

[Home](#) > Residential Real Estate

December 09, 2020 09:33 AM

This is the city's new tool to chill gentrifying hot spots

In two fast-changing areas, Pilsen and near the 606 trail, new rules would create the power to block homeowners from turning two- and three-flats into single-family homes.

DENNIS RODKIN



Gerald Farinas/Wikimedia Commons

TWEET

SHARE

MORE ▾



In its latest attempt to cool down gentrification hot spots, City Hall is putting together ordinances that would create the power to block homeowners from turning small apartment buildings into single-family homes.

"In gentrifying neighborhoods, we tend to see significant losses of these buildings," said Department of Housing Commissioner Marisa Novara.

MORE



Anti-gentrification push unnerves developers



City Council approves anti-gentrification measures



Don't miss Crain's in print—right on your screen.

Sign up for Crain's free residential real estate newsletters.

EMAIL ADDRESS

SUBMIT

The losses happen either when a two- or three-flat is rehabbed into a single-family home or when a building with two to six apartments is demolished for replacement by new houses. Chicago lost slightly more than 11 percent of its two- to four-flat buildings between 2012 and 2017, [according to the Institute for Housing Studies at DePaul University](#).

"It's a loss of affordable housing that contributes to displacement," Novara said. Her department is preparing a pair of "anti-deconversion" ordinances, one for Pilsen and one for the area around the western portion of the 606 trail, for introduction at the Dec. 16 City Council meeting.

The ordinances would require anyone who wants to reduce the density on a site that has two to six units to apply for a zoning variance.



For at least half a century, Novara said, anyone attempting to increase the density on a residential lot has been required to apply for a zoning variance. “It comes from that era of suburbanization of the city,” she said, “of saying less density is better.”

ADVERTISING



Replay

The proposed ordinances, she said, would say that “the city’s viewpoint philosophically is that we need to have a check on displacement.”

The Pilsen ordinance is designed to replace a wholesale landmarking plan for 27 blocks in that neighborhood. Proposed by the previous administration, [it failed last week](#). The 606-area ordinance is the replacement for the [moratorium on homebuilding](#), soon to expire, that was imposed to hit pause while officials devised a new tool for fighting the loss of affordable housing there.

While converting two-flats into single-families has been going on for years in many neighborhoods, [including Andersonville, Lincoln Square and North Center](#), Novara said her department rejected the idea of a new citywide ability to block reducing density.

“The biggest reason is that we don’t have rampant displacement across the city,” Novara said. “We’re trying to target the specific places where this is happening.”

Paul Colgan, director of government affairs for the Homebuilders Association of Chicago, said the pair of ordinances amount to “piecemeal zoning. Instead of having a very certain, consistent rule for developing all around the city, you’ll have different rules in narrowly focused neighborhoods.”

Colgan said his group is preparing alternative proposals that would help preserve affordable housing in neighborhoods that are losing it but would not “harm someone’s property rights.” He expects to have the alternatives ready before the Dec. 16 council meeting.

On 18th Street in Pilsen, a vacant and rundown two-flat is for sale at \$279,000. The listing says the building could remain a multiunit or be rehabbed into a single-family home. A block away, the listing notes, “3000-square-foot homes (are) selling over \$800,000.”



TWEET



SHARE

MORE



Listing agent Relu Ciobanu of Kale Realty said the proposed ordinance would “probably not hurt prices” for properties in the neighborhood because “it’s so hot in Pilsen now. Whatever new rule you make, prices are not going to go down.”

If one property can’t get a zoning variance, “you’ll find one that will,” Ciobanu said.

Because it’s unoccupied, the property Ciobanu represents wouldn’t mean a loss of affordable housing if turned into a single-family residence.

The proposed Pilsen and 606 ordinances are the latest in [a string of efforts by city officials to combat displacement via gentrification](#).

Among them: In July, the city adopted a “fair notice” ordinance that requires landlords to give renters up to four months’ notice for non-renewal of a lease, designed in large part to provide stability for tenants in fast-gentrifying neighborhoods.

In Woodlawn, where the planned Obama Presidential Center is forecast to contribute to rising home prices, there’s [a plan to preserve affordable housing](#) through home improvement grants for longtime residents and a requirement that new developments have a certain proportion of homes built within affordability guidelines.

Letter — to the — Editor

Have something to get off your chest? You can [send us an email](#). Or tell us on our [Facebook](#) page or on [Twitter](#), @CrainsChicago.

RECOMMENDED FOR YOU



The housing market defied naysayers. What about next year?



Bob Sirott’s former Wilmette home sold at foreclosure auction



Is Chicago about to see a spike in eviction notices?



Sponsored Content: Roundtable on Bankruptcy and Restructuring

[TWEET](#) [SHARE](#) [MORE](#)

SIGN UP FOR NEWSLETTERS

- ☐ Morning 10 - *Need-to-know stories from Crain's and around the web. Monday-Friday at 7 a.m.*
- ☐ Today's Crain's - *A roundup of the day's important business news. Monday-Friday around 3 p.m.*
- ☐ Breaking News Alerts - *Up-to-the-minute info on what's happening in Chicago business right now.*
- ☐ Health Pulse Chicago - *Your source for actionable, exclusive and inside news and data on the health care industry. Monday, Wednesday and Friday at 5:30 a.m.*
- ☐ People on the Move - *Highlights prominent personalities, job changes and executive appointments. Thursday.*
- ☐ Chicago Real Estate Report - *The best source in Chicago for exclusive commercial real estate news. Monday-Thursday.*
- ☐ Chicago Residential Real Estate Report - *Scoops on Chicago's residential real estate industry. Tuesday-Thursday.*

EMAIL ADDRESS

SUBMIT



TWEET



SHARE

MORE



GET OUR NEWSLETTERS

Staying current is easy with Crain's news delivered straight to your inbox, free of charge.

Email Address

[SIGN UP NOW](#)

SUBSCRIBE TODAY

Get the best business coverage in Chicago, from breaking news to razor-sharp analysis, in print and online.

[SUBSCRIBE NOW](#)

CONNECT WITH US



CRAIN'S CHICAGO BUSINESS

CONTACT US

150 N. Michigan Ave.
Chicago, IL 60601
E-mail our editor
(312) 649-5200

[More contacts](#)

[FAQs/Customer service](#)

RESOURCES

[About Us](#)

[Crain's Chicago jobs](#)

[Advertise with Us](#)

[Media Kit](#)

[Classified Advertising](#)

[Staff](#)

[Reprints](#)

[Ad Choices](#)

[Sitemap](#)

AWARDS

[Special reports](#)

LEGAL

[Terms and Conditions](#)

[TWEET](#)

[SHARE](#)

[MORE](#)

[Privacy Request](#)

CRAIN

Copyright © 1996-2020. Crain Communications, Inc. All Rights Reserved.

 TWEET  SHARE  MORE 