



# City of Chicago



O2014-5685

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:**

6/25/2014

**Sponsor(s):**

Emanuel (Mayor)  
Burns (4)  
Burnett (27)  
Moreno (1)  
Pawar (47)  
Moore (49)  
Smith (43)  
Dowell (3)  
Lane (18)  
Reboyas (30)  
Suarez (31)  
Thompson (16)

**Type:**

Ordinance

**Title:**

Moratorium on issuance of permits for conversion or demolition of existing single-room occupancy buildings and residential hotels

**Committee(s) Assignment:**

Committee on Housing and Real Estate

## ORDINANCE

**WHEREAS**, The City of Chicago is a home-rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, The City's home-rule authority includes the power to enact ordinances and regulations aimed at helping individuals and families facing homelessness in Chicago gain access to safe, decent, and affordable housing, as well as the power to provide the support needed to sustain that housing; and

**WHEREAS**, Single-room occupancy buildings (SROs) and residential hotels are often the housing of last resort for the poor; and

**WHEREAS**, The City Council has determined that SROs and residential hotels are an essential component of the City's affordable housing supply; and

**WHEREAS**, SROs and residential hotels are increasingly scarce due to sale and other market forces; and

**WHEREAS**, The number of SROs and residential hotels in Chicago has declined dramatically in recent years. At the beginning of 2009, there were 103 licensed SROs in the City; today, there are only 73. From 2011 to date, developers have converted more than 1,600 SRO and residential hotel units to different uses. For example, the City lost 430 units when the Belair Hotel and Sheffield House closed in 2011. And 2013 saw the closing of the 190-unit Tokyo Hotel, the 138-unit Chateau Hotel, and the 100-unit New Jackson Hotel; and

**WHEREAS**, The loss of these effectively irreplaceable forms of affordable housing could force low income households into homelessness, subjecting many more persons and families to inhumane living conditions and increased crime; and

**WHEREAS**, Increased numbers of homeless persons would add to the already practically overwhelming burden on public and non-profit agencies that provide protective care, social services, healthcare, psychological counseling, nutritional programs, and other necessary support to this population; and

**WHEREAS**, For these reasons, the City has a vital interest in preserving the existing housing affordable to low-income households by discouraging the demolition of SROs and residential hotels, as well as their conversion to other residential and commercial uses; now, therefore,

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

**SECTION 1.** The recitals set forth above are incorporated herein by reference as findings of fact and made a part hereof.

**SECTION 2.** As used in this ordinance:

"Covered property" means any Single-Room Occupancy Building, Single-Room Occupancy Unit, Residential Hotel, or Residential Hotel Unit in the City of Chicago.

"Commissioner" means the commissioner of buildings.

"Conversion" means any action that transforms all or part of a Covered Property into any type of use, residential or non-residential, that does not fall under the category of Covered Property.

"Demolition" means any action resulting in the complete or partial, interior or exterior, destruction of a Covered Property, or the combination of two or more units in a Covered Property to make a larger unit, or any other action that results in the reduction of the number of units in a Covered Property.

"Residential Hotel" means any building or structure kept, used, maintained, or advertised or held out to the public, as of the date this ordinance is introduced, to be an inn, hotel, motel, family hotel, apartment hotel, lodging house, or other place where furnished sleeping or rooming accommodations are made available for hire or rent, with or without meals, and in which seven or more sleeping rooms are used or maintained for the primary residence of guests, lodgers, or roomers who reside in the property for at least 32 consecutive days, and pay rent to the owner. The term "Residential Hotel" does not include any hospital, convent, monastery, extended care facility, asylum, not-for-profit home for the aged, temporary overnight shelter, transitional shelter or residence, domestic violence shelter or residence, community home, or dormitory owned and operated by an elementary school, high school, or institution of higher learning. For purposes of this definition, a person is not a guest, lodger, or roomer if his or her employer pays, directly or through reimbursement, the costs of his or her lodging.

"Residential Hotel Unit" means a room within a Residential Hotel used as, or intended to be used as, a residential housekeeping for living or sleeping.

"Single-Room Occupancy Building" and "Single-Room Occupancy Unit" have the meanings ascribed those terms in section 13-4-010 of the Municipal Code of the City of Chicago.

**SECTION 3.** A moratorium is hereby imposed on the issuance of any building permit where the proposed scope of work would result in the Conversion or Demolition of any portion of a Covered Property, or for any work that requires a building permit at the location where any portion of a Covered Property was subjected to Conversion or Demolition after the introduction of this ordinance. This moratorium shall expire either on the 181st day after the date this ordinance goes into effect, or on the date a superseding ordinance addressing the Conversion or Demolition of Covered Properties goes into effect, whichever comes first.

**SECTION 4.** The moratorium imposed by this ordinance shall not apply to any development agreement or other agreement specifically authorized by the City Council prior to the date this ordinance goes into effect.

**SECTION 5.** The Commissioner is authorized to develop standards, procedures, and forms necessary to determine whether a particular permit applicant seeks permission to perform work prohibited by the moratorium described in section 3 of this ordinance. If a permit application is denied on the ground that it is subject to the moratorium described in section 3 of this ordinance, the applicant may file a written objection to the denial, in a form prescribed by the Commissioner. Any such objection shall be strictly limited to the issue whether the denied application seeks permission to perform work subject to the moratorium described in section 3 of this ordinance. The Commissioner shall rule on each objection within 21 days of receipt.

Where the Commissioner sustains an objection made pursuant to this section, she shall allow the permit application to proceed through the standard steps for processing such applications. Where the Commissioner overrules an objection made pursuant to this section, the applicant shall have 14 days to appeal that decision by submitting to the Commissioner a written request for a hearing before the City's department of administrative hearings. Such request shall be deemed effective when received by the Commissioner. Upon receipt of a timely request for a hearing, the Commissioner shall institute an action before the department of administrative hearings. The decision of the department of administrative hearings shall be subject to review pursuant to applicable law.

**SECTION 6.** If any provision, clause, sentence, paragraph, section, or part of this ordinance shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of the ordinance. It is hereby declared to be the legislative intent that this ordinance would have nevertheless been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

**SECTION 7.** Any application for a building permit to perform work that would be prohibited by the moratorium described in section 3 of this ordinance that is filed during the period beginning on the date this ordinance is introduced and ending on the date this ordinance goes into effect shall be subject to the following process: The application shall be placed on file and not acted upon for a period lasting up to 60 days after the date this ordinance is introduced. If this ordinance does not become law within 60 days following its introduction, the application shall proceed through the standard steps for processing such applications. If this ordinance becomes law within 60 days following its introduction, the application shall be subject to the moratorium imposed by, and other provisions of, this ordinance.

**SECTION 8.** This ordinance shall take effect upon passage and approval, and shall apply retroactively in the manner provided in section 7 above.

Chicago City Council Co-Sponsor Addition/Change

Document No.: 02014-5685

Subject: SRO Moratorium; Permits required

Please Add Or Change The Co-Sponsor As Shown Below.

Alderman Ray Suarez (31 Ward)

Alderman Pat Dowell (3 Ward)

Alderman Lona Lane (18 Ward)

Alderman Ariela Reboyras (30 Ward)

Alderman JoAnn Thompson (16 Ward)

Please Remove Or Change The Co-Sponsor As Shown Below.

Alderman \_\_\_\_\_ ( \_\_\_\_\_ Ward)

Alderman \_\_\_\_\_ ( \_\_\_\_\_ Ward)

Alderman \_\_\_\_\_ ( \_\_\_\_\_ Ward)

Alderman \_\_\_\_\_ ( \_\_\_\_\_ Ward)

Alderman \_\_\_\_\_ ( \_\_\_\_\_ Ward)

Date Filed \_\_\_\_\_

Signature \_\_\_\_\_

Principal Sponsor

Final copies to be filed with:

- Chairman of Committee to which legislation was referred
- City Clerk

RECEIVED  
#3

2014 JUL 29 PM 2: 17

OFFICE OF THE  
CITY CLERK

HSG-



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

June 25, 2014

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Buildings, I transmit herewith, together with Aldermen Burnett, Moreno, Burns, Smith, Pawar and Moore, an ordinance regarding SROs and residential hotels.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



CITY COUNCIL - CITY OF CHICAGO  
CITY HALL, ROOM 200  
121 NORTH LA SALLE STREET  
CHICAGO, ILLINOIS 60602  
TELEPHONE: (312) 744-6102  
FAX: (312) 744-0770  
RSUAREZ@CITYOFCHICAGO.ORG

**RAY SUAREZ**  
ALDERMAN, 31<sup>ST</sup> WARD  
VICE MAYOR - CITY OF CHICAGO

4502 WEST FULLERTON AVENUE  
CHICAGO, ILLINOIS 60639  
TELEPHONE: (773) 276-9100  
FAX: (773) 276-2596

WWW.WARD31.COM

COMMITTEE MEMBERSHIPS:  
HOUSING AND REAL ESTATE  
(CHAIRMAN)  
COMMITTEES, RULES AND ETHICS  
(VICE-CHAIRMAN)  
AVIATION  
BUDGET AND GOVERNMENT OPERATIONS  
FINANCE  
TRANSPORTATION AND PUBLIC WAY  
WORKFORCE DEVELOPMENT AND AUDIT  
ZONING, LANDMARKS AND BUILDING STANDARDS

**July 30, 2014**  
**CHICAGO, ILLINOIS**

**TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:**

Your Committee on Housing and Real Estate which was referred an ordinance introduced together with Alderman Walter Burnett Jr. (27<sup>th</sup> Ward), Alderman Joe Proco Moreno (1<sup>st</sup> Ward), Alderman Will Burns (4<sup>th</sup> Ward), Alderman Michele Smith (43<sup>rd</sup> Ward), Alderman Ameya Pawar (47<sup>th</sup> Ward), Alderman Joe Moore (49<sup>th</sup> Ward), Alderman Ray Suarez (31<sup>st</sup> Ward), Alderman Lona Lane (18<sup>th</sup> Ward), Alderman Ariel E. Reboyras (30<sup>th</sup> Ward), Alderman Pat Dowell (3<sup>rd</sup> Ward) and Alderman JoAnn Thompson (16<sup>th</sup> Ward) regarding conversion or demolition of existing Single-room Occupancy buildings (SROs) and residential hotels or requiring permits at locations where any portion of property subject to conversion or demolition.  
(O2014-5685)

Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed ordinance transmitted herewith.

This recommendation was concurred in by a unanimous vote of the members of the committee present with no dissenting votes.

(signed)

Ray Suarez, Chairman

Committee on Housing & Real Estate