



City of Chicago



R2019-849

Office of the City Clerk

Document Tracking Sheet

Meeting Date:

11/13/2019

Sponsor(s):

Mitts (37)
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Dowell (3)
Hopkins (2)
Maldonado (26)
Osterman (48)
Sawyer (6)
Mitchell (7)
Harris (8)
Rodriguez (22)
Quinn (13)
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Tabares (23)
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Martin (47)
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Vasquez, Jr. (40)
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Curtis (18)
Coleman (16)
Ervin (28)

Type:

Resolution

Title:

Call for hearing(s) on improving operational efficiency of
Chicago Shared Housing Ordinance

Committee(s) Assignment:

Committee on License and Consumer Protection

RESOLUTION

WHEREAS, On June 22, 2016, the Chicago City Council enacted a Shared Housing Ordinance, amending Titles 2, 3, 4 and 17 of the Chicago Municipal Code, in order to regulate the growth in Chicago of short-term rental activity facilitated by the creation of online marketplaces, such as Airbnb and HomeAway, which connect local residents and travelers seeking unique cultural experiences and accommodations, at a competitive price, while they travel. The Ordinance was signed into law by then-Mayor Rahm Emanuel on June 24, 2016; and

WHEREAS, A relatively new and emerging business model at the time based on the concept of the “sharing economy” – an economic system in which assets or services are shared between private individuals, either free or for a fee, typically by means of the Internet – Airbnb now boasts more than 500,000 short-term housing stays per night in approximately 65,000 cities and 191 countries worldwide. In Chicago, between July 2017 and May 2018, roughly 5,700 Airbnb hosts successfully applied for a registration number authorizing them to rent their dwelling unit to guests on a short-term basis, and an additional 1,770 decisions were pending; and

WHEREAS, Chicago’s 2016 Shared Housing Ordinance was an early attempt by a major municipality in the United States to regulate this burgeoning new industry, and to balance the myriad benefits and problems created by this type of short-term rental activity; and

WHEREAS, It is no easy task to balance the desire of some City residents, who wish to generate extra income for themselves by listing their residence on a platform for short-term rental by guests or who do so for the pure enjoyment of meeting new people from different cultures, against the desire of other City residents, who wish to preserve the tranquility and distinctively residential character of the building or neighborhood they call home or who have legitimate concerns about large-scale investors or tourists overwhelming an area and driving up housing prices to the detriment of the City’s permanent residents. Nor is it an easy task to balance the City’s interest in boosting tourism in Chicago against the hotel industry’s need to prevent unfair competition from similar businesses that may not be subject to similar taxes or regulatory burdens; and

WHEREAS, Complicating this balancing act is the City’s desire to ensure the health and safety of the guests who rent short-term dwelling units in Chicago, while simultaneously preserving the due process rights of the platforms providing short-term rental services, and of its hosts and guests; and

WHEREAS, Chicago is not alone in trying to regulate the house-sharing industry; and

WHEREAS, The City of Chicago is interested in learning from the experience of other municipalities that regulate this industry, and in reflecting on its own experience over the last three years in doing so; now, therefore,

BE IT RESOLVED, That we, the Members of the City Council of the City of Chicago, assembled this thirteenth day of November, 2019, do hereby request the Committee on License and Consumer Protection to hold an informational hearing on Chicago's Shared Housing Ordinance, with a view toward eliciting recommendations to improve its operational efficiency and strike a better balance between the oftentimes conflicting needs of the platforms, hosts, guests and communities engaged in or affected by short-term rental activity; and to call upon appropriate persons from Airbnb, the Chicago Police Department and the Department of Business Affairs and Consumer Protection to testify relative to this matter.

Paul J. Lee 200

Mike 17

Pat Dowell, 3rd

Ben Hopkin 2

Robert M. 26

Pat 75 (6)

Michelle Adams 8th

MDT 22

Mary 13

Silvina Subares (23)

Mary O'Hara 19

Mark 47

Patricia Thompson 11

Emma Mitts

Alderman Emma Mitts, 37th Ward

Nickel Silver 43

Jim 36th

Carrie M. Austin

Carl J. 35

South Wagon

Pat 31st

CLC Te 6 (29)

Jim 30

St. Nigra 39

av/ro/ton

Syba 4

Paul Cato 18

Stephanie Coleman 60