

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 deleting the struck through language, and by inserting the underscored language, as follows:

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

(a) The Commissioner shall have the authority to charge fees in the amount specified and provided in this section for the processing of program applications and program administration and closing costs of programs administered by the Department. Such fees shall not be refundable and shall not guarantee approval of an application or adequacy of funding. The amount of fees shall be as follows:

(Omitted text is unaffected by this ordinance)

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

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 2-44-106 of the Municipal Code of Chicago, is hereby amended by deleting the struck through language, and by inserting the underscored language, as follows:

2-44-106 ~~Affordable conversion~~ Additional dwelling units.

(a) *Title.* This section shall be known and cited as the "~~Affordable Conversion~~ Additional Dwelling Unit Ordinance" or "~~ACU Ordinance~~".

(b) *Purpose.* This section establishes affordability requirements for certain ~~conversion units~~ ADUs 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.~~

"Additional Dwelling Unit" or "ADU" means a coach house, as defined in Section 17-17-0234.6, or a conversion unit, as defined in Section 17-17-240.6.

"Affordable Conversion Unit ADU(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 and, if occupied, rented 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~~ 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~~ median 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.~~

(Omitted text is unaffected by this ordinance)

(d) ~~Affordable ADUs conversion units – Required when.~~ If, pursuant to Sections 17-2-0303-C, 17-3-0308, or 17-9-0201-F, two or more ~~conversion units~~ ADUs are added, either separately or in any combination, at any time after ~~the effective date of this ACU Ordinance~~ May 1, 2021, 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~~ ADUs 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 Prior to~~ the application by a building owner for a building permit with the Department of Buildings for an ADU conversion unit, the Department of Housing will advise the owner whether any of the proposed ADUs ~~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 ADUs ~~units~~ as affordable housing unit(s), the owner shall register those designated Affordable ~~Conversion Unit(s)~~ ADUs with the Department of Housing in accordance with rules duly promulgated by the Commissioner. Such registration shall be accompanied by the Affordable ~~Conversion Unit~~ ADU Initial Registration Fee for each Affordable ~~Conversion Unit~~ ADU, as set forth in Section 2-44-065, to defray the costs of administering this section.

(f) ~~Recorded notice – Required.~~ For each Affordable ADU 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 ADU Conversion Unit is located indicating that such Affordable ADU 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.~~ For the purposes of this subsection (g), all italicized terms have the meaning set forth in Title 17 of this Code. No building permit shall be issued by the Department of Buildings for any ADU unless the Department of Housing certifies, i.e. pre-certifies, that: Affordable Conversion Unit until: (i) the applicant for such permit provided 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.

(1) In the zoning districts specified in the table below, no more than the specified number of pre-certifications for ADUs have been granted on the same *block face* and opposite *block face* combined, during the same calendar year, unless the restriction is lifted by ordinance in accordance with this subsection (g):

<u>Zoning district</u>	<u>Maximum number of pre-certifications</u>
RS1	1
RS2	2
RS3	3

(2) Where the *principal building* on the *zoning lot* is a *detached house* at the time of pre-certification, that the *detached house* is owner-occupied, or this restriction has been lifted via an ordinance that complies with this subsection (g);

(3) The applicant for such pre-certification has provided the Department a copy of any recorded notice required under subsection (f) of this section;

(4) The Department has provided electronic notice to the local alderman including the street address of the existing building, and the name and mailing address of the applicant.

The City Council may from time to time allow additional ADUs in a specified area of the City, subject only to the conditions and procedures described in this subsection (g). An ordinance to allow additional ADUs, beyond the maximum number of pre-certifications specified in (g)(1) or for non-owner-occupants in principal buildings as specified in (g)(2), in a specified area must:

- (i) identify the area by boundaries; and
- (ii) cover an area including no less than the area granted on one *block face* and opposite *block face* combined; and
- (iii) contain a description of the conditions requiring the allowance of additional ADUs.

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

(i) *Duration of affordability requirement.* Each Affordable ADU 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 ADUs 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 ADU 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 plaintiffs 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 Additional Dwelling Units ~~conversion units, including but not limited to Affordable ADU Conversion Unit 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, or property owners who commit to developing Additional Dwelling Units for low- and moderate-income households, with the construction, or rehabilitation of Additional Dwelling Units (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. Annual reporting requirement. By March 31 of each year beginning in 2027, the Department will issue a report to the Committee on Zoning, Landmarks and Building Standards detailing the number and distribution of ADUs pre-certified by the Department and building permits issued as a result of those pre-certifications by the Department of Buildings during the prior calendar year.~~

SECTION 3. Chapter 17-2 of the Municipal Code of Chicago is hereby amended by deleting the struck through language and inserting the underscored language, as follows:

(Omitted text is unaffected by this ordinance)

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											
<i>(Omitted text is unaffected by this ordinance)</i>											
7.	Conversion Unit within Additional Dwelling Unit Allowed Areas	P-	P	P	P	P	P	P	P	17-2-0303-C & 17-9-0131	
8.	Coach House within Additional Dwelling Unit Allowed Areas	P-	P	P	P	P	P	P	P	17-9-0201-F	
<i>(Omitted text is unaffected by this ordinance)</i>											

(Omitted text is unaffected by this ordinance)

17-2-0303-C Conversion Unit. ~~Within Additional Dwelling Unit Allowed Areas, in~~ In the case of building permit applications for the repair, remodeling, or alteration of principal 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.

SECTION 4. Chapter 17-3 of the Municipal Code of Chicago is hereby amended by deleting the struck through language and inserting the underscored language, as follows:

17-3-0200 Allowed Uses.

(Omitted text is unaffected by this ordinance)

17-3-0207 Use Table and Standards

USE GROUP		Zoning Districts						Use Standard	Parking Standard
Use Category		B1	B2	B3	C1	C2	C3		
	Specific Use Type								
P = permitted by right S = special use approval req'd PD = planned development approval req'd - = not allowed									
RESIDENTIAL									
A. Household Living									

(Omitted text is unaffected by this ordinance)									
3.	Dwelling Units located above the ground floor	P	P	P	P	P	-		17-10-0207-C
4.	Dwelling Units located below the second floor (as follows)								
4a.	Detached House	S	P	S	S	S	-	§ 17-3-0307.2	17-10-0207-A
4b.	Elderly Housing	S	P	S	S	S	-	§ 17-3-0307.3	17-10-0207-D
4c.	Multi-Unit (3+ units) Residential	S	P	S	S	S	-	§ 17-3-0307.2	17-10-0207-C
4d.	Single-Room Occupancy	S	P	S	S	S	-		17-10-0207-B
4e.	Townhouse	S	P	S	S	S	-	§ 17-2-0500	17-10-0207-A
4f.	Two-Flat	S	P	S	S	S	=	§ 17-3-0307.2	17-10-0207-A
5.	Conversion Unit	<u>P/S</u>	<u>P</u>	<u>P/S</u>	<u>P/S</u>	<u>P/S</u>	=	<u>17-3-0309;</u> <u>17-9-0131</u>	
6.	Coach House	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	=	<u>17-9-0201-F</u>	

(Omitted text is unaffected by this ordinance)

17-3-0309 Conversion Unit. In the case of building permit applications for the repair, remodeling, or alteration of *principal residential buildings* that are located in any B, C1, or C2 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 5. Section 17-7-0570 of the Municipal Code of Chicago, including subsections 17-7-0571 and 17-7-0572, and Figure 17-7-0570, is hereby repealed in its entirety.

SECTION 6. Chapter 17-9 of the Municipal Code of Chicago is hereby amended by deleting the struck through language and inserting the underscored language, as follows:

17-9-0100 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 1. Conversion units are subject to Sections 17-2-0303-C, 17-3-0309, and Chapter 16-18 of this Code.~~

~~4 2. Conversion units are not subject to the minimum lot area per unit provisions of Sections 17-2-0303-A, 17-3-0402-A, 17-7-0702, 17-7-0802, 17-7-0902 or 17-7-1104.~~

~~5 3. Conversion units are not subject to the open space provisions of Sections 17-2-0307 or 17-2-0308.~~

~~6 4. Conversion units may be established without corresponding accessory parking.~~

~~7 5. Conversion units must be maintained as affordable housing units to the extent required under Section 2-44-106.~~

~~8 6. In any B or C zoning district, except a B2 or C3 district, conversion units below the second floor may be authorized by-right only if at least 40% of the ground floor fronting the public way is devoted to commercial use. Any other conversion unit must be approved as a special use. Conversion units may not be established on any zoning lot that contains a coach house.~~

~~9 7. 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 17-9-0131(9) will be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 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 17-9-0131(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.~~

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

(Omitted text is unaffected by this ordinance)

17-9-0201 General.

(Omitted text is unaffected by this ordinance)

17-9-0201-C An accessory building or structure, other than ~~a coach house constructed pursuant to Section 17-9-0201-F(13)~~ or a produce stand established pursuant to Section 17-9-0302, may not be constructed on any lot before the construction of the principal building to which it is accessory.

(Omitted text is unaffected by this ordinance)

17-9-0201-E No accessory building or structure located in a required rear setback, other than a coach house, may exceed 15 feet in height. (See Sec. Section 17-17-0311 for measurement of height.)

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. In B or C zoning districts, a coach house may only be established in the rear 30 feet of the lot depth.~~

2. ~~Reserved. 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 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. ~~Coach houses may not reduce any existing on-site, accessory parking required to serve the existing principal building on the zoning lot. Accessory parking required to serve the principal residential building on the same zoning lot as the coach house may be reduced or waived pursuant to an administrative adjustment authorized pursuant to Section 17-13-1003-OO.~~

(Omitted text is unaffected by this ordinance)

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; provided, however, that on zoning lots which measure less than 125 feet between the front property line and the rear property

line, such separation distance may be reduced to no less than 10 feet, when approved as an administrative adjustment pursuant to Section 17-13-1003-PP.

9. ~~A dwelling unit within a coach house may not exceed 700 square feet of floor area, exclusive of interior stairs which directly access the dwelling unit. 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, 17-3-0402-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. Provided, however, that coach houses may not reduce existing open space required under Sections 17-2-0307 or 17-2-0308 that serves the principal building on the zoning lot. All coach houses 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 or 17-3-0403-A.~~

13. ~~A coach house may not be constructed on a lot before the construction of the principal building to which it is accessory. 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-F and will be exempt from the rear setback requirements of Section 17-2-0306-B.~~

(Omitted text is unaffected by this ordinance)

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

16. ~~Coach houses must be maintained as affordable housing units to the extent required under Section 2-44-106 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(167) will be subject to a fine of not less than \$1,500.00 nor more than \$3,000.00 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(167).~~

18. ~~The following additional requirements shall apply to coach houses in the West, South, and Southeast Zones of 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 7. Chapter 17-13 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

17-13-1000 Administrative Adjustments

(Omitted text is unaffected by this ordinance)

17-13-1003-NN Below the Second Floor Commercial Conversion to Residential.

(Omitted text is unaffected by this ordinance)

17-13-1003-OO Coach House Parking Relief.

1. The parking requirements of Section 17-10-0207, as they apply to the principal residential building on the zoning lot, may be reduced or waived pursuant to Section 17-13-1007 through the administrative adjustment procedure when a coach house is constructed or expanded on the same zoning lot.

2. Such administrative adjustment may be approved only when the Zoning Administrator determines that the proposed adjustment meets the general approval criteria of Section 17-13-1007-B.

17-13-1003-PP Coach House Separation from Principal Building Relief.

1. The 15 feet separation requirement of Section 17-9-0201-F(8) may be reduced to not less than 10 feet only on zoning lots which measure less than 125 feet between the front property line and the rear property line.

2. Such administrative adjustment may only be approved when the Zoning Administrator determines that:

(a) the reduction is supported by the Department of Buildings and Fire Department; and,

(b) the proposed adjustment meets the general approval criteria of Section 17-13-1007-B.

(Omitted text is unaffected by this ordinance)

SECTION 8. Chapter 17-17 of the Municipal Code of Chicago is hereby amended by deleting the struck through language and inserting the underscored language, as follows:

17-17-0300 Measurements.

(Omitted text is unaffected by this ordinance)

17-17-0309 Features Allowed to Encroach in Required Setbacks. Required setbacks in all districts must be unobstructed and unoccupied from the ground to the sky except that features are allowed to encroach into required setbacks to the extent indicated in the following table:

Obstruction/Projection into Required Setback	Front	Side	Rear
<i>(Omitted text is unaffected by this ordinance)</i>			
<i>Coach houses</i> meeting the requirements of Section 17- 29 -201-F. <i>Coach houses</i> that are constructed adjacent to a public <i>alley</i> must be set back at least two feet from the <i>rear property line</i> ; provided, however, that this two-foot setback is not required if the <i>coach house</i> is located at least ten feet from the centerline of the <i>alley</i> , as evidenced by a survey or other similar evidence provided by the applicant and deemed acceptable by the Zoning Administrator	No	No	Yes
<i>(Omitted text is unaffected by this ordinance)</i>			

SECTION 9. This ordinance shall take full force and effect on February 1, 2026.