

SUBSTITUTE
ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-44-065 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

2-44-065 Program applications, administration, and related fees.

(Omitted text is unaffected by this ordinance)

(9) Compliance Monitoring Late Fee – \$20 per unit for all housing units in a project or building in addition to the Compliance Monitoring fee.

(10) Affordable Conversion Unit Initial Registration Fee – \$500 per Affordable Conversion Unit as defined in Section 2-44-106(c).

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 2-44-080 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-44-080 2015 affordable requirements.

(Omitted text is unaffected by this ordinance)

(G) Affordable Housing Opportunity Fund. The in-lieu fees and other fees collected under this section, Section 2-44-070, and former Section 17-4-1004 as in effect prior to October 12, 2015 shall be deposited in the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law. All annual revenues of the Affordable Housing Opportunity Fund shall be reserved and utilized exclusively to pay the administrative and monitoring costs and expenses of this section, Section 2-45-110, and former Section 17-4-1004 and, after subtracting such costs and expenses, as follows:

(1) fifty percent (50%) shall be used: (i) as provided under Section 2-44-106(o), or (ii) for the construction, rehabilitation or preservation of affordable housing, or ~~(iii) may be used~~ in connection with such other housing programs as shall be specifically approved by the City Council for such revenues; and

(2) fifty percent (50%) shall be contributed to the Chicago Low-Income Housing Trust Fund or a successor organization.

(Omitted text is unaffected by this ordinance)

SECTION 3. Chapter 2-44 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-44-106, as follows:

2-44-106 Affordable Conversion Units.

(a) *Title.* This section shall be known and cited as the “Affordable Conversion Unit Ordinance” or “ACU Ordinance.”

(b) *Purpose.* This section establishes affordability requirements for certain conversion units established in conformity with the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, in order to preserve and expand available affordable housing in the City.

(c) *Definitions.* As used in this section:

“Additional Dwelling Unit-Allowed Areas” has the meaning ascribed to that term in Section 17-7-0570.

“Affordable Conversion Unit(s)” means any one or more affordable housing unit(s) designated as such and required to be registered as such by the Department of Housing pursuant to subsection (e) of this section.

“Affordable housing unit(s)” means housing that is affordable to households earning up to 60% of the area medium income (“AMI”), as published annually by the Department of Housing. As used in this definition: “Affordable” means annual rent less than or equal to the amount at which total monthly housing costs, as specified in rules duly promulgated by the Commissioner, do not exceed 30% of income for a household making 60% of the area medium income. “Area median income” or “AMI” means the median household income for the Chicago Primary Metropolitan Statistical Area, as calculated and adjusted on an annual basis by the United States Department of Housing and Urban Development.

“Commissioner” means the Commissioner of the Department of Housing.

“Conversion unit” has the meaning ascribed to that term in Section 17-17-240.6.

“Owner” has the meaning ascribed to the term “property owner” in Section 17-17-02134.

“Residential building” means a residential building, as defined in Section 17-17-02146, that is a principal building, as defined in Section 17-17-02125.

(d) *Affordable Conversion Units – Required when.* If, pursuant to Section 17-2-0303-C, two or more conversion units are added, either separately or in any combination, at any time after the effective date of this ACU Ordinance, to a residential building other than to a residential building owned, operated or maintained by the Chicago Housing Authority, the owner of such building shall maintain 50% of those newly added conversion units as affordable housing units for the duration of the affordability requirement as set forth in subsection (i) of this section; provided, however, that if this 50% calculation results in a fractional number, any such fractional result shall be rounded down to the nearest integer. This subsection (d) shall run with the land and be enforceable against any subsequent owner.

(e) *Registration.* Concurrent with the application by a building owner for a building permit with the Department of Buildings for a conversion unit, the Department of Housing will advise the owner whether any of the proposed conversion units are required to be maintained as affordable housing unit(s). If the owner is required under this section to maintain any of the proposed conversion units as affordable housing unit(s), the owner shall register those designated Affordable Conversion Unit(s) with the Department of Housing in accordance with rules duly promulgated by the Commissioner. Such registration shall be accompanied by the Affordable Conversion Unit Initial Registration Fee for each Affordable Conversion Unit, as set forth in Section 2-44-065, to defray the costs of administering this section.

(f) *Recorded notice – Required.* For each Affordable Conversion Unit, the Department of Housing shall require the owner to record, with the Cook County Recorder of Deeds, a document in a form prescribed by the Commissioner, against the property on which such Affordable Conversion Unit is located indicating that such Affordable Conversion Unit is required to be maintained as an affordable housing unit for the duration of the affordability requirement, as set forth in subsection (i) of this section. Such notice shall require owners and subsequent owners to keep owner contact information, including an e-mail address, current with the Department of Housing.

(g) *Building permit – Prohibited when.* No building permit shall be issued by the Department of Buildings for any Affordable Conversion Unit until: (i) the applicant for such permit provides the Department of Housing with a copy of the recorded notice required under subsection (f) of this section; and (ii) the Department of Housing provides written notification of such fact to the Department of Buildings.

(h) *Annual compliance affidavit – Required.* Each owner of one or more Affordable Conversion Unit(s) shall, on or before January 15 of each calendar year following initial registration of such Affordable Conversion Unit(s) with the Department of Housing, file an annual compliance affidavit with the Department of Housing certifying that each such Affordable Conversion Unit is being maintained as an affordable housing unit within the meaning of this section.

(i) *Duration of affordability requirement.* Each Affordable Conversion Unit shall be maintained as an affordable housing unit for 30 years from the date of the recorded notice required under subsection (f) of this section.

(j) *Inapplicability of other affordability requirements.* Affordable Conversion Units required under this section to be maintained as affordable housing units shall be exempt from Sections 2-44-070, 2-44-080, 2-44-090, 2-44-100 and 2-44-105.

(k) *Rules.* The Commissioner is authorized to adopt such rules as the Commissioner deems necessary or appropriate for the proper implementation, administration and enforcement of this section.

(l) *Penalty.* In addition to any other penalty provided by law, any owner of an Affordable Conversion Unit who violates this section shall be subject to a fine of \$500.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(m) *Private right of action.* An aggrieved tenant may enforce this section against any owner subject to this section by means of a civil action in which the court may provide injunctive relief or award treble damages and the plaintiff's court costs and reasonable attorney fees.

(n) *Chicago Low-Income Housing Trust Fund.* The Commissioner is authorized to enter into agreements with the Chicago Low-Income Housing Trust Fund to reserve City-funded vouchers for use in connection with conversion units, including but not limited to Affordable Conversion Units and dwelling units in coach houses.

(o) *Low- and moderate-income household assistance.* The Commissioner is authorized to establish grant programs to assist low- and moderate-income households with the construction, rehabilitation (including modifications that enhance accessibility for people with disabilities), and preservation of conversion units, including but not limited to Affordable Conversion Units and dwelling units in coach houses. Funds from the Affordable Housing Opportunity Fund and other sources, as may be appropriated from time to time, are hereby authorized for use in connection with such programs.

(p) *Recommendation to City Council of Expansion of Additional Dwelling Unit-Allowed Areas.* On or before May 31, 2024, the Department of Housing and the Department of Planning and Development shall evaluate the establishment of conversion units (including Affordable Conversion Units) and coach houses in Additional Dwelling Unit-Allowed Areas to reassess best practices for their regulation and to make recommendations to the City Council regarding expansion, contraction or elimination of such Additional Dwelling Unit-Allowed Areas.

SECTION 4. Section 4-6-290 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-6-290 Bed-and-breakfast establishment.

(a) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

“Bed-and-breakfast establishment” or “establishment” means an owner-occupied single-family residential building, or an owner-occupied, multiple-family residential building, or an owner-occupied condominium, townhouse or cooperative, in which 11 or fewer sleeping rooms are available for rent or for hire for transient occupancy by registered guests. The term “bed-and-breakfast establishment” does not include: (1) a single-room occupancy buildings, as that term is defined in Section 17-17-02163 4-6-220; (2) shared housing units, registered pursuant to as defined in Section 4-14-010, that are registered or required to be registered with the City pursuant to Chapter 4-14 of this Code; or (3) vacation rentals, licensed pursuant to as defined in Section 4-6-300(a), that are licensed or required to be licensed by the City pursuant to Section 4-6-300; (4) hotels, as defined in Section 4-6-180; (5) conversion units, as defined in Section 17-17-0240.6; or (6) coach houses, as defined in Section 17-17-0234.6, unless the coach house was being used for residential purposes as of January 16, 2003. If the bed-and-breakfast establishment is a single-family residential building located on a lot that includes a principal house and an accessory building that was being used for residential purposes as of January 16, 2003, the accessory building shall be considered to be part of the establishment. The term “guests” does not include members of the owner’s family household within the meaning of the Chicago Zoning Ordinance; nor does it include persons who have signed a lease to use and occupy residential property unless the leased residential property is held out by its owner, or by any person acting on the owner’s behalf, to be a bed-and-breakfast establishment.

(Omitted text is unaffected by this ordinance)

“Platform” has the meaning ascribed to that term in Section 4-13-100.

“Short-term residential intermediary” or “intermediary” has the meaning ascribed to that term in Section 4-13-100.

(Omitted text is unaffected by this ordinance)

(f) *Legal duties.* Each licensee engaged in the business of bed-and-breakfast establishment shall have a duty to:

(Omitted text is unaffected by this ordinance)

(8) If the bed-and-breakfast establishment is listed on any short term residential rental intermediary platform or short term residential rental advertising platform, a licensee under this section shall have the following duties:

(Omitted text is unaffected by this ordinance)

(ii) not to list on a platform, or permit any person to list on a platform, and not to rent, or permit any person to rent, and not to book for future rental, or permit any person to book for future rental, any: (A) bed-and-breakfast establishment that is not properly licensed by the city

City; or (B) conversion unit, as defined in Section 17-17-0240.6; or (C) coach house, as defined in Section 17-17-0234.6, lawfully established after May 1, 2021;

(Omitted text is unaffected by this ordinance)

SECTION 5. Section 4-6-300 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-6-300 Vacation rentals.

(a) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

“Owner” means any person who owns 25% or more of the interest in a dwelling unit. For purposes of this Section 4-6-300 only, the term “owner” includes a person who is a lessee of a cooperative pursuant to a proprietary lease.

“Platform” has the meaning ascribed to that term in Section 4-13-100.

(Omitted text is unaffected by this ordinance)

“Vacation rental” means a dwelling unit that contains 6 or fewer sleeping rooms that are available for rent or for hire for transient occupancy by guests. The term “vacation rental” ~~shall~~ does not include: (i) single-room ~~occupancies~~ occupancy buildings, as ~~that term is defined in Section 17-17-02163~~ 4-6-220; (ii) bed-and-breakfast establishments, as ~~that term is defined in Chapter 14B-2~~ Section 4-6-290; (iii) hotels, as ~~that term is defined in Section 4-6-180~~; (iv) a dwelling unit for which a tenant has a month-to-month rental agreement and the rental payments are paid on a monthly basis; (v) corporate housing, as defined in Section 4-14-010; (vi) guest suites, as defined in this subsection (a); ~~or~~ (vii) shared housing units, as defined in Section 4-14-010, that are registered or required to be registered with the City pursuant to Chapter 4-14 of this Code; (viii) conversion units, as defined in Section 17-17-0240.6; or (ix) coach houses, as defined in Section 17-17-0234.6, lawfully established after May 1, 2021.

(Omitted text is unaffected by this ordinance)

(h) *Vacation rentals listed on a platform.* If a vacation rental is listed on any short term residential rental intermediary platform or short term residential advertising platform within the meaning of Chapter 4-13 of this Code, a licensee under this section shall have the following duties:

(Omitted text is unaffected by this ordinance)

(2) *Rental without license – Rental of conversion units and coach houses – Prohibited.* Such licensee shall not list on a platform, or permit any person to list on a platform,

or rent, or permit any person to rent, or book for future rental, or permit any person to book for future rental, any: (A) vacation rental which is not properly licensed by the city City; or (B) conversion unit, as defined in Section 17-17-0240.6; or (C) coach house, as defined in Section 17-17-0234.6, lawfully established after May 1, 2021;

(Omitted text is unaffected by this ordinance)

SECTION 6. Section 4-13-100 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting, in correct alphabetical order, the language underscored, as follows:

Section 4-13-100 Definitions.

As used in this chapter:

(Omitted text is unaffected by this ordinance)

“Coach house” has the meaning ascribed to that term in Section 17-17-0234.6.

“Conversion unit” has the meaning ascribed to that term in Section 17-17-0240.6.

(Omitted text is unaffected by this ordinance)

“Platform” means an internet-enabled application, mobile application, or any other digital platform used ~~by a short term residential rental intermediary~~ to connect guests with a short term residential rental provider.

(Omitted text is unaffected by this ordinance)

SECTION 7. Section 4-13-260 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-13-260 Ineligibility – Listing on platform by a provider prohibited when.

(a) *Conditions of ineligibility for listing.* A short term residential rental shall be ineligible for listing by a provider on a licensee’s platform under the following conditions:

(Omitted text is unaffected by this ordinance)

(12) *Conversion unit.* When the short term residential rental is a conversion unit; or

(13) Coach house. When the short term residential rental is a coach house lawfully established after May 1, 2021.

(Omitted text is unaffected by this ordinance)

SECTION 8. Section 4-14-010 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting, in correct alphabetical order, the language underscored, as follows:

4-14-010 Definitions.

As used in this chapter:

“Bed-and-breakfast establishment” has the meaning ascribed to that term in Section 4-6-290.

(Omitted text is unaffected by this ordinance)

“Coach house” has the meaning ascribed to that term in Section 17-17-0234.6.

“Conversion unit” has the meaning ascribed to that term in Section 17-17-0240.6.

(Omitted text is unaffected by this ordinance)

“Shared housing unit” means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term “shared housing unit” ~~shall~~ does not include: (1) single-room occupancy buildings; (2) hotels; (3) corporate housing; (4) bed-and-breakfast establishments; (5) guest suites; ~~or~~ (6) vacation rentals; (7) conversion units; or (8) coach houses lawfully established after May 1, 2021.

(Omitted text is unaffected by this ordinance)

SECTION 9. Section 4-14-050 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

4-14-050 Unlawful acts.

(Omitted text is unaffected by this ordinance)

(j) Listing and rental of conversion units – Prohibited. It shall be unlawful for any shared housing host to list on a platform, or permit any person to list on a platform, or rent, or

permit any person to rent, or book for future rental, or permit any person to book for future rental, any conversion unit.

(k) Listing and rental of coach houses – Prohibited. It shall be unlawful for any shared housing host to list on a platform, or permit any person to list on a platform, or rent, or permit any person to rent, or book for future rental, or permit any person to book for future rental, any coach house lawfully established after May 1, 2021.

SECTION 10. Section 17-2-0200 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by inserting the language underscored, as follows:

17-2-0200 Allowed Uses.

(Omitted text is unaffected by this ordinance)

17-2-0207 Use Table and Standards

USE GROUP		Zoning Districts								Use Standard	Parking Standard
Use Category		RS	RS	RS	RT	RT	RM	RM	RM		
	Specific Use Type	1	2	3	3.5	4	4.5	5-5.5	6-6.5		
P = permitted by right S = special use approval req'd PD = planned development approval req'd - = not allowed											
RESIDENTIAL											
A. Household Living											
1.	Detached House	P	P	P	P	P	P	P	P		17-10-0207-A
2.	Elderly Housing	-	-	-	P	P	P	P	P		17-10-0207-A
3.	Two-Flats	-	-	P	P	P	P	P	P	<u>17-2-0303-B</u>	17-10-0207-A
4.	Townhouse	-	-	-	P	P	P	P	P	17-2-0500	17-10-0207-A
5.	Multi-Unit (3+ units) Residential	-	-	-	P	P	P	P	P		17-10-0207-C
6.	Single-Room Occupancy	-	-	-	-	P	P	P	P		17-10-0207-B
7.	<u>Conversion Unit within Additional Dwelling Unit-</u>	-	<u>P</u>	<u>17-2-0303-C & 17-9-0131</u>							

	<u>Allowed Areas</u>										
8.	<u>Coach House within Additional Dwelling Unit-Allowed Areas</u>	-	<u>P</u>	<u>17-9-0201-F</u>							
<i>(Omitted text is unaffected by this ordinance)</i>											

SECTION 11. Section 17-2-0300 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by inserting a new Section 17-2-0303-C, as follows:

(Omitted text is unaffected by this ordinance)

17-2-0303-C Conversion Unit. Within Additional Dwelling Unit-Allowed Areas, in the case of building permit applications for the repair, remodeling, or alteration of *residential buildings* that are located in any RS2, RS3, RT or RM zoning district and that have been in lawful existence for 20 or more years, the density of such *residential buildings* may be increased in accordance with Section 17-9-0131 by 33% of the number of lawfully established *dwelling units*, other than *conversion units*, that have been in existence in the *residential building* for 20 or more years; provided, however, that if such *residential building* contains a single *dwelling unit*, the density of such *residential building* may be increased by one *dwelling unit*. If this 33% calculation results in a fractional number, any fractional result of 0.5 or more must be rounded up to the next consecutive whole number; and any fractional result of less than 0.5 must be rounded down to the previous consecutive whole number.

(Omitted text is unaffected by this ordinance)

SECTION 12. Section 17-7 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by inserting a new Section 17-7-0570, as follows:

17-7-0570 Additional Dwelling Unit-Allowed Areas.

17-7-0571 Purpose. Establish initial designated areas that allow for organic, contextual growth in the existing housing stock to create additional, unsubsidized, affordable housing for moderate- and low-income tenants, allow multigenerational living arrangements, allow owners to retain property ownership while downsizing living space or allow owners to create additional revenue streams to defray property tax costs, home maintenance costs, or other costs. These Additional Dwelling Unit-Allowed Areas represent a cross-section of neighborhood types in terms of market conditions, housing stock, and geography, and will allow for the evaluation of *conversion units* and *coach houses* in a variety of contexts in order to reassess best practices for the regulation, expansion, contraction or elimination of Additional Dwelling Unit-Allowed Areas.

17-7-0572 Boundaries. Additional Dwelling Unit-Allowed Areas are defined and identified, as follows:

North Zone is bounded by Devon, the lakefront, Lawrence, Clarendon, Halsted, Diversey, Lincoln, Belmont, the North Branch of the Chicago River, the North Shore Channel, Peterson, California, Granville, and Seeley.

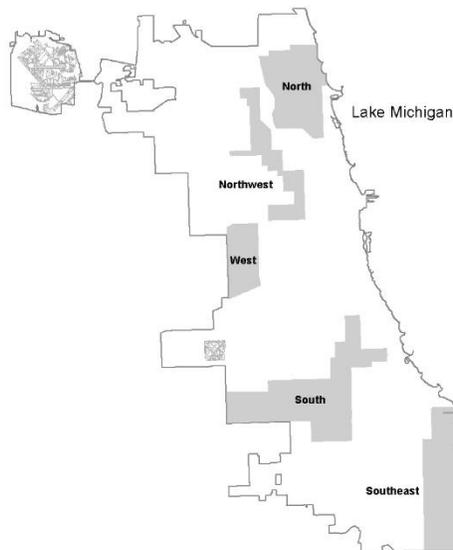
Northwest Zone is bounded by the Eisenhower Expressway, Sacramento, Fulton, Damen, Chicago, Western, Hirsch, Rockwell, North, Sacramento, Bloomingdale, Kedzie, Palmer, Kostner, Fullerton, Central Park, Belle Plaine, Lawndale, Montrose, Harding, Lawrence, Kedzie, Elston, California, Fullerton, Western, North, and Ashland.

West Zone is bounded by the Eisenhower Expressway, Homan, the South Branch of the Chicago River, and 4600 West.

South Zone is bounded by Cicero, 7500 South, Kedzie, 71st St., Halsted, 63rd St., 600 West, 47th St., King, 60th St., Dorchester, 65th St., Cottage Grove, 67th St., the Dan Ryan Expressway, 95th St., Ashland, and 87th St.

Southeast Zone is bounded by 8300 South, the city limits, Torrence, 95th St., Commercial, 83rd Pl., and Houston.

Figure 17-7-0570



(Note: This map is provided for illustrative purpose only: Additional Dwelling Unit-Allowed Area boundaries may be amended only through text amendment procedures.)

SECTION 13. Section 17-9-0100 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by inserting the language underscored, as follows:

17-9-0100 Use Standards.

(Omitted text is unaffected by this ordinance)

17-9-0131 Conversion Units

1. A building permit for a conversion unit may not be issued for a zoning lot located outside of an Additional Dwelling Unit-Allowed Area.

2. Prior to issuance of a building permit for a new conversion unit, the permit applicant must provide written notice to abutting property owners and to the local alderman. The written notice must include: (a) the street address of the existing building; (b) a statement that a conversion unit will be established at the address; and (c) the name and mailing address of the applicant. The applicant must submit a written affidavit certifying compliance with the notice requirements with the permit application.

3. Conversion units are subject to Section 17-2-0303-C.

4. Conversion units are not subject to the minimum lot area per unit provisions of Sections 17-2-0303-A, 17-7-0702, 17-7-0802, 17-7-0902 or 17-7-1104.

5. Conversion units are not subject to the open space provisions of Sections 17-2-0307 or 17-2-0308.

6. Conversion units may be established without corresponding accessory parking.

7. Conversion units must be maintained as affordable housing units to the extent required under Section 2-44-106.

8. Conversion units may not be established on any zoning lot that contains a coach house.

9. Conversion units may not be rented, leased, or otherwise made available for compensation of any type for transient occupancy, as defined in Section 4-6-290, by persons other than members of the unit owner's or tenant's household. In addition to any other penalty provided by law, any person who violates this Section 17-09-0131(9) will be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 dollars for each offense. Each day that a violation continues constitutes a separate and distinct offense. The Department of Planning and Development, Department of Housing, Department of Buildings, and Department of Business Affairs and Consumer Protection are each authorized to enforce this Section 17-09-0131(9).

10. The following additional requirements apply to *conversion units* in the West, South, and Southeast Zones of Additional Dwelling Unit-Allowed Areas:

- a. A building permit may not be issued to add a *conversion unit* to a *zoning lot* with three or fewer established *dwelling units* unless the *principal building* on the *zoning lot* is owner-occupied at the time of permit application.
- b. A building permit may not be issued to add a *conversion unit* to a *zoning lot* where two other *zoning lots* on the same *block face* and opposite *block face* have obtained permits to add a *conversion unit* or *coach house unit* during the same calendar year.

SECTION 14. Section 17-9-0200 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

17-9-0200 Accessory uses, buildings and structures.

17-9-0201 General.

(Omitted text is unaffected by this ordinance)

17-9-0201-F Coach Houses

1. A building permit for a new *coach house* unit may not be issued for a *zoning lot* located outside of an Additional Dwelling Unit-Allowed Area.
2. Prior to issuance of a building permit for a new *coach house* unit, the permit applicant must provide written notice to abutting property owners and to the local alderman. The written notice must include: (a) the street address of the property where a *coach house* unit will be established; (b) a statement that a *coach house* unit will be established at the address; and (c) the name and mailing address of the applicant. The applicant must submit a written affidavit certifying compliance with the notice requirements with the permit application.
3. *Coach houses* may not reduce any existing on-site, *accessory parking* required to serve the existing *principal building* on the *zoning lot*.
4. *Coach houses* may be established without *accessory parking* to serve the *coach house*.
5. *Coach houses* may not exceed 22 feet in *building height*.
6. Rooftop features may not exceed 22 feet in overall height above grade.

7. At least three feet of open space that is unobstructed and unoccupied from its lowest level to the sky must be provided between the *coach house* and at least one *side property line* for the entire length of the building wall, except when a *side property line* abuts an *alley* or *street*.

8. A minimum separation of 15 feet must be provided between the *rear wall* of the *principal building* and the *front wall* of the *coach house*.

9. A *dwelling unit* within a *coach house* may not exceed 700 square feet of floor area. Only one *dwelling unit* is permitted per *coach house*.

10. *Coach houses* in any RS2, RS3, RT or RM zoning district are not subject to the minimum *lot area* provisions of Sections 17-2-0303-A, 17-7-0702, 17-7-0802, 17-7-0902 or 17-7-1104.

11. *Coach houses* in any RS2, RS3, RT or RM zoning district are not subject to the open space provisions of Sections 17-2-0307 or 17-2-0308; but are subject to Chapter 16-18 of this Code.

12. *Coach houses* in any RS2, RS3, RT or RM zoning district are not subject to the *floor area ratio* provisions of Section 17-2-0304-A.

13. When established prior to the *principal building* on a *zoning lot*, a *coach house* must be located entirely within the *rear setback* of the *zoning lot* in accordance with this Section 17-9-0201 and will be exempt from the *rear setback* requirements of Section 17-2-0306.

14. The combination of all *accessory buildings* may not occupy more than 60% of the area of a required *rear setback*.

15. *Coach houses* may not be established on any *zoning lot* that contains a *conversion unit*.

16. *Coach houses* may not be established if the *principal building* contains more than four lawfully established *dwelling units*.

17. *Dwelling units* contained within *coach houses* lawfully established after May 1, 2021 may not be rented, leased, or otherwise made available for compensation of any type for transient occupancy, as defined in Section 4-6-290, by persons other than members of the unit owner's or tenant's *household*. In addition to any other penalty provided by law, any person who violates this Section 17-09-0201-F(16) will be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 dollars for each offense. Each day that a violation continues constitutes a separate and distinct offense. The Department of Planning and Development, Department of Housing, Department of Buildings and Department of Business Affairs and Consumer Protection are each authorized to enforce this Section 17-09-0201-F(16).

18. The following additional requirements shall apply to *coach houses* in the West, South, and Southeast Zones of the Additional Dwelling Unit-Allowed Areas:

- a. A building permit may not be issued to add a *coach house* unit to a *zoning lot* with three or fewer established *dwelling units* unless the *principal building* on the *zoning lot* is owner-occupied at the time of permit application.
- b. A building permit may not be issued to add a *coach house* unit to a *zoning lot* where two other *zoning lots* on the same *block face* and opposite *block face* have obtained permits to add a *conversion unit* or *coach house* unit during the same calendar year.

(Omitted text is unaffected by this ordinance)

SECTION 15. Section 17-17-0100 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

17-17-0100 Use group and category description.

(Omitted text is unaffected by this ordinance)

17-17-0104-S Lodging. Provision of *lodging* services on a temporary basis with incidental food, drink, and other sales and services intended for the convenience of guests. The following are *lodging* use types:

1. **Bed and Breakfast.** An owner-occupied, detached house or an owner-occupied *dwelling unit* within a multi-unit *residential building* that does not exceed 4 stories in height and contains no more than 11 sleeping rooms or an owner-occupied condominium, townhouse or cooperative in which 11 or fewer sleeping rooms are available for rent ~~on~~ or for hire for transient occupancy by registered guests. For purposes of this definition, the term “bed and breakfast” does not include ~~single-room occupancy~~ *single-room occupancy buildings*. If the bed and breakfast is a detached house located on a lot that includes a principal house and an *accessory building* that was being used for residential purposes as of January 16, 2003, the *accessory building* ~~that~~ will be considered to be part of the establishment.

2. **Hotel/Motel.** An establishment containing ~~12~~ 7 or more guest rooms and in which short-term *lodging* is offered for compensation and which may or may not include the service of one or more meals to guests. Typical *uses* include hotels, motels and transient boarding houses. For purposes of this definition, the term “hotel/motel” does not include *single-room occupancy buildings* or *bed and breakfast* establishments.

3. **Vacation Rental.** A *dwelling unit* that contains 6 or ~~less~~ fewer sleeping rooms that are available for rent or for hire for transient occupancy by guests. The term “guests” does not

include members of the owner's ~~household~~ household. The term "vacation rental" shall not include: (i) ~~single-room occupancy buildings~~; (ii) ~~bed and breakfast~~ bed and breakfast establishments, as that term is defined in Chapter 14B-2 of this Code; (iii) ~~hotels/motels~~, as that term is defined in Section 4-6-180 of this Code; (iv) any dwelling unit for which a tenant has a month-to-month rental agreement, as that term is defined in Section 5-12-030 and the rental payments are paid on a monthly basis; ~~or~~ (v) ~~Corporate Housing~~ corporate housing, as that term is defined in Section 4-6-300 4-14-010; ~~or~~ (vi) ~~"guest suites"~~ guest suites, as that term is defined in Section 4-6-300; ~~or~~ (vii) shared housing units registered pursuant to Chapters 4-13 and 4-14 of this Code; (viii) conversion units; or (ix) coach houses lawfully established after May 1, 2021.

4. Shared Housing Unit. "Shared housing unit" means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term "shared housing unit" shall does not include: (1) ~~single-room occupancy~~ single-room occupancy buildings; (2) ~~hotels~~ hotels/motels; (3) corporate housing, as defined in Section 4-14-010; (4) guest suites, as defined in Section 4-6-300; (5) ~~bed and breakfast~~ bed and breakfast establishments; ~~or~~ (6) vacation rentals; (7) conversion units; or (8) coach houses lawfully established after May 1, 2021.

(Omitted text is unaffected by this ordinance)

SECTION 16. Section 17-17-0200 of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, is hereby amended by inserting the underscored language, as follows:

17-17-0200 General Terms.

(Omitted text is unaffected by this ordinance)

17-17-0234.6 Coach House. An accessory building meeting the requirements of Section 17-9-0201-F and containing one dwelling unit.

(Omitted text is unaffected by this ordinance)

17-17-0240.6 Conversion Unit. A dwelling unit that is: (i) either newly constructed or rehabilitated for reuse, and (ii) located within a principal residential building that has been in lawful existence for 20 or more years, and (iii) established in accordance with Sections 17-2-0303-C and 17-9-0131.

(Omitted text is unaffected by this ordinance)

SECTION 17. This ordinance shall take full force and effect ten days after its passage and publication. Provided, however, that no building permit application for a conversion unit or coach house shall be accepted by the Department of Buildings until May 1, 2021.