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Missing Middle, Missing Affordability

Development patterns and housing opportunities for working families, seniors, and other Illinoisans

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Introduction

While nearly every community in Illinois has a shortage of high-quality affordable housing, under a formula determined by state law, 44 municipalities across the state have been designated as especially challenging cases. In these communities—43 of which are in the Chicago suburbs—fewer than one in ten homes are considered affordable, according to the Illinois Housing Development Authority. Under the state's Affordable Housing Planning and Appeal Act (AHPAA)[1], they are required to create plans to increase their affordability and theoretically are subject to review of their development decisions by a State Housing Appeals Board.

Previously, Impact for Equity has looked at how AHPAA has changed over time, and the dual challenges of the law: both the limited number of subsidies available for new affordable housing statewide, and the barriers to placing these subsidies in the very high-cost communities that are subject to the law.

1. 310 ILCS § 67/1, et al.

This research brief digs into the second challenge, exploring the relationship between affordability and a community's existing housing stock—and in particular, the availability of multi-family housing like apartments and condos.

These kinds of housing are important because, especially in higher-cost communities, they typically offer more attainable market-rate prices than single, detached homes, even without subsidy. Multifamily housing also makes subsidized, legally restricted housing more feasible by lowering the per-unit cost of construction or acquisition. In addition, single detached homes are difficult to make accessible to people with disabilities, while multifamily buildings—especially those built since the passage of the Americans with Disabilities Act—are more likely to offer accessible housing options.

To do this analysis, Impact for Equity used data from the Chicago Metropolitan Agency for Planning (CMAP), comparing housing profiles of the 43 Chicago-area communities subject to AHPAA with other communities within the same county. The following four findings are taken from that analysis.

Finding 1: The Typical Very High-Cost Community Has 50-87% Fewer Multifamily Homes Than Other Communities

Impact for Equity's first analysis looked at the proportion of total homes in multi-family buildings versus single-family buildings in communities subject to AHPAA—known officially as "Non-Exempt Local Governments," or NELGs—and other communities in the same county.

The overall proportion of homes in multi-family buildings varies by county, with the great amounts in Cook and DuPage and the least in the counties on the periphery of the Chicago region. In every case, however, NELGs have substantially fewer multifamily homes than other, less expensive municipalities.

Table 1: Proportion of Homes in Multifamily Buildings

	Percent Single-Family Homes		Percent Multi-Family Homes		Percent Fewer Multi-family Homes in Very High-Cost Communities
	Very High-Cost Communities (Median)	All Other Communities (Median)	Percent Single-Family Homes (Median)	Percent Multi-Family Homes (Median)	
Cook County	85.7%	71.9%	14.3%	28.1%	50.1%
DuPage County	89.2%	69.5%	10.8%	30.5%	64.5%
Will County	95.6%	88.5%	4.4%	11.5%	61.9%
Lake County	95.4%	81.2%	4.6%	18.8%	75.4%
Kane County	98.4%	87.9%	1.6%	12.1%	86.7%
McHenry County	98.5%	94.0%	1.5%	6.0%	75.7%

Table 2: Proportion of Residential Land Used for Multifamily Housing

	Very High-Cost Communities (Median)	All Other Communities (Median)	Percent Less Land Used for Multi-Family in Very High-Cost Communities
Cook County	2.4%	9.0%	73.3%
DuPage County	1.5%	7.6%	80.3%
Will County	0.6%	2.1%	71.4%
Lake County	0.2%	3.1%	93.5%
Kane County	0.0%	1.5%	~100%
McHenry County	0.0%	1.4%	~100%

Finding 2: Less than 1% of Residential Land in Very High-Cost Communities Includes Multi-Family Homes

According to CMAP data, among the 43 NELGs in the Chicago area, less than 1% of residential land (including mixed-use land, such as apartments over storefronts) is used for multifamily homes. In other words, more than 99% of residential land is used exclusively for single, detached homes.

Finding 3: Very High-Cost Communities Have a Particular Shortage of "Missing Middle" Housing

There has been special interest in recent years in "missing middle" housing, which often means smaller apartment or condo buildings with between two and four or more homes. Because this type of housing easily fits within most neighborhood contexts and is generally less expensive than single-family homes in the same community, it has the potential to play an important role in meeting the state's affordable housing goals. An advisory committee established by the Governor's Office convened and issued recommendations in 2024 focused, in part, on this housing type.

Analysis shows that NELGs are particularly short of this type of housing, even more so than multi-family overall.

Table 3: Proportion of Homes in 2-4 Unit Buildings

	Very High-Cost Communities (Median)	All Other Communities (Median)	Percent Fewer 2-24 Unit Homes in Very High-Cost Communities
Cook County	1.9%	6.3%	69.9%
DuPage County	1.1%	4.4%	75.0%
Will County	1.7%	5.1%	67.0%
Lake County	0.3%	2.6%	87.1%
Kane County	1.6%	2.7%	39.8%
McHenry County	1.5%	1.9%	23.8%

Table 4: Proportion of Homes with Two or Fewer Bedrooms

	Very High-Cost Communities (Median)	All Other Communities (Median)	Percent Less Land Used for Multi-Family in Very High-Cost Communities
Cook County	2.4%	9.0%	73.3%
DuPage County	1.5%	7.6%	80.3%
Will County	0.6%	2.1%	71.4%
Lake County	0.2%	3.1%	93.5%
Kane County	0.0%	1.5%	~100%
McHenry County	0.0%	1.4%	~100%

Finding 4: Larger Homes in Very High-Cost Communities Leave Few Options for Retirees, Young People, and Smaller Families

Finally, Impact for Equity analyzed housing stock based on the number of bedrooms in each home, computing the number of studio, one-bedroom, two-bedroom, and three-or-more bedroom homes as a percentage of the total housing stock.

Impact for Equity then divided these into two groups: Larger homes (with three or more bedrooms), and smaller homes (with two or fewer bedrooms). This distinction is important because larger homes also tend to be more expensive, and because smaller homes tend to disproportionately provide housing options to people at certain life stages—such as retirement, early adulthood, or even young families with one child.

Addendum: Zoning Laws in Very High-Cost Communities Make Low– and Moderate-Cost Housing Types Difficult or Impossible To Build

A significant amount of research has made the connection between high housing costs, the lack of moderate-cost housing typologies such as apartments and condos and "missing middle" housing, and restrictive local zoning codes.

While a comprehensive analysis of the zoning of very high-cost municipalities is beyond the scope of this analysis, Impact for Equity did review some zoning provisions of seven of the most populous NELGs to see if there were easily observable policies that were likely to contribute to a lack of moderate-cost housing.

In particular, Impact for Equity reviewed minimum lot area requirements for these communities in zones that only allow single-family homes. Minimum lot area requirements are a key zoning regulation with respect to affordability because they can effectively mandate larger homes and larger yards, removing the possibility of even more moderate-cost single-family homes types, such as smaller homes with smaller yards, townhomes, or cottage clusters.

In Chicago's bungalow neighborhoods, a classic form of more moderate-cost single-family home communities, the most common lot size is around 25' by 125', or 3,125 square feet. But Impact for Equity's review of minimum lot sizes in the seven most populous communities subject to AHPAA found that in every case, the smallest lot size permitted was nearly twice the size of a typical Chicago bungalow.

Impact for Equity's review also looked at the other extreme—the largest minimum lot size used in

Table 5: Selected Minimum Lot Area Requirements in Seven NELGs

	County	Smallest Lot Area Requirement	Times Larger than Typical Bungalow Lot	Largest Lot Area Requirement	Times Larger than Typical Bungalow Lot
Glenview	Cook	7,500	2.3x	43,560	13.9x
Elmhurst	DuPage	7,260 / 6,500*	2.3x / 2.1x	12,000	3.8x
Park Ridge	Cook	6,500	2.1x	10,000	3.2x
Northbrook	Cook	7,500 / 7,000*	2.4x / 2.2x	50,000	16.0x
Highland Park	Lake	7,260	2.3x	80,000	25.6x
Wilmette	Cook	6,000	1.9x	15,000	4.8x
Homer Glen	Will	10,000	3.2x	60,000	19.2x
					* Represents proposed revisions not yet approved

single-family zones in the same municipalities. Each of the seven communities' zoning codes included districts that required at least 10,000 square feet of land per house—more than three times the size of a typical bungalow lot. Four of the seven communities examined have zoning districts that require a home to sit on an acre or more, representing more than a dozen bungalows' worth of land.

Conclusion

Illinois has a substantial deficit of high-quality affordable housing for low– and moderate-income households. A growing body of research and a growing number of housing advocates have identified the lack of "missing middle" housing types—smaller apartment and condo buildings, more modest single-family homes, townhomes, and "cottage clusters"—as one important reason for both a shortage of moderately priced market-rate housing, as well as the difficulty and cost of creating and sustaining subsidized, legally restricted affordable housing.

This analysis lends support to that conclusion, showing that the Illinois communities with the least affordable housing for low– and moderate-income families also have drastically fewer apartments and condos than other communities in the same county—and in particular have less "missing middle" such as two– and three–home buildings.

This analysis has also shown that these very high-cost communities enforce zoning laws that likely contribute to this lack of moderate-cost housing types by, among other things, requiring homes to be located on very large lots.

Impact for Equity will continue to advocate for policies that allow for a range of housing types in every community as part of our commitment to an affordable Illinois.