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With Mayor's Backing, Progressive Aldermen Propose Demolition Fee to Slow Gentrification

Heather Cherone (/stories-by-author/Heather Cherone) | February 24, 2021 11:49 am



(WTTW News)

Property owners and developers who want to demolish existing buildings in Pilsen and near the 606 Bloomingdale Trail would be required to pay a fee of up to \$15,000 that would be used to fund affordable housing projects across the city, under a proposal for a pilot program introduced Wednesday by two progressive aldermen and Mayor Lori Lightfoot.

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Demolitions have been banned along the 606 trail since February 2020 as aldermen worked to craft a response to gentrification-fueled displacement happening along the popular biking and jogging trail.

A similar measure to ban demolitions in Pilsen failed to advance in early December.

The measure was introduced with the backing of Lightfoot, Housing Commissioner Marisa Novara and Aids. Carlos Ramirez-Rosa (35th Ward) and Daniel La Spata (1st Ward). Both Ramirez Rosa and La Spata are members of the Chicago chapter of the Democratic Socialists of America, and are frequently critical of the mayor.

The new pilot program would cover the area in Pilsen between Peoria Street, 16th Street, Western Street and Cermak Road.

Ramirez-Rosa, whose ward includes Logan Square, said preserving two-and-four flats would protect the neighborhood's racial and ethnic diversity.

The pilot program would take effect in the area near the 606 trail includes the area bounded by North, Western, Armitage and Kostner avenues.

The yearlong pilot program, set to start April 1 if approved by the City Council next month, would require a property owner to pay a \$15,000 fee before demolishing a detached house, townhouse or two-flat. In order to demolish a multifamily building, the property owner would have to pay \$5,000, according to the proposal.

The revenue generated by those fees would flow into the city's Affordable Housing Opportunity Fund, which fuels efforts to build, preserve and renovate homes for low- and moderate-income Chicagoans.

The fees would be waived if the new building earmarks at least half of its units for Chicagoans earning no more than 60% of the area median income, which is \$53,460 for a family of four.

Home prices along the western portion of the trail have gone up 344% since 2012, according to a 2020 DePaul University study. (<https://blockclubchicago.org/2020/01/15/home-prices-along-western-portion-of-606-skyrocketing-344-increase-since-2012-new-study-finds/>)

In January, the City Council approved a measure (<https://news.wttw.com/2021/01/26/aldermen-advance-measures-protect-two-flats-effort-slow-gentrification>) to make it harder to convert some small apartment buildings into single-family homes in Pilsen and near the 606 Trail.

The city lost more than 20,000 homes in two- to four-unit buildings between 2010 and 2016, according to a 2018 study from the DePaul Institute for Housing Studies. Many of those two-flats and four-flats were replaced by large single-family homes, according to the study.

Lightfoot has yet to propose changes to the city's ordinance that requires developers who get special permission or a subsidy to set aside units that low- and moderate-income Chicagoans can afford. In September, a task force convened by the mayor found that the law created just 1,049 homes in 13 years and a majority were unaffordable for Black and Latino Chicagoans.

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