



FOR IMMEDIATE RELEASE

August 11, 2017

CONTACT:

Lilia Chacon

Lilia.Chacon@CityofChicago.org

(O) 312.744.5365

(C) 312.805-9385

CITY'S HOUSE-SHARING REGISTRATION SYSTEM GOES LIVE

New online verification successfully registered nearly 4,000 Airbnb shared housing units

Mayor Rahm Emanuel and the City of Chicago Department of Business Affairs and Consumer Protection (BACP) today announced the launch of a first-of-its-kind secure, online registration system to determine if residents are eligible to be list shared housing units on a licensed company's website. This launch marks the beginning of enforcement of the new home share ordinance regulating the emerging house sharing industry with strengthened protections for consumers while generating new revenue to invest in supportive services and housing for the homeless.

"Working together with businesses, residents, local aldermen and other community stakeholders, Chicago is leading the way in the innovation economy and the emerging house-sharing industry," said Mayor Rahm Emanuel. "Today marks a significant step forward as we support new forms of entrepreneurship among Chicago's residents and protect quality of life in Chicago's neighborhoods."

Chicago is the first city in the nation to require licensed companies to provide the city with basic shared housing unit information, submit bimonthly reports regarding rental activity, and adhere to a quality of life plan to ensure ongoing compliance with the city's ordinance. The ordinance gives the City of Chicago a better understanding of short term rental activity across the city and an expanded toolkit to enforce against problem units.

"With this new technology, we will have the tools to enforce safe and compliant short-term residential rental accommodations throughout Chicago," said BACP Commissioner Rosa Escareno. "As of today, we have processed nearly 4,000 Airbnb unit registrations and will continue to complete registrations over the coming weeks."

Chicago's house-sharing ordinance was passed by City Council in June 2016 following direct input from Aldermen, residents, community groups, housing advocates and industry stakeholders. The ordinance is one of the premiere regulatory frameworks in the country and enables the City to track and directly enforce against units that operate in violation of the ordinance.

More than \$2 million in revenue is expected to be generated annually by collecting a four percent surcharge on the booking of any shared housing unit or vacation rental. Up to eight percent of the revenue raised from this surcharge will be used for enforcement and administration purposes, with one half of the remaining revenue used to fund supportive services attached to permanent housing

for homeless families and the other half to fund supportive services and housing for the chronically homeless.

Airbnb is the first and only home sharing intermediary to receive a license thus far from the city. Approximately 4,000 Airbnb shared housing units in Chicago have been successfully registered using the City's innovative system and more are expected in the coming weeks. Registering units ensures that short-term residential rental accommodations are safe and do not disturb the residential character of Chicago's neighborhoods. Airbnb has been working directly with the City of Chicago to ensure its units become properly registered.

To help ensure neighborhood quality of life is protected, the ordinance established a prohibited buildings list to enforce building prohibitions on rental activity. More than 1,500 buildings in Chicago have been added to the list. Since July 2016, cooperative buildings, condominium buildings, and buildings governed by a homeowner's association, along with owners of buildings with five or more units have been able to request to be added to the prohibited buildings list to establish short-term rental activity as illegal in their buildings.

Under the ordinance, companies must become licensed as either Short Term Residential Rental Intermediaries or Advertising Platforms and must submit and comply with a quality of life plan to address problem units listed on their website. Units are required to be registered as a shared housing unit if booked through an intermediary's website or be licensed as a vacation rental or bed-and-breakfast establishment if booked through an advertising platform's website or offline. This requirement allows the City to track units made available for lodging and respond to complaints.

Shared housing units may be ineligible for rental activity for various reasons, including exceeding rental caps in a specific building, listing in a prohibited building, zoning prohibitions, and nuisance or egregious conditions. Shared housing unit hosts will be notified of ineligibility in phases. Ineligible shared housing hosts will have the option of appealing the City's decision. During the appeal process, shared housing hosts may continue to operate on a licensed platform.

###