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**CITY COUNCIL PASSES 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 – City Council today passed the 606-Pilsen Demolition Permit Surcharge Ordinance which places 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. This ordinance follows the Anti-Deconversion Ordinances for the same areas passed by City Council during the January 2021 meeting and together 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 ordinance places a \$15,000 or \$5,000 charge 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 ordinance, and the anti-displacement ordinances passed in January, represent major steps 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."



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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, provides 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. The 606-Pilsen demolition surcharge ordinance will go into effect on April 1, 2021, following the end of the moratorium extension.

“The passage of these ordinances not only serves as a starting point for work we will continue doing alongside community leaders and this administration, but it also serves as signal to residents that we will not push development at the expense of existing communities,” said Danial La Spata, 1st Ward Alderman. “We will ensure development in these neighborhoods also protects residents from displacement in the best way we can.”

“It’s critical that we do everything we can to preserve affordable housing in Pilsen and maintain the social fabric of our community,” said Byron Sigcho-Lopez, 25th Ward Alderman. “These ordinances taken together will ensure that Pilsen remains affordable and will prevent excessive development that displaces the families that have called Pilsen home for generations.”

“The combination of these ordinances strikes a powerful balance between development and displacement,” said Roberto Maldonado, 26th Ward Alderman. “Our plan is to continue this work with community leaders and protect our neighborhoods from gentrification.”

“The goal of these ordinances is to reduce displacement in vulnerable neighborhoods while encouraging investment and development opportunities,” said Carlos Ramirez-Rosa, 35th Ward Alderman. “Although the work is not done just yet, this is a step in the right direction to promote integrated and diverse communities as our city continues to grow economically.”

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. Similarly, in September the City Council approved the Woodlawn Housing Ordinance that protects residents from displacement and



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expands homeownership opportunities in the Woodlawn community, the future home of the Obama Presidential Center.

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