

As Obama Center Nears Completion, Local Residents and City Council Seek to Address Gentrification Concerns

A September city council ordinance has expanded affordability requirements, property tax relief, and tenant protections. Real estate groups raised concerns about unintended consequences.

By Julian Moreno

As the Obama Presidential Center nears completion, nearby tenants and community advocates have raised fears it will further increase local housing costs.

With the estimated 625,000 to 760,000 annual visitors to the Obama Presidential Center in mind, the Chicago City Council approved the construction of a new hotel on Jackson Park. Aquinnah Investment Trust, led by a real estate developer with connections to former President Barack Obama, plans to construct a \$100 million, 26-story hotel at 6402–6420 South Stony Island Avenue.

According to data released by the DePaul Institute for Housing Studies in 2024, approximately 75 percent of Woodlawn households are renter-occupied, compared to a citywide average of 55 percent. In addition, 53 percent of Woodlawn households are cost-burdened, meaning that they spend more than 30 percent of their income on mortgage, rent, or other housing needs. This exceeds the citywide average of 39 percent.

After years of lobbying from local groups, the Chicago City Council passed the Jackson Park Housing Pilot, seeking to alleviate displacement concerns in communities surrounding the Obama Center. The ordinance, passed by a roll-call vote on September 25, will reserve 25 public lots for affordable housing, provide up to \$3 million worth of property tax relief, and give some tenants the opportunity to purchase their units.



Damian Almeida Baray

The Obama Center Under Construction

An initial draft of the ordinance was introduced in October 2023 and would have included the implementation of Chicago-wide tenant protections, fee caps, and deep affordability requirements. However, opposition from neighborhood groups and alderpeople, including Seventh Ward Alderman Gregory Mitchell, restricted the scope of the legislation. The final ordinance covers the area from 60th to 71st Streets and King Drive eastward.

Fifth Ward Alderman Desmond Yancy, who introduced the ordinance to the committee, told the *Chicago Tribune* “What we were able to win is still significant for the folks who are going to qualify, whether it’s the property tax relief or building, hopefully, five new buildings with varied affordability.” He continued, “Ultimately, it’s a floor and not a ceiling; there’s more work to do.”

Future developments on the 25 city-owned lots subject to the ordinance will be required to allocate at least 75 percent of units at affordable rates to residents with incomes under 60 percent of the area median. Preference will be given to tenants who have been displaced from the area since 2015.

In a press release, Mayor Brandon Johnson, who supported the ordinance, said, “This ordinance is a meaningful step in our mission to grow our city’s housing supply while increasing affordability in our neighborhoods. Importantly, this ordinance was designed in partnership with the community to ensure their ground-level needs are addressed by this legislation.”

Realtors have criticized the ordinance’s provision on the right of first refusal, which grants tenant associations the right to be notified of property sales and the opportunity to purchase the property under the same terms as the buyer.

In a statement to the *Maroon*, the Chicago Association of Realtors (CAR) said the provision “creates unnecessary barriers or complications for sellers, buyers, and tenants.”

“We are pleased that the Alderperson in Jackson Park co-sponsored a resolution drafted by [CAR] calling for subject matter hearings on all first right of refusal pilot programs (Woodlawn, 606, Jackson Park) to assess their impacts,” the statement continued. “We expect the first hearing to take place in the next few months, where we will be leading the effort to line up impacted parties to share their experiences.”

Mike McElroy, a CAR board member, told the *Maroon* he supports the goals of preventing displacement but criticizes the ordinance for increasing “red tape,” which would slow down housing development and hurt local landlords. He says the ordinance, particularly the right of first refusal provision, “adds very long waiting periods that are going to decrease investments into the neighborhoods they’re meant to help. It’s also going to box out smaller local landlords who may only buy one or a few properties in their lifetime.”

“We need to be doing everything that we can to create more housing supply,” McElroy added. “It’s crucial that the city does things that empower the market to create that housing supply as quickly as we can.”