protection mechanisms, including automatic sprinkler systems, smoke detection, and emergency escape and rescue openings
 - Has no more than four units per floor
- **Expands the variety of housing units and design sizes revolved around a single staircase, allowing for construction on development-ready, small and irregular parcels of land**

Reduce development costs to expand diverse affordable housing options:

- **No longer require developers to build two staircases once an apartment complex exceeds three stories:**
 - Giving developers the opportunity to focus on constructing larger, livable spaces on more pieces of land
 - Raising a building's efficiency ratio, the share of interior space that is rentable versus common areas, enabling a more financially feasible build

FACT SHEET:
Impact Fee Modernization
HB 5626 (Buckner) / SB 4062 (Castro)

Increase Transparency and Predictability in Impact Fees

Impact fees are one-time charges imposed by some municipalities when new housing is constructed, intended to ensure the new development contributes fairly to public facilities and infrastructure needed to serve additional residents, including schools, parks, roads, stormwater systems, and public safety services. However, Illinois' current approach relies on a patchwork of local formulas and negotiated outcomes that can create uncertainty for both municipalities and housing providers. This bill creates one standard formula for local governments to apply, bringing greater clarity, consistency, and predictability while preserving the ability for local governments to assess reasonable impact fees when they deem appropriate.

The bill will:

Provide clearer guidance and consistency for local governments:

- Establish state-issued model formulas and tools to help municipalities calculate residential impact fees based on measurable impacts
- Create a common framework that supports consistency across communities while recognizing differences in local conditions
- Reduce time-consuming, project-by-project negotiations

Improve transparency and predictability in the development process:

- Ensure impact fee assumptions, calculations, and schedules are clearly documented and publicly available
- Give communities and developers a shared understanding of expected costs earlier in the planning process
- Reduce disputes and delays caused by unclear or inconsistent fee methodologies

Support housing feasibility while maintaining local infrastructure investment:

- Help ensure fees are proportionate to actual impacts and do not unintentionally block housing projects
- Protect smaller homes, middle housing, and infill development from being disproportionately burdened by per-unit fees
- Allow communities to continue funding infrastructure needs while making housing production more predictable and achievable

FACT SHEET:
Third-Party Review for Housing Permits
HB 5626 (Buckner) / SB 4063 (Ellman)

Gov. Pritzker Proposes Ensuring Timely Housing Approvals While Maintaining Safety Standards

Lengthy and unpredictable permitting and inspection timelines are a barrier to housing development across Illinois. In many communities, housing proposals can remain under review for months or even years, increasing costs and uncertainty and causing projects to be delayed or abandoned. These delays are often driven by limited staff capacity, growing workloads, or unclear timelines, rather than concerns about safety or code compliance.

This bill is designed to ensure housing proposals receive timely decisions while preserving local authority and strong building safety standards.

The bill will:

Establish clear, predictable timelines for housing permit reviews and inspections:

- Set statewide expectations for how quickly municipalities must complete initial plan reviews, follow-up reviews, and inspections for housing projects
- Require municipalities to act on applications rather than allowing projects to remain indefinitely under review

Provide a limited third-party review option when delays occur:

- Allow applicants to use qualified, licensed third-party professionals to complete plan reviews or inspections only if local deadlines are missed
- Require municipalities to accept compliant third-party reviews that demonstrate adherence to locally adopted building codes
- Preserve local enforcement authority, including the ability to audit work, issue stop work orders, and ensure ongoing code compliance

Reduce uncertainty and support efficient housing delivery while maintaining safety:

- Lower financing costs caused by prolonged review timelines
- Improve predictability for communities and applicants alike by clarifying expectations up front
- Provide local governments with a capacity backstop during periods of high workload or staffing constraints, without weakening safety or inspection standards

**FACT SHEET:
Parking Reform
HB 5626 (Buckner) / SB 4064 (Cervantes)**

Gov. Pritzker Proposes Parking Reform to Devote More Land to Housing

Parking mandates are local zoning laws that require specific amounts of parking spots that must be created in housing developments. Many of these mandates exceed the needs of residents, especially for those in denser areas with ample public transportation infrastructure.

This restrictive and unnecessary requirement makes housing construction expensive and dedicates more land to cars instead of people who need housing. Parking space requirements can result in developers paying an additional \$8,000 to \$40,000 in land costs, and construction of a parking structure is many times as expensive. The increased development costs spill into the affordability of housing, often leading to higher rents to account for the additional parking construction.

The bill will:

Reduce unnecessary parking mandates to let developers build more housing with fewer and more sensible parking space requirements:

- **Limits the number of parking spaces localities can require for new housing construction, specifically new developments:**
 - Cannot be required to have more than one spot for every two multifamily housing units
 - Cannot be required to have more than one spot for a single-family home
- **Removes parking spot requirements for:**
 - Residences under 1,500 square feet
 - Affordable housing projects
 - Retail fronts or other ground level nonresidential spaces in mixed-use buildings
 - Housing in buildings being converted into residential use, such as old office complexes, schools, and industrial structures or factories

FACT SHEET:
Legalizing Accessory Dwelling Units (ADUs)
HB 5626 (Buckner) / SB 4071 (Martwick)

Gov. Pritzker Proposes Expanding Housing Supply with ADUs

Accessory dwelling units (ADUs) are small, affordable homes like backyard cottages, granny flats, or basement apartments on the same lot as a single-family home. Most areas of the state, however, outright ban or severely restrict the development of these small and financially feasible living units on their property—preventing growth in household income and housing supply.

The bill will:

Legalize ADUs to expand the supply of naturally affordable homes:

- Allow for ADUs by-right in areas zoned for single-family use without extraneous burdensome requirements
 - Homeowners will have the right to develop at least one ADU on their property, without the requirement of troublesome processes such as public hearings, inconvenient aesthetic requirements, or outdated familial relationship mandates
- Permit ADU construction or conversion of housing units such as (but not limited to) attached or detached garages, attics, basements, and backyard cottages, which often cost a third of the price of a traditional house

Boost local economies and support intergenerational living:

- Empower homeowners with the opportunity for wealth generation and additional income from renting out an ADU on their property, often at below-market rates
- Bring more construction projects and jobs across the state by capitalizing on growing housing developer demand for ADU reform
- Accommodate intergenerational living and higher quality of life for the elderly to support the needs of families and relax the housing market