

## Daley backs incentives for affordable homes Mayor says they'll work better than set-asides

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**BY FRAN SPIELMAN**  
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Slamming the door on affordable housing set-asides, Mayor Daley on Tuesday expanded his plan to use the carrot instead of the stick to solve a housing crisis made worse by condominium conversions.

Since 2003, developers vying for city subsidies have been required to make at least 20 percent of all residential units affordable -- and 10 percent if they want to build on city-subsidized land.

Downtown developers also have committed \$23 million toward affordable housing programs in exchange for the right to build bigger and taller projects. So-called "density bonuses" might soon be expanded beyond the downtown area.

On Tuesday, the mayor held a news conference in the lobby of a South Loop high-rise -- the first new rental housing to be built in the downtown area in years. He announced a dramatic expansion in the city's incentive programs tailor-made to create 1,000 new units of affordable housing each year.

Instead of limiting the affordable housing mandate to city-subsidized projects, City Hall will broaden the umbrella to include all city land, all plan developments and all zoning changes that increase residential density.

Developments with 10 or more units whose projects fall into those new categories would be required to make at least 10 percent of all units affordable.

Daley said mandates don't work. "They just move someplace else," he said, noting that his 2007 budget would commit \$40 million in new money for affordable rental housing and expanded rental assistance. "I don't believe in mandatory set-asides. People have to pay property taxes."

Daley also asked a task force chaired by Housing Committee Chairman Ray Suarez (31st) to recommend a comprehensive condo conversion policy that uses incentives to "mitigate the loss of affordable rental units" caused by buildings going condo.

"They come in, and all the sudden, 99 percent of the people are thrown out. There has to be some way to preserve housing, some way to do alternative housing. . . . Maybe allow them to expand, to put an addition on. If there's any city land adjacent to it, allow them to purchase that to bring more affordable housing. . . . There's nothing wrong with incentives," he said.

Twenty-five aldermen have thrown their support behind a revised affordable housing ordinance sponsored by Ald. Toni Preckwinkle (4th) that requires developers of new and rehabilitated housing to set aside 15 percent of their units for low- and moderate-income buyers.

On Tuesday, Preckwinkle said she's not about to throw in the towel just because Daley has expanded his incentives.

"I'm always grateful when the mayor takes action that will increase the supply of affordable housing. However, I remain convinced that the set-aside ordinance, which will cover all developments in the city, would result in substantially more units, given the deficit of affordable units in the city [pegged at] 20,000 units in the 2000 census," she said.

Preckwinkle noted that she already has reduced the percentage -- from 25 percent to 15 percent - - to minimize opposition from developers and attract the 26 votes she needs for passage.

Kevin Jackson of the Chicago Rehab Network, agreed that incentives are not a substitute for mandatory set-asides.

"There are areas in the city that are not going to be able to avail themselves of all of these wonderful programs because they're all private money," he said.

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