

CITY OF BLOOMINGTON

2025 - 035

AN ORDINANCE ESTABLISHING A STANDARDIZED HOUSING INCENTIVE PROGRAM

**Adopted by the City Council
of the City of Bloomington
on April 28, 2025**

Published in pamphlet form by the authority of the City Council of the
City of Bloomington, McLean County, Illinois, on April 29, 2025.

STATE OF ILLINOIS)
) ss.
COUNTY OF MCLEAN)

CERTIFICATE

I, Leslie Smith-Yocum, certify that I am the duly appointed and qualified municipal clerk of the City of Bloomington, County of McLean, Illinois.

I further certify that on the Corporate Authorities of the above municipality passed and approved Ordinance No. 2025 - 035, entitled, an Ordinance Establishing a Standardized Housing Incentive Program, which provided by its terms that it should be published in pamphlet form.

The pamphlet form of this Ordinance, including the Ordinance and cover sheet thereof, was prepared, and a copy of the Ordinance was posted in the municipal building, commencing on April 29, 2025, and continuing for at least ten days thereafter. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated at Bloomington, Illinois, on 04/29/2025



Leslie Smith-Yocum
City Clerk



ORDINANCE 2025 - 035

AN ORDINANCE ESTABLISHING A STANDARDIZED HOUSING INCENTIVE PROGRAM

WHEREAS, the City of Bloomington (“CITY”) is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, the CITY recognizes the need to encourage the development of diverse and affordable housing options; and

WHEREAS, to achieve this, the CITY aims to create standardized incentives and streamlined processes; and

WHEREAS, this Ordinance seeks to establish a clear and consistent framework for housing incentives to encourage development that meets community needs; and

WHEREAS, this Ordinance aims to implement standardized housing incentives, particularly for multi-family, low-income, and affordable housing projects, to stimulate development; and

WHEREAS, the incentives will be available to projects that meet certain criteria and contribute to the City’s housing goals.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1. The above-mentioned recitals are incorporated herein by reference.

SECTION 2. A Standardized Housing Incentive Program, as set forth in Exhibit A, is hereby approved and shall be effective until May 31, 2028.

SECTION 3. In the event that any section, clause, provision, or part of this Ordinance shall be found and determined to be invalid by a court of competent jurisdiction, all valid parts that are severable from the invalid parts shall remain in full force and effect.

SECTION 4. The City Clerk is hereby authorized to publish this Ordinance in pamphlet form as provided by law.

SECTION 5. This Ordinance shall be effective beginning May 31, 2025, after its passage and publication as required by law.

SECTION 6. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this 28th day of April, 2025.

APPROVED this 29th day of April, 2025.

CITY OF BLOOMINGTON


Mboka Mwilambwe, Mayor

ATTEST


Leslie Smith-Yocum, City Clerk



Exhibit A Standardized Housing Incentive Program

Section 1. Definitions

For the purposes of this policy, the following definitions shall apply:

- (i) “Affordable Housing Projects” shall be defined as developments in which at least 20% of the units are set aside for five years for households earning at or below 80% of the Area Median Income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD). Projects may be subject to annual income verification.
- (ii) “City Fees” shall be defined as the various charges imposed by the City for development, construction, business operations, and regulatory compliance. These fees include, but are not limited to, building permit fees, plan review and inspection fees, zoning and site plan review fees, utility connection fees (water, sewer, and stormwater), right-of-way and excavation permits, and development fees, and fire and safety inspection fees. Additionally, other applicable regulatory or administrative fees established by City ordinance may be included. Any fee reductions authorized under this policy apply only to fees directly assessed by the City and do not extend to fees imposed by other governmental entities or utility providers.
- (iii) “Low-Income Housing Projects” shall be defined as developments utilizing federal, state, or local programs aimed at serving households earning at or below 60% of the AMI. Examples include projects financed through the Low-Income Housing Tax Credit (LIHTC) program or HUD Section 8 housing.
- (iv) “Missing Middle Housing” shall be defined as Duplexes, triplexes, fourplexes, and accessory dwelling units (ADUs) designed to integrate seamlessly into existing neighborhoods while providing additional housing options as defined by or to be constructed in areas targeted by the Opticos Missing Middle Housing study. MMH shall be targeted as housing that is affordable for middle-income workers, earning between 80% and 120% of the area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD).
- (v) “Multi-Family Housing Projects” shall be defined as residential developments with five (5) or more dwelling units on the same site, including apartments, townhomes, and condominiums. If the units are not on the same site, the City Council must approve the units being scattered in different parts of the neighborhood or city to qualify as a Multi-Family Housing Project.
- (vi) “New Subdivisions” shall be defined as developments that involve the establishment of a new residential subdivision, including the construction of single-family homes. To qualify for incentives under this policy, such subdivisions must: (1) include a minimum of 50 homes with an estimated market value under \$400,000; (2) designate at least 10% of the homes as affordable housing (80% AMI or below) for at least five years; and (3) support the City's goals for responsible growth, sustainability, and integration with existing neighborhoods as defined in the City's Comprehensive Plan, promoting features such as walkability, environmental sustainability, and a diversity of housing types.

- (vii) “Single-Family Homes” shall be defined as new single-family residential homes with an estimated market value under \$400,000. These homes must be designed for households with earnings at or below the Area Median Income level as determined by IHDA and align with the City's objectives for expanding housing affordability while promoting community integration. This category is intended to encourage the development of more affordable options within the single-family housing market.
- (viii) “Tax Credit Projects” shall be defined as housing developments utilizing tax credits such as Low-Income Housing Tax Credits (LIHTC), Historic Preservation Tax Credits, or Senior Housing Tax Credits.
- (ix) “Workforce Housing” shall be defined as housing that is affordable for middle-income workers, earning between 80% and 120% of the area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD).

Section 2. Qualifying Projects

The following projects shall qualify for the incentives outlined in Section 3 of this policy:

- (i) Affordable Housing Projects
- (ii) Workforce Housing
- (iii) Low-Income Housing Projects
- (iv) Missing Middle Housing
- (v) Multi-Family Housing Projects
- (vi) New Subdivisions
- (vii) Single-Family Homes
- (viii) Tax Credit Projects

Qualifying projects may be residential or mixed use and include new construction or adaptive reuse projects that convert existing buildings into qualifying housing projects.

Section 3. Incentives

To encourage and accelerate housing development, the City Council is offering a range of incentives aimed at making housing projects more viable and accessible. These incentives are designed to support a variety of housing types, including affordable, low-income, and market-rate developments. The following incentives are not mutually exclusive and may be combined based on the specific needs of each project, subject to eligibility and approval criteria outlined below:

- A. City Fee Reductions

- (i) A base 50% reduction in City Fees is available for any Qualifying Project that commences construction prior to May 31, 2028. Projects that demonstrate a financial gap or require additional financial assistance to proceed may receive an increased fee reduction, up to 100%, based on financial need and approvals required herein.
- (ii) A 100% reduction in City Fees for any Tax Credit Projects that commence construction prior to May 31, 2028.

B. Tax Increment Financing (TIF) Benefits

- (i) If a Qualifying Project is located within a Tax Increment Financing (TIF) district and meet statutory TIF standards for eligibility, the project shall receive up to 75% of the TIF increment for eligible project costs, including infrastructure improvements, site preparation, and public amenities.

C. Density Bonuses

- (i) Qualifying Projects that allocate at least 20% of units for affordable housing (80% AMI or below) shall be eligible for increased allowable density, reduced parking requirements, and relaxed height restrictions where not prohibited by other governing bodies.
- (ii) Developments incorporating workforce housing (earning between 80% and 120% AMI) may qualify for additional density incentives.

D. Property Tax Freeze

- (i) Qualifying Affordable Housing, Low-Income Housing, and Tax Credit Projects may be eligible for a five-year property tax abatement of the City's portion of property taxes. The five-year period would begin once occupancy permits are granted and the abatement would be of the city's portion of the property taxes owed and paid above the amount assessed at the time the project's building permit is granted. Eligibility and specific terms shall be subject to a development agreement approved by the City Council, which will outline project commitments, affordability requirements, and any additional conditions deemed necessary by the City.

E. Commercial Tax Rebates

- (i) Qualifying Projects that include commercial components, such as retail or restaurant spaces, may be eligible for a five-year 50% rebate on sales and food & beverage taxes. Eligibility and the specific terms of the rebate will be subject to approval by the City Council, which will review the project's overall impact, business viability, and alignment with the City's goals for economic development. Rebates shall be contingent on the business being (i) new to the city of Bloomington or (ii) a 2nd location to an existing Bloomington business contingent upon the original location remaining open and the Municipal Taxes generated by said original location remaining at or above the amounts generated in the 12-month

calendar year prior to the opening of the commercial location at the qualifying project.

Section 4. Application Process & Approvals

- A. Standardized Application Process. The Development Services Department shall develop and manage a standardized application process for all projects seeking incentives under this policy. This process will ensure clarity, transparency, and consistency in how applications are submitted and reviewed.
- B. Application Materials and Guidelines. All application materials, instructions, and detailed guidelines will be made available online at www.buildingbloomington.com. Applicants are encouraged to review these resources prior to submission to ensure compliance with all requirements.
- C. Fee Reductions. The City Manager and the Director of Development Services have the authority to approve fee reductions as defined herein, including those outlined in Section (3)(A), for qualifying projects.
- D. Other Incentives. All other incentives, including Tax Increment Financing (TIF) benefits, density bonuses, property tax freezes, and sales and food & beverage tax rebates, must be approved by the City Council. These benefits will be formalized through a development agreement, which outlines the specific terms and conditions, including project scope, performance targets/deadlines and incentive terms.
- E. Fast-Tracking Applications. To promote timely project development, all applications for benefits under this policy shall be fast-tracked. The City will prioritize these applications for review and approval to ensure expedited processing while maintaining necessary due diligence.