



CITY OF CHICAGO • OFFICE OF THE MAYOR



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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**MAYOR LIGHTFOOT INTRODUCES 606-PILSEN DEMOLITION PERMIT
SURCHARGE ORDINANCE**

*New measure will impose a surcharge on permits to demolish residential buildings,
helping to maintain the existing neighborhood character and housing stock and
reduce displacement*

CHICAGO – Mayor Lori E. Lightfoot today introduced an ordinance to City Council that would place a surcharge on permits for the demolition of buildings with residential units in the area surrounding the Bloomingdale Trail (The 606) and Pilsen Pilot areas. The 606-Pilsen Demolition Permit Surcharge ordinance follows the Anti-Deconversion Ordinances for the same areas passed by City Council during the January 2021 meeting. Together, these measures are designed to reduce displacement of low- to moderate-income residents while also maintaining the existing character and housing stock, specifically in two- to eight-unit buildings that often provide naturally occurring affordable housing units.

"Chicago's proud neighborhoods and communities serve as the homes to thousands of proud families and small businesses, many times for generations," said Mayor Lightfoot. "This proposed ordinance builds on our previous measures aimed at welcoming the changes that mark the constant evolution of our city's history, but doing so in a way that prevents the displacement of long-term residents, particularly our low- to moderate-income community members."

The proposed demolition surcharge is \$15,000 or \$5,000 per residential unit, whichever is greater. Funds will support the Chicago Community Land Trust (CCLT), which provides working individuals and families with opportunities to purchase homes at affordable prices.

"This is a major step in our work ensuring the ongoing development and changes in these neighborhoods protect long-time residents and their families from displacement," said Marisa Novara, Commissioner, Department of Housing (DOH). "This demolition surcharge ordinance will protect existing communities and housing stock, and any funds collected will also help create a pathway for affordable homeownership through CCLT."



Current zoning regulations allow new construction projects to replace existing residential buildings with a reduction of units for substantially higher costs. This ordinance as well as the recently passed anti-deconversion ordinances provide solutions to housing displacement, unit loss, and ensure that the appropriate density in each neighborhood is maintained.

In January, the Anti-Deconversion Ordinances were passed with a 60-day extension to The 606-area demolition moratorium in order to allow time for passage of the demolition surcharge ordinance. Once passed, it will go into effect on April 1, 2021, following the end of the moratorium extension.

"It should go without saying that development should not come at the expense of existing communities and the loss of their diversity," said Daniel La Spata, 1st Ward Alderman. "With the passage of this ordinance and those prior, we will continue to work alongside community leaders and this administration to ensure development in these neighborhoods also protects residents from displacement."

The anti-deconversion ordinance in The 606 area permits either two-flats or single-family homes, depending on the makeup of existing buildings on the block. This will apply to RS3 and RS3.5 districts within the area bounded by Armitage Avenue, Western Avenue, North Avenue, Kedzie Avenue, Hirsch Street and Kostner Avenue. The demolition ordinance will apply to the same geographic areas.

"Pilsen is one of Chicago's most historic and vibrant neighborhoods, and it is critical that we do everything we can to preserve affordable housing in our community," said Byron Sigcho-Lopez, 25th Ward Alderman. "These ordinances taken together will ensure that Pilsen remains affordable and will prevent the excessive development that causes displacement."

In Pilsen, the anti-deconversion ordinance eliminates as-of-right construction of single-family homes and two-flats in RT4 and all RM districts unless a majority of the lots on the block contain single-family homes or two-flats. The demolition surcharge ordinance will cover the same geographic areas and applies to all parcels zoned RT4, RM4.5, RM.5, RM5.5, RM6 and RM6.5 and within the area bounded by:

- 16th Street, Newberry Avenue, 18th Street, Peoria Street, Cermak Road, Racine Avenue, 21st Street, Laflin Street, Cermak Road, the alley next east of and parallel to Western Avenue, the alley next north of and parallel to Cermak Road, the alley next east of and parallel to Western Avenue, 19th Street, Western Avenue, the alley next north of and parallel to 18th Place, Leavitt Street, the alley next north of and parallel to 18th Street, Hamilton



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Avenue, the alley next north of and parallel to the alley next north of and parallel to 18th Street, a line 126 feet west of and parallel to a line 126 feet west of and parallel to Hoyne Avenue, a line 163 feet north of and parallel to the alley next north of and parallel to 18th Street, 17th Street and Wood Street.

The 606-Pilsen anti-deconversion and demolition surcharge ordinances are part of Mayor Lightfoot's commitment to equitable economic growth that ensures every resident is able to remain in their homes and share in transformative improvements occurring in their communities. With a similar goal, in September City Council approved the Woodlawn Housing Ordinance that protects residents from displacement and expands homeownership opportunities in the Woodlawn community, the future home of the Obama Presidential Center.

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