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Aldermen: Here's why we passed a Northwest Side ordinance to protect affordable housing



Homes on the Northwest Side of Chicago in 2022. (Brian Cassella/Chicago Tribune)



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Last month, the City Council passed [the Northwest Side Housing Preservation Ordinance](#). This ordinance, designed to safeguard naturally occurring affordable housing and prevent the displacement of long-term residents, covers portions of Logan Square, Avondale, Hermosa, Humboldt Park and West Town. More than just a new piece of legislation, this is the culmination of years of community advocacy work and data-driven research.

This ordinance builds upon two successful pilot ordinances passed in 2021 that aimed to curb demolitions and deconversions of two-, three- and four-flats that make up the majority of the affordable housing stock in these neighborhoods. Over the three-year pilot, analysis by the Department of Housing found that these ordinances have been incredibly successful at curbing demolitions and deconversions within the boundaries of the pilot area around The 606 recreation trail, an area that continues to flourish.

As the aldermen representing these neighborhoods, when we are out in the community knocking on doors or speaking with residents at block parties and other community events, housing affordability is consistently one of the top concerns on our constituents' minds. Our constituents worry about rising property taxes, rising rents and the lack of affordable units, which threaten their ability to remain in their homes.

One of the greatest assets in our communities on the Northwest Side is our multifamily housing stock. Much of the housing in our communities consists of classic Chicago building types such as two-, three- and four-flat apartment buildings. Many of these buildings supply what planners and policymakers call naturally occurring affordable housing. Naturally occurring affordable housing refers to housing that is affordable to low- and moderate-income individuals and families without receiving any government subsidy. The majority of affordable housing in Chicago, and in our Northwest Side neighborhoods in particular, is found in buildings such as two-flats, three-flats and four-flats.

While our existing affordable housing stock is a great asset to our communities, research shows that we are losing this critical housing stock at an alarming rate because of demolitions and deconversions to make way for luxury single-family homes and condominiums on the Northwest Side. The data bears this out. A recent [report by the Institute for Housing Studies at DePaul University](#) found that in Logan Square, Avondale and Hermosa — the very neighborhoods this ordinance covers — the amount of affordable units declined by 15.3 percentage points between 2012-14 and 2019-21. These neighborhoods saw the largest decrease of any area in the city. Alongside this, the number of lower-income renters fell by 19%, as housing became increasingly unaffordable.

This research, and the struggles we hear about from our residents trying to remain in their homes and communities, inspired us to take action by working with the Departments of Housing and Law to craft the Northwest Side Housing Preservation Ordinance. The ordinance promotes housing affordability, mitigates displacement, and protects the historic character and diversity of our neighborhoods by:

- Protecting two-flats, three-flats and four-flats from demolition via a demolition surcharge. Developers wanting to demolish multifamily apartment buildings have to pay a surcharge of \$20,000 per unit or \$60,000 per building, whichever amount is higher. The dollars from this surcharge go to the Chicago Housing Trust and the Here To Stay Land Trust to build and preserve affordable housing in our communities.
- Protecting naturally occurring affordable housing by disallowing the conversion of two-flats, three-flats and four-flats to luxury single-family homes on blocks where most buildings are multifamily apartment buildings.
- Providing tenants with the right of first refusal and first opportunity to purchase their building when it goes on sale. Similar provisions have allowed tenants to buy their homes across the United States.
- Legalizing the construction of new two-flats by right in zones currently zoned only for single-family homes.

Critics have said that this ordinance unreasonably restricts owners from selling their properties and could lead to disinvestment. We, and many housing experts, do not believe that is the case. This ordinance does not prevent owners from selling their property or restrict them from setting their own asking price, it simply provides tenants the right to purchase the building at the owner's desired price before the building is put for sale in the market. Washington has had a similar ordinance that applies to all renters in all units in place since 1980 — that's nearly 45 years. The ordinance also includes several thoughtful exceptions, allowing owners to sell their property to family members or place their building in a trust, enabling them to build and pass down generational wealth. This strikes a balance between the rights of property owners and the protection of tenants who are all an integral part of our community fabric.

For developers, this ordinance will incentivize investment in existing multifamily buildings and provide them with the opportunity to build two-flats by right. Developers who choose to demolish a building will have to pay a fee, and those fees will fund affordable housing in our communities.

Our communities thrive when they are diverse, and neighborhoods flourish when families are able to put down roots and stay in their homes. This ordinance preserves the housing stock that many of our working families call home, provides tenants with the opportunity to become homeowners, and ensures that progress includes everyone.

Ald. Daniel La Spata represents the 1st Ward. Ald. Jessie Fuentes represents the 26th Ward. Ald. Ruth Cruz represents the 30th Ward. Ald. Carlos Ramirez-Rosa represents the 35th Ward. Ald. Rossana Rodriguez-Sanchez, 33rd, supports this piece.

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