

**CERTIFICATE OF ECONOMIC HARDSHIP**  
**Zaruba v. Village of Oak Park**

COURTESY OF THE ILLINOIS MUNICIPAL LEAGUE

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The decision of a village to deny plaintiff a Certificate of Economic Hardship, which was required by village ordinance before demolishing a home located within an historic district, was affirmed as it was not against the manifest weight of the evidence.

Zaruba v. Village of Oak Park, 296 Ill. App. 3d 614, 695 N.E.2d 510, 230 Ill. Dec. 1020 (1st Dist. 1998). The plaintiff wanted to demolish his property which was located within the Village's historic district. The wrecking permit could not be issued without the Village first issuing either a Certificate of Appropriateness or a Certificate of Economic Hardship. The Historic Preservation Commission concluded that the building was a contributing resource and, therefore, denied the plaintiff's request for a Certificate of Appropriateness (Certificate of Economic Hardship). At the hearing, the plaintiff testified that there was substantial renovation necessary to make the house habitable and he could not recover his costs after the renovation. The Commission, however, found that the plaintiff overestimated the cost of renovation and included non-essential repairs in his estimated cost, such as resurfacing the floors. The Commission further noted that the building was structurally sound. Finally, the Commission explained that the plaintiff failed to establish that the house was incapable of being put to any reasonable use or that he could not obtain a reasonable economic return without demolishing the building. The Commission noted that any economic hardship was partly due to the plaintiff's failure to repair the property sooner. The Commission concluded that a Certificate of Economic Hardship was inappropriate. The Village adopted the Commission's findings. The circuit court reversed, finding that the Commission should not have considered whether the plaintiff's economic hardship was self-imposed, at least absent finding of an intent by him to circumvent the ordinance. The Village appealed.

Four factors should be considered in determining whether a Certificate of Appropriateness should be granted: 1) a substantial decrease in the fair market value of property as a result of the denial of certificate; 2) the structural soundness of any structures on the property and their suitability for rehabilitation; 3) the economic feasibility of rehabilitation and reuse of the structure; and, 4) the cost the proposed construction, alteration, relocation or demolition. With

regard to the first factor, the court found that the plaintiff failed to produce any evidence that denial of the certificate would decrease the property's fair market value. Secondly, the court found that, according to the building inspector, the building was structurally sound. Third, the court found that the plaintiff failed to produce any evidence that the house was incapable of being rehabbed and sold at a profit. Finally, the court found that the plaintiff failed to suggest the costs of demolishing the house and building something new. Consequently, there was no way of knowing if demolition was the best economic course for the plaintiff. Therefore, the court held that the Commission's findings, which were adopted by the Village, were not against the manifest weight of the evidence. The decision of the circuit court was reversed. The decision by the Village to follow the Commission's recommendation was affirmed.