



# Office of the City Clerk

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## Legislation Text

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### PROPOSED RESIDENTIAL WORKERS AND COMMUNITY BENEFITS AMENDMENT (RCBA) TO THE AFFORDABLE REQUIREMENTS ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and may exercise any power related to its local governmental affairs; and

WHEREAS, the City has adopted affordable housing ordinance 2-45-115, cited as the 2015 Affordable Requirements Ordinance or 2015 ARO, in order to create more affordable housing units in all areas of the City and in order to improve the economic and social quality of life in the City; and

WHEREAS, more than 22,000 residential units have been built in Chicago since 2014, with more than 30,000 residential units expected to be built by 2020; and

WHEREAS, the new residential units being built in the City are predominantly market rate, luxury high rise projects; and

WHEREAS, the maintenance and security of these new residential buildings are critical to the public health, safety and welfare of the City and its residents; and

WHEREAS, residential buildings that utilize professionally trained security and maintenance staff, whom are paid living wages and benefits, enhance the safety and security of such residential buildings; and

WHEREAS, the passage of this Amendment will enhance maintenance and security of new residential buildings, and provide for living wage benefits for those workers who are essential to building maintenance and security; and

WHEREAS, the passage of this Amendment will also improve the economic and social quality of life in the City; and

WHEREAS, developers of new residential buildings subject to the City's affordable housing ordinance may make a payment in lieu to the City in order to comply with the affordable housing program; and

WHEREAS, those developers of certain residential housing projects that choose, in whole or in part, to comply with the affordable housing ordinance through the payment of a fee in lieu of the establishment of affordable units to the City, shall also be required to comply with the provisions of this Amendment; now, therefore,

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

SECTION 1: Section 2-45-115(F) of the Municipal Code of Chicago is hereby amended by inserting the underscored language, as follows:

(5) Developers of new residential housing projects containing more than 50 residential units that are subject to this Ordinance, and who choose, in whole or in part, to comply with this Ordinance through payment of a fee in lieu to the City,

shall also be required to comply with the following provisions:

(a) Developer shall have in place, at all required times, a labor peace agreement ("Labor Peace Agreement") with any organization of any kind, or an agency or employee representation committee, in which maintenance and security employees participate and which exists for the purpose, in whole or in part, of dealing with grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work ("Labor Organization"), which requests a Labor Peace Agreement.

(b) The Labor Peace Agreement shall include binding and enforceable provisions") prohibiting the Labor Organization and its members from engaging in, supporting, encouraging or assisting any picketing, work stoppages, boycotts, or any other economic interference by the Labor Organization or by developer's employees for the duration of the Labor Peace Agreement.

(c) Developer shall, upon the City's request, submit to the City a certification, signed by developer and the Labor OrganizationfsL indicating the parties have entered into a mutually enforceable Labor Peace Agreement. If the certification is not submitted, the City shall not issue occupancy permits.

(d) In the event that developer and a Labor Organization are unable to agree to a Labor Peace Agreement within sixty (60) days of the Labor Organization's written request, they shall submit the dispute to a mutually agreed upon mediator to assist the parties in reaching a reasonable Labor Peace Agreement. In the event that developer and a Labor Organization are unable to reach a reasonable Labor Peace Agreement through mediation, the parties shall submit the dispute to the American Arbitration Association ("AAA") for arbitration conducted in accordance with AAA rules. Both the mediator and, if necessary, the arbitrator shall be guided in the determination of a reasonable Labor Peace Agreement by the Labor Peace Agreements entered into in the private sector.

(e) Definitions. For the purposes of this ordinance, the following definitions will apply to this Subsection (5) and Subsection (6):

"Employee" means a person employed by developer who is performing maintenance and security services at the residential housing project and who is paid an hourly rate for his or her work by developer. For purposes of this ordinance, the term "Employee" does not include persons subject to subsection 4(a)(2), subsection 4(a)("3L or Section 6 of the Minimum Wage Law.

"Minimum Wane Law" means the Illinois Minimum Wage Law, 820 ILCS 105/1, et sea., in force on the effective date of this License and as thereafter amended.

"Developer" means the same as defined in Section 2-45-115(B) of the 2015 ARO, and in addition includes all of Developer's contractors, subcontractors, property managers and building managers that provide security and property management services for the residential housing project.

(6) Developer shall meet or exceed ABOMA prevailing rates and benefits.

6.1 Nothing in this Section 6 shall be deemed to interfere with, impede, or in any way diminish the right of developer's Employees to bargain collectively with developer through representatives of their own choosing in order to establish wages or other conditions of work in excess of the applicable minimum standards of the provisions of this Section 6. The requirements of this Section 6 may be waived in a bona Fide collective bargaining agreement, but only if the waiver is set forth explicitly in such agreement in clear and unambiguous terms.

SECTION 2. Section 2-45-115(N)( 1) of the Municipal Code of Chicago is hereby amended by inserting the underscored language, as follows:

(N) Enforcement provisions.

(1) Failure by the developer to pay the required fee in lieu, or provide the on- site or off-site affordable units required by this section, or sell or rent such affordable units in accordance with the requirements of this section, or to comply with the Labor Peace Agreement provisions of this Ordinance, shall be a violation of this section punishable by a fine in an amount equal to two times the payment of fees in lieu required in subsection (F) and, in the case of a residential real estate developer licensed pursuant to Chapter 4-40 of the Municipal Code or any successor chapter, the revocation of the developer's residential real estate developer license.

SECTION 3. Section 2-45-115 of the Municipal Code of Chicago is hereby amended by inserting the underscored language, as follows:

Whistleblower Protection. Developer shall not take any adverse employment action against any employee for making a complaint, cooperating with an audit or investigation, or participating in any administrative or judicial proceedings relating to developer's compliance or lack thereof with Section 6 or Section 6.1 herein. A finding of whistleblower retaliation by developer by any agency or court of jurisdiction may result in progressive penalties leading up to decertification.

Labor Compliance. Developer will abide by the requirements of all applicable labor laws and regulations, including the Fair Labor Standards Act, 29 U.S.C. S 201, the Occupational Safety and Health Act, 20 CFR Part 1910, and the Chicago Minimum Wage Ordinance, Chicago Municipal Code, Chapter 1.24,

SECTION 4: To the extent that any Ordinance, resolution, rule or order of provision of the Municipal Code, or any portion thereof, is in conflict with any provision of this Ordinance, the provisions of this Ordinance control. If any section, paragraph, or provision of this Ordinance shall be held invalid by any Court, that invalidity shall not affect the remaining provisions of this Ordinance.

SECTION 5: This Ordinance shall be in full force and effect 180 days after its passage and publication.



