



## “Yes, in God’s Backyard” or Faith-Based Housing By-Right

SB635 Chief Sponsor: Sen. Sara Feigenholtz

### Bill Status (5/29/26)

- The senate has moved SB3187 into a shell bill, SB635, and presented it as part of Senate Leadership’s housing package. SB635 has passed committee.
- Sen. Feigenholtz is the chief sponsor of SB635.
  - ◆ Sen. Villa as an additional sponsor.
- The House version of the bill, HB5083, is chief sponsored by Rep. LaPointe
  - ◆ Additional sponsors: Rep. Avelar, Rep. Olickal, Rep. Delgado, Rep. Cassidy, and Rep. Mah.
- The Senate President’s office has been negotiating an amended version of the bill with the senate sponsor, the chair of the Senate Executive, and a handful of stakeholders.
  - ◆ This language should be in the process of conveyance to LRB today, and filed soon thereafter.

### Updates since House Committee Hearing to SB635:

(this reflects language discussed with Senate Leadership, but not yet filed)

- An affordability requirement covering 20% of units in developments with 5+ units, at up to 80% for rental units or between 80%-120% for owner-occupied units.
  - ◆ Senate Sponsor and Affordable Housing Developers reached out with concerns that the previously-suggested 40% may limit developments to only projects funded through 9% LIHTC allocations, which are very competitive and limiting.
- Developments explicitly will not qualify for the religious property tax exemption. They may still qualify for the charitable use property tax exemption, where applicable.
- A faith-based organization must not discriminate against tenants or prospective tenant, pursuant to definitions found in the Illinois Human Rights Act.
- Adaptive Reuse/conversion may follow the International Existing Building Code.
- Developments in historic districts and designated landmarks are explicitly allowed for historic preservation review, within a reasonable timeframe.
- Parking may required, with the highest requirement being 1 space per unit.
- Within 12 months of the effective date, local municipalities may require standards that are not more burdensome than comparable developments. These requirements may not materially delay or impede an allowed development. After 12 months, the default standards will apply.

## Who qualifies?

- **Faith-based organizations:** Religious corporations, congregations, and affiliated 501(c)(3) nonprofits.
- **Eligible land:** Land owned in fee simple by the organization (or trustees) or held under a long-term lease (30+ years).
- **Exclusions:** Would not apply within ¼ mile of a heavy industrial use, an airport with scheduled commercial service, a public-use seaport, or an active military installation.

## What Can Be Built?

- **Multifamily housing:** 3 or more dwelling units.
  - Any project of 5 or more units would be required to provide 20% of rental units to be affordable to households making up to 80% of the area's median income, or 20% of for-sale units to be affordable to households in the 80%-120% range.
- **Mixed-use development:** Projects where residential use occupies at least 60% of the floor area can have integrated nonresidential uses (e.g., retail and office uses).
- **Supportive and group housing:** These uses are explicitly permitted.

## Removing Zoning Barriers (The "By-Right" Standard)

Local governments would be prohibited from imposing some restrictions on these projects:

- **Height:** Cannot restrict height to less than 72 feet or 6 full stories (except where a generally applicable airport safety overlay required by federal law requires a lower height).
- **Parking:** Limits minimum off-street parking requirements to 1 space per unit (except as needed for ADA or other federal law that expressly requires minimum parking).
- **Setbacks:** Cannot require setbacks larger than 10 ft. (front/rear) or 5 ft. (side) (except as needed for generally applicable fire access or building-code light/ventilation).
- **Density Caps:** Eliminates restrictions through maximum/minimum density caps, floor-area ratio, lot coverage, or unit limits that make new affordable housing infeasible.
- **Subjective Review:** Review must be similar to comparable developments, and may not have the effect of impeding allowed development.
  - Review of designated landmarks or under a historic district is allowed within a reasonable timeframe.

## Streamlined Approval Process

- **Ministerial Review Only:** Approval is administrative (checklist-based), not discretionary.
- **Fast Timelines:**
  - **Completeness:** Within 15 business days of submission, the locality must list any specific objective items needed for completeness. If it fails to do so, the application is deemed complete.
  - **Expedited Decisions:** Final decision required within 60 days.
  - **Deemed Approved:** If the local government fails to act, the project is automatically approved by law.

## Accountability & Enforcement

- **Legal Recourse:** Faith-based orgs, developers, and any person directly aggrieved can sue to enforce the Act.
- **Damages & Fees:** Courts may award damages for proven economic losses proximately caused by unlawful delay, and must award attorney's fees to prevailing plaintiffs.

## The Current Challenge

Faith-based organizations ("FBO", including churches, synagogues, mosques, etc.) often own or steward land that could be developed to address the housing shortage in Illinois, but face significant bureaucratic hurdles and inexperience developing property.

Consider a congregation that owns their building which has deferred maintenance and the congregation is at risk of having to raise significant funds from its members or relocate. With YIGBY in place the congregation could develop, or partner with a developer, to build housing on its property and use some of the revenue to fund a renovation project.

- **Subjective barriers:** Current zoning processes often require discretionary or political approvals that often delay projects to the point that they are withdrawn.
- **Uncertainty:** Faith-based groups may lack legal and professional resources to navigate the development process. Character objections and arbitrary zoning constraints prevent them from utilizing their own property to serve their communities.

## How would HB5083 / SB3187 address this?

HB5083 and SB3187 would create a statewide option to remove barriers for housing on faith-based land.

The YIGBY Act establishes a uniform review process. If a faith-based organization's housing proposal meets objective safety and building codes, local governments must approve it – eliminating veto points that are leveraged to stop new housing. This ensures that FBOs can responsibly develop their land to provide multifamily and supportive housing, while still adhering to essential health and safety regulations.