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CITY COUNCIL APPROVES ADDITIONAL DWELLING UNIT (ADU) ORDINANCE

New ordinance allows for the creation of ADUs in five community areas starting May 1, 2021

CHICAGO – City Council today approved an ordinance designed to promote the establishment of new residential units within the existing neighborhood fabric without the need for City funding. The Additional Dwelling Unit (ADU) substitute ordinance will allow for the creation of ADUs in five areas around Chicago starting May 1, 2021.

"Now, more than ever, our residents need access to safe, affordable housing in order to feel safe and supported during these incredibly difficult times," said Mayor Lightfoot. "This sustainable and cost-effective approach will simultaneously provide our residents with more equitable access to housing options and give us a model to build from as we examine ways to incorporate this approach into city policy. By increasing affordable housing opportunities for renters, while also helping property owners deal with the financial demands of their buildings, these ADUs will be a major step forward in our ongoing work to support our most vulnerable residents and our business community."

Some of these residential units will be mandated to be affordable, and all of them will increase the supply of housing while maintaining neighborhood character through "gentle" density that will not be visible through significant exterior changes to the principal residential building.

"Legalizing ADUs can have a real and positive impact on homeowners needing extra income to cover rising property taxes or adapting to age in place, while increasing residential options almost invisibly," said Department of Housing Commissioner Marisa Novara. "Through this program, we will begin to see how ADUs will develop in different communities, how best to support affordability and accessibility and how we can make this a citywide option."

In the South, West, and Southeast zones, the substitute ordinance will set a cap of two ADU permits per block per year, and buildings with three units or fewer must



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be owner-occupied. Following the three-year evaluation period, DOH and the Department of Planning and Development (DPD) will report on ADU activities and make recommendations for a permanent citywide policy.

“Basement and attic flats and coach houses are a long-standing part of Chicago’s family housing stock,” said 40th Ward Alderman Andre Vasquez, who lives with his wife and children in a coach house behind the family’s principal dwelling unit. “This is a tool for keeping families together and helping owner-occupied small buildings to make ends meet.”

The ordinance would expand housing access to thousands of residents across Chicago by permitting ADUs, such as attics, basements, and coach houses, to become moderate-cost housing. Following decades of policy decisions that limited their construction, the ordinance would amend the City’s Municipal Code to lawfully permit ADUs, ensuring more equitable access to housing options across Chicago’s communities, providing financial stability for homeowners, and providing a path for existing ADUs to become code compliant.

The substitute ordinance establishes ADU areas in the following zones:

- North zone covering parts of the West Ridge, Edgewater, Uptown, Lake View, North Center, and Lincoln Square community areas
- Northwest zone covering parts of the Albany Park, Irving Park, Avondale, Hermosa, Logan Square, West Town, Near West Side, and East Garfield Park community areas
- West zone covering parts of the East Garfield Park, West Garfield Park, North Lawndale, and South Lawndale (Little Village) community areas
- South zone covering parts of the Ashburn, Auburn Gresham, West Lawn, Chicago Lawn, Washington Heights, Roseland, Chatham, Greater Grand Crossing, Englewood, West Englewood, Washington Park, and Woodlawn community areas
- Southeast zone covering parts of the South Chicago, East Side, South Deering, and Hegewisch community areas

“Through evaluation of these zones, we will be able to gather critical information on the impact ADUs can have on the landscape of available housing in Chicago and in helping homeowners become more financially stable,” said Alderman Matthew Martin (47th Ward). “I look forward to seeing how ADUs can bring more opportunities for housing options – including affordable ones – and business growth to my ward.”

Chicago currently has an unknown number of existing non-conforming coach houses and basement and attic apartments that are in varying states of compliance with City regulations. A new grant program will provide financial assistance to low-



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and moderate-income homeowners to bring ADUs into code compliance, as well as provide additional funds if the work creates an accessible ADU.

“AARP Chicago strongly supports the creation of ADUs in Chicago because it creates opportunities for those age 50+ to age in place in the communities they call home,” said Rosanna Marquez, AARP Illinois Volunteer State President. “On behalf of our 250,000 members in Chicago and all older adults, we are excited to see this program come to life -- creating badly needed affordable housing while allowing those 50+ to continue serving as a stabilizing force and anchors of their communities. “

Many existing ADU units are only illegal due to outdated zoning rules. ADU construction was largely prohibited in Chicago starting in 1957 with the introduction of minimum lot area and parking requirements to the City’s zoning code, along with a prohibition of secondary residential structures on zoning lots. Ongoing downzoning efforts in residential areas have further reduced opportunities to add units to existing buildings. Providing a pathway to legalization helps preserve thousands of existing units for the families that already live there.

In addition to providing a path for the creation of naturally-occurring affordable housing, this ADU program will include several affordability provisions. Buildings of six or more units that add two or more ADUs will be required to restrict half of those new units as affordable at 60% of Area Median Income (AMI). In addition, DOH has worked with the Chicago Low Income Housing Trust Fund to secure subsidies that can be placed in ADUs to support tenants making 30% of AMI or below.

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