

## **Developer bonuses key in zoning plan ; City builders get incentives to build affordable units:[South-Southwest Final , SSW Edition]**

*Gary Washburn, Tribune staff reporter. Chicago Tribune. Chicago, Ill.: Jan 28, 2004. pg. 1*

Residential developers in downtown Chicago and in stretches of the Near North, West Loop and South Loop would be granted lucrative zoning "bonuses" to build affordable housing under a proposed zoning revamp backed by Mayor Richard Daley.

Another change presented by city planning officials Tuesday to the Mayor's Zoning Reform Commission effectively would limit parking in new central area residential high-rises to control traffic congestion. Another proposal would create special standards on segments of downtown streets designed to encourage browsing by pedestrians and speed the walks of commuters who trudge between commuter rail stations and their offices.

The centerpiece of the proposed "downtown-specific" code-- different from zoning provisions anywhere else in the city--could allow developers to build bigger and denser projects than otherwise would be allowed if they included affordable homes in the mix.

The proposal would allow four extra market-rate units in a project for every lower-cost unit. Developers could be granted the bonus, even if they did not build affordable units, by contributing money to a fund that would be used to create low- and moderate-cost housing elsewhere in the city.

The size of the payments would be based on a formula.

"I think the mayor is really excited about the affordable- housing component of this," said Planning Commissioner Alicia Berg. "The mayor has always been supportive of the idea of providing an incentive."

Daley has contended that developer mandates for affordable housing, an idea proposed by some aldermen and housing advocates, would drive builders out of the city and damage Chicago's tax base.

If the new policy proposal had been in place between 1997 and 2002, when about 22,000 units were built in the greater downtown area, it could have resulted in up to 650 new affordable units or as much as \$25 million for the affordable-housing fund, said Edward Kus, the city's zoning chief.

Kus said he knows of no other city that has taken Chicago's proposed approach.

"This is pretty monumental," declared Ald. William Banks (36th), co-chair of the Zoning Reform Commission and chairman of the City Council's Zoning Committee.

"No single program is ever large enough to address the need," said Peter Skosey, vice president of the Metropolitan Planning Council. "But any program that addresses any bit of the need is more than what we have now. The zoning bonus system has been borne out in the market and it works. It has produced great amenities downtown, from plazas to riverwalk improvements."

Kevin Jackson, executive director of the Chicago Rehab Network, also applauded the proposal.

"We think it is a model, and we think it is a model (for) the whole city," he said.

On the parking front, Berg asserted that it is time "to start thinking about the impact parking spaces are having on the built environment and on traffic. We expect downtown to keep growing. We can't just have gridlock."

Under Tuesday's proposal, some developers who choose to build more than two parking spaces per residential unit would pay a penalty because any additional parking would eat into the permitted living space they could construct on their sites.

Zoning regulations designed to make walking more pleasant would specify how much window glass should be in ground floor shops in new buildings. They also would ban driveways across sidewalks for places such as gas stations and bank drive-ins on stretches of 16 streets.

And setbacks would be required for new buildings on parts of 10 other streets, including stretches of Wacker Drive, Randolph and Washington Streets, where throngs of commuters make daily walks. The goal, over time, is to have sidewalks that are 14 feet wide instead of the current 11 feet, officials said.

The new proposals are designed to apply to an area stretching as far north as Division Street, west to Racine Avenue and south to the Stevenson Expressway. Lake Michigan is the eastern boundary.

The Zoning Reform Commission, appointed by Daley and made up of city, business and civic leaders, is charged with revamping the city's outmoded current code, which was adopted in 1957.

Its recommendations will go to the City Council for final consideration this year.