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This Week in Springfield
March 26, 2008
Bill Ward, Director, Governmental Affairs
Home Builders Association of Illinois

We are in the second week of our legislative spring break which gives us the opportunity to work on bills that need amendments, meet with our membership at local meetings, and prepare for our HBAI Lobby Day which is scheduled for April 16, 2008.

We broke attendance records last year with over 120 builders and associates participating in the one-day event. Now we want to make a final big push to beat our new record from last year. If you have not signed up for this exciting, informative, and free event, please do so by contacting us through www.hbai.org or by calling us at 800-255-6047.

Your day at the Statehouse will be spent learning about our issues and meeting with your elected officials on those bills that matter most to the housing industry. Don't be shy if you've never attended in the past. We will be glad to pair you with other members from your local association who have become veterans at discussing our issues with your state representatives and senators. Here are some of the bills we will be working on when you get to Springfield.

Municipal Boundary Lines

HB5195, sponsored by Rep. Mike Tryon (R-Crystal Lake) would allow municipalities to enter into intergovernmental agreements that would establish municipal boundaries in unincorporated areas of a county. Proponents state that this would allow cities to better plan for future growth, especially in high growth areas of the state.

Currently, developers (private landowners) may negotiate in good faith with nearby communities on items that will affect the character of the land once it is annexed into the community. Lot sizes, impact fees, building regulations, tap-on fees, etc...may be negotiated in this process. By having a one-time level playing field with corporate authorities, developers manage to keep developed lots and new homes more affordable to the buying public.

HB5195 negates the rights of private property owners to negotiate with municipalities on these matters because the bill allows these authorities to draw municipal boundaries on unincorporated private property. Property owners will therefore have no say in the decision making process as to which municipality their land will be annexed into.

Leaving the law as is would hardly be a windfall for developers. Builders in northeastern Illinois still pay some of the highest development fees in the country. Impact fees have reached the \$25,000 mark, and some communities are charging \$15,000 for building permits.

The production of single family housing in Illinois has dropped by 50% in just two years according to the U.S. Census Bureau. There are several reasons for this but the two main reasons are obvious: home prices are too high and consumer confidence is too low. Until new home prices come down and consumer confidence goes up, there is little we can do but wait.

HB5195 will hinder the prospect of bringing these two goals together because annexation negotiations will be a one-way street that leads to higher home construction costs that can only result in higher home prices.

Legislators can make the right choice on this issue if they know how much builders and developers pay in development fees. If you have numbers that you think can persuade our elected officials, send them in so that we can better illustrate our point of view. The information will be presented by HBAI and your name and business will remain anonymous.

Incidentally, another bill, HB2518 has been sent out of House Rules Committee and an amendment to the bill will be considered in the House Local Government Committee that will have similar repercussions as the language contained in HB5195. That bill is sponsored by Rep. Naomi Jakobsson (D-Urbana).

Farmland Preservation

As reported in my last article, HBAI has defeated both House bills allowing local governments in Illinois to purchase development easements on farm ground. Proponents for farmland preservation will now put their muscle into their last bill which is currently in the Senate, SB1992 sponsored by Senator Pam Althoff (R-Crystal Lake). Proponents include the Illinois Farm Bureau and the Openlands Project.

SB1992 allows counties to raise property taxes by front-door referendum for the purchasing of development rights on farmland. The tax increase would allow property taxes to increase by as much as .05% of the equalized assessed value of property in the county.

HBAI is joined in opposition on the bill by the Chicago Regional Council of Carpenters and the International Union of Operating Engineers, Local 150. Our points of opposition include:

No Restrictions on Purchase Amounts

SB1992 contains no limitations on the amount of public money a county board may pay a single landowner. The county is limited only by the tax revenue generated.

No Time Limitations

The bill allows counties to prohibit construction on purchased easements in perpetuity...forever. One county board can decide the purpose of a parcel of land forever without actually purchasing the land.

Bill Favors One Single Interest Over All Others

Illinois maintains a number of fair and balanced land use policies and programs that provide for parks, open space, forests, and nature preserves. These programs use tax dollars in a way that allows everyone the opportunity to enjoy lands protected for all-time.

SB1992 is a major departure from current land use policies. Public funds derived from this tax increase will benefit private property owners but will keep the land "private" and non-useable to the tax-paying public.

Preservation of Historic Structures

SB2580 would allow any person or entity to have standing in court for the right to enforce the provisions of any municipal ordinance or regulation enacted for the protection and preservation of historic sites, structures, and lands. A court may issue a restraining order or permanent injunction on any actions that may alter the property in question.

HBAI has taken opposition to the bill sponsored by Senator Dan Cronin (R-Elmhurst). We have asked proponents of the bill, Landmark Preservation, to clarify what is affected by the bill and amend it by exempting projects permitted by the Illinois Historic Preservation Agency. Senator Cronin has committed to HBAI that he will not move the bill until it meets our approval.

Fire Investigation Act Amendment

The Illinois State Fire Marshall has proposed legislation authorizing local fire chiefs to inspect rental property located in "college communities" to determine and ensure compliance with the fire and life safety codes. If no code exists, the code for Fire Prevention and Safety as adopted by the State Fire Marshall shall be enforced.

HBAI and the International Code Council oppose the measure because the bill contains no language which adequately defines "college housing." SB2745, sponsored by Senator Mike Noland (D-Elgin), also lacks language separating college housing from other forms of rental property. The Senate Local Government Committee also has concerns on how the bill will affect multi-family units that are rented partially to college students and partially to other types of residents. Senator Noland has agreed to hold the bill until agreed language is placed onto SB2745.

In Conclusion

From time to time I am asked by our members, "Is there any legislation that's good for our industry and do we support those bills?"

The answer is "yes, there are; and yes, we do." Next week I'll write to you on what some of those bills do and where they are at in the process.