

Daley proposes compromise on housing Mayor offers plan in middle ground on affordable set-asides

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More Chicago developers would be required to set aside a portion of their residential units for moderate-income buyers and renters under a compromise measure unveiled Tuesday by Mayor Richard Daley.

Under pressure by some aldermen and community groups to create more affordable housing, Daley said he still opposes an across-the-board set-aside measure sponsored by Ald. Toni Preckwinkle (4th) that would apply to all new projects. But he said his proposal would create more than 1,000 moderately priced homes a year.

Currently, developers who get bargain-rate financing with the city's help or who buy city-owned land at a discount are required to offer up to 20 percent of their units at affordable prices.

Daley's new proposal would broaden the definition of city assistance. In projects of 10 units or more, 10 percent would have to be moderately priced if any city land is acquired; if zoning is changed to permit residential use; or if residential zoning is changed to increase the number of apartment and condominium units that can be built.

The Preckwinkle plan would enact a 15 percent set-aside for developments of 10 or more units, applying to all new construction in the city.

Daley contends that a citywide mandatory set-aside would discourage development. And a mandatory approach "automatically would [produce] a lawsuit," he said.

"We should be able to sit down with the private sector and the public sector and housing advocates and come out with good compromises that expand affordability," he said.

Affordable-housing advocates were heartened by Daley's proposal.

Kevin Jackson, executive director of the Chicago Rehab Network, said the mayor's plan "is encouraging."

"What we have seen is progress, with the mayor listening ... about the value and importance of affordable housing," he said.

But a mandatory set-aside "is still a viable option if we want to meet the needs of affordable housing across the city," he said.

Daley's proposal "really sounds like a set-aside to me" even if it isn't across the board, said Jennifer Ritter-Gonzalez of the Lakeview Action Coalition. "It sounds like he continues to move in the right direction toward what we are trying to do."

But Ritter-Gonzalez voiced concern that the definition of "affordable" in the ordinance would be a unit that could be purchased by a family of four with an annual income up to about \$74,000. A lower threshold would help more people, she said.

The Chicago Association of Realtors opposes the Preckwinkle ordinance but appeared Tuesday to be open to Daley's proposal.

"It's a plan that encourages housing at all levels--low income, moderate and otherwise," said Brian Bernardoni, the association's director of government affairs. "It provides developers opportunities to negotiate and work toward compromise, which we've always supported."

On a related front, Daley announced formation of a task force that will recommend ways to ease the loss of affordable rental apartments because of condominium conversions.

Daley said he is concerned about the displacement that results from conversions. But rather than banning the switch from rental to condominium, the mayor favors an incentive program that would encourage developers to offer some units at moderate prices.

The task force also will suggest ways to protect buyers and ensure quality construction. Headed by Ald. Ray Suarez (31st), chairman of the City Council's Housing Committee, it is to issue a report in 2007.

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