

**SUBSTITUTE
ORDINANCE**

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

SECTION 1. Section 2-45-115 of the Municipal Code of Chicago is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

2-45-115 2015 affordable requirements.

(Omitted text is unaffected by this ordinance.)

(E) Reserved. ~~Relationship between 2015 ARO and affordable housing density bonus. For every residential housing project subject to the requirements of subsection (C), and also eligible for an affordable housing floor area bonus pursuant to Section 17-4-1004-B, the developer shall be required to comply with the requirements of both provisions. Notwithstanding the foregoing, any in lieu fees collected under Section 17-4-1004-C may be applied as a credit against any in lieu fees due under this section.~~

(Omitted text is unaffected by this ordinance.)

(G) Affordable Housing Opportunity Fund. The in-lieu fees and other fees collected under this section, Section 2-45-110, and former Sec. 17-4-1004 as in effect prior to passage of this amendatory ordinance shall be deposited in the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law. All annual revenues of the Affordable Housing Opportunity Fund shall be reserved and utilized exclusively to pay the administrative and monitoring costs and expenses of this section, Section 2-45-110, and former Section 17-4-1004 and, after subtracting such costs and expenses, as follows:

- (1) fifty percent (50%) shall be used for the construction, rehabilitation or preservation of affordable housing; and
- (2) fifty percent (50%) shall be contributed to the Chicago Low-Income Housing Trust Fund or a successor organization.

(Omitted text is unaffected by this ordinance.)

SECTION 2. Title 16 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 16-14, underscored as follows:

16-14-010 Title.

This chapter shall be known and cited as the “Neighborhoods Opportunity Fund Ordinance.”

16-14-020 Definitions.

For purposes of this chapter, the following definitions shall apply:

“Commissioner” means the commissioner of planning and development.

“Department” means the department of planning and development.

"Qualified investment area" means any area in the City designated by the commissioner as a low-moderate income area pursuant to published data on areas of concentrated disadvantage by the United States Census Bureau.

16-14-030 Neighborhoods Opportunity Fund.

A separate fund is hereby established and designated the Neighborhoods Opportunity Fund into which 80% of the funds collected from any downtown floor area bonus under Sec. 17-4-1000 of this Code will be deposited. The revenues of the Neighborhoods Opportunity Fund shall be reserved and utilized exclusively in accordance with this chapter.

16-14-040 Purpose. The purpose of the Neighborhoods Opportunity Fund is:

(a) to promote growth within the downtown area through the floor area bonus provisions of Sec. 17-4-1000, and simultaneously generate new revenues for investment in business development and job growth in neighborhoods impacted by poverty, high unemployment, and other indicators of economic deprivation;

(b) to strengthen neighborhood commercial corridors in qualified investment areas;
and

(c) to address the decline of private investment in qualified investment areas that damages the City’s overall economic competitiveness, impedes the sustainable and equitable development of the City as a whole, contributes to inequality and poverty, and has a detrimental effect on the City’s quality of life.

16-14-050 Qualified investment areas.

The Neighborhoods Opportunity Fund shall be used for projects located in or directly benefiting qualified investment areas. The commissioner shall publish a map of qualified investment areas and update the map at least once every five years.

16-14-060 Authorized uses.

The following uses are authorized uses of the Neighborhoods Opportunity Fund:

(a) commercial establishments that provide, on a permanent or short term (pop up) basis, goods and services which complement and revitalize the areas in which they are located, and which may include, without limitation, grocery stores, retail establishments, and restaurants

that sell food primarily for consumption on premises;

(b) cultural establishments that provide, on a permanent or short term (pop up) basis, recreational and educational opportunities which complement and revitalize the areas in which they are located; and

(c) incubation, mentoring, and training of small businesses that otherwise qualify as authorized uses under (a) or (b) above.

16-14-070 Eligible costs.

The Neighborhoods Opportunity Fund may be used for the following costs when they are necessary or desirable for, or in support of, one or more authorized uses:

(a) costs to acquire, rehabilitate, or demolish substandard, obsolete, or vacant buildings, including planning and design costs;

(b) costs to plan, design, and construct new buildings, not to exceed 30% of total project costs;

(c) costs to plan, design, and construct public infrastructure directly related to projects under subsections (a) and (b) above;

(d) financing costs related to projects under subsections (a), (b), and (c) above;

(e) costs of job support used to recruit, hire, and retain job seekers who reside in qualified investment areas for identified jobs created by projects funded under subsections (a), (b), or (c) above;

(f) costs of business incubation, mentoring, and training programs under Sec. 16-14-060 (c); and

(g) administrative, reporting, and monitoring costs and expenses of the Neighborhoods Opportunity Fund, provided such costs and expenses may not exceed 5% of the fund.

16-14-080 Administration.

(a) The department shall administer the Neighborhoods Opportunity Fund and all projects funded under this chapter. Any grant of funds for a private project in an aggregate amount in excess of \$250,000.00 shall require city council approval. The department may disburse individual grants in the amount of \$250,000.00 or less through procedures established by rule, subject to periodic city council authorization of program funding limits. The selection of projects will be informed by community-based planning processes, such as Chicago Neighborhoods Now. Priority will be given to commercial projects that:

- (i) have a positive, catalytic impact on a commercial corridor;
- (ii) provide goods or services where those goods or services are lacking;
- (iii) support a new or expanding small business;
- (iv) have the potential to leverage other resources (private, state, federal);
- (v) show a clear path to financial closing and construction start;
- (vi) commit to hiring from qualified investment areas; and
- (vii) are economically viable and sustainable.

(b) The commissioner is authorized to enter into grant agreements and all other agreements and ancillary documents necessary to implement this chapter, to prescribe application forms and other forms necessary to collect relevant information concerning participants and projects utilizing the Neighborhoods Opportunity Fund, and to adopt such rules as the commissioner may deem necessary for the proper implementation, administration, and enforcement of this chapter, including without limitation, rules setting forth criteria and guidelines for the selection of projects and disbursement of funds in a fair and equitable manner.

(c) The commissioner shall post on the department's website an annual report detailing the receipt and expenditure of funds from the Neighborhoods Opportunity Fund.

SECTION 3. Chapter 17-1 of Title 17 of the Municipal Code of Chicago, the Chicago Zoning Ordinance, is hereby amended by inserting the underscored language, as follows:

(Omitted text is unaffected by this ordinance.)

17-1-1500 Downtown area.

17-1-1500-A. For the purpose of establishing new downtown ("D") zoning districts, the downtown area is defined as an area bounded by: Division Street; Lake Michigan; the Stevenson Expressway; the CTA red line right-of-way; Cermak Road; Stewart Avenue; the South Branch of the Chicago River; 16th Street; the Dan Ryan Expressway; the Eisenhower Expressway; Ashland Avenue; Ogden Avenue; Carroll Avenue; Sangamon Street; Wayman Street; Halsted Street; the Kennedy Expressway; Ogden Avenue; Chicago Avenue; the Union Pacific Railroad northwest line right-of-way; Ohio Street; Desplaines Street; Kinzie Street; the North Branch of the Chicago River; and the North Branch Canal.

17-1-1500-B. Property within the downtown area boundaries described in Sec. 17-1-1500-A, but outside the original downtown area boundaries described in Sec. 17-1-1406-B-2, is referred to herein as the downtown expansion area. No property within the downtown expansion area shall be rezoned except upon an application duly filed and approved by the city council. Any rezoning of property within the downtown expansion area on or after the effective date of this Sec. 17-1-1500 shall be required to be rezoned to a "D" zoning district; provided,

however, the rezoning requirements and restrictions in effect immediately before the effective date of this Sec. 17-1-1500-B shall apply to all rezoning applications that were submitted to the City in complete form and are pending approval before the effective date, unless the applicant chooses to be governed by the provisions of this Sec. 17-1-1500-B.

17-1-1500 1600 Severability.

(Omitted text is unaffected by this ordinance.)

SECTION 4. Section 17-4-0100 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

17-4-0100 District descriptions.

17-4-0101 Generally. “D” zoning districts are intended solely for application within the downtown area. No “D” zoning may be established outside the “D” district downtown area boundaries in existence on November 1, 2004 as described in Sec. 17-1-1500.

(Omitted text is unaffected by this ordinance.)

SECTION 5. Section 17-4-0404 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

17-4-0404 Lot Area per Unit.

(Omitted text is unaffected by this ordinance.)

17-4-0404-B MLA Reduction for Affordable Housing and Underground Parking Downtown Floor Area Bonus. Projects that qualify for and are awarded granted floor area bonuses for ~~Affordable Housing or Underground Parking and Loading~~ under Sec. 17-4-1000 are eligible to use reduced lot-area-per-unit standards. For each one percent increase in floor area awarded through the ~~Affordable Housing~~ floor area bonus provisions of Sec. 17-4-1004 1000 and the ~~Underground Parking and Loading~~ floor area bonus provisions of Sec. 17-4-1016, the minimum *lot area* per unit standard is reduced by one percent. The minimum *lot area* per unit reduction may not exceed 30 percent, regardless of the floor area bonus ~~awarded~~ granted.

(Omitted text is unaffected by this ordinance.)

SECTION 6. Section 17-4-0405 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

17-4-0405 Floor Area Ratio.

17-4-0405-A Standards. All development in “D” districts is subject to the following maximum *floor area ratio* standards:

Dash	Maximum	FAR Bonuses
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Designation	Base Floor Area Ratio	Allowed?
-3	3.0	No Yes
-5	5.0	Yes (affordable housing and adopt a landmark bonuses only)
-7	7.0	Yes (affordable housing and adopt a landmark bonuses only)
-10	10.0	Yes (affordable housing and adopt a landmark bonuses only)
-12	12.0	Yes
-16	16.0	Yes

(See Sec. 17-17-0305 for rules governing the measurement of *floor area ratio*.)

17-4-0405-B Bonus Floor Area. Under the provisions of Sec. 17-4-1000, development in ~~dash 12 and dash 16~~ all “D” districts is eligible for floor area bonuses, over and above the stated maximum *base floor area ratios* of Sec. 17-4-0405-A. ~~Floor area bonuses for affordable housing and “adopting” an historic landmark may be approved in any dash 5, dash 7, dash 10, dash 12 or dash 16 “D” district, subject to the provisions of Sec. 17-4-1004 and Sec. 17-4-1022, respectively.~~

17-4-0405-C FAR Increase for Transit-Served Locations. All projects in D dash 3 districts located within 1,320 feet of a CTA or METRA rail station entrance or within 2,640 feet of a CTA or METRA rail station entrance when the subject building is located along a pedestrian street or a pedestrian retail street, and which (1) provide no more than one parking space per dwelling unit, and (2) satisfy the criteria set forth in Sec. 17-13-0905-F, may increase the maximum *floor area ratio* standard to 3.5. This *floor area ratio* is allowed only if the project is reviewed and approved in accordance with the Type I Zoning Map Amendment procedures of Sec. 17-13-0302, or the planned development procedures of Sec. 17-13-0600 (if the project qualifies as a mandatory or elective planned development under Sections 17-8-0500 or 17-8-0600). Projects that receive a floor area increase under this section are not eligible for additional bonus floor area under Sec. 17-4-1000, nor shall a floor area increase under this section be credited against bonus floor area under Section 17-4-1000.

17-4-0405-D Additional FAR Increase for On-Site Affordable Housing Units in Transit-Served Locations. All projects in D dash 3 districts subject to Sec. 2-45-115 that

qualify for and are granted a *floor area ratio* increase of 0.5 under Sec. 17-4-0405-C above are eligible for additional *floor area ratio* increases as follows: (1) projects that provide at least 50% of the required affordable units on-site, may increase the maximum *floor area ratio* standard by an additional 0.25 to 3.75, and (2) projects that provide 100% of the required affordable units on-site may increase the maximum *floor area ratio* standard by an additional 0.5 to 4.0. These *floor area ratio* increases are allowed only if the project is reviewed and approved in accordance with the Type I Zoning Map Amendment procedures of Sec. 17-13-0302, or the planned development procedures of Sec. 17-13-0600 (if the project qualifies as a mandatory or elective planned development under Sections 17-8-0500 or 17-8-0600). Projects that receive a floor area increase under this section are not eligible for additional bonus floor area under Sec. 17-4-1000, nor shall a floor area increase under this section be credited against bonus floor area under Section 17-4-1000.

SECTION 7. Section 17-4-0604 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language, as follows:

17-4-0604 Standards. Minimum sidewalk widths of at least 14 feet are necessary to promote safe and efficient pedestrian flows along designated *mobility streets*. Whenever development occurs on lots abutting a *mobility street* and the width of the abutting sidewalk is less than 14 feet, the building must be set back to accommodate a sidewalk with a width of at least 14 feet. ~~Buildings abutting *mobility streets* that request floor area bonuses pursuant to Sec. 17-4-1000 must use the Sidewalk Widening bonus of Sec. 17-4-1010.~~

SECTION 8. Section 17-4-1000 of the Chicago Zoning Ordinance is hereby amended by deleting the section in its entirety and substituting the following new section in lieu thereof, underscored as follows:

17-4-1000 Floor area bonuses.

17-4-1001 Purpose. The floor area bonus provisions of this section are intended to provide the opportunity for downtown area projects to achieve appropriate increases in *floor area ratio* above the *base floor area ratios*, while providing a corresponding economic incentive for developers to contribute to the economic growth of qualified investment areas as defined in Sec. 16-14-020, to preserve Chicago landmarks, and to provide public amenities in the downtown area or immediate vicinity that improve the quality of life of City residents, employees, and visitors and are a benefit to the public. This section shall be liberally construed and applied to achieve its purposes.

17-4-1002 Eligibility Criteria. *Residential buildings* and nonresidential buildings in all “D” districts are eligible to receive floor area bonuses under this Sec. 17-4-1000.

17-4-1003 Administration.

17-4-1003-A Planned Development Review. Floor area bonuses under this Sec. 17-4-1000 may be approved only in accordance with the *planned development* procedures of Sec. 17-13-0600. The Zoning Administrator must review proposed floor area bonus requests and make a

recommendation to the Commissioner of Planning and Development and the Chicago Plan Commission. The Commissioner of Planning and Development and the Chicago Plan Commission shall each in turn make a recommendation to the city council. Floor area bonuses may be approved only if they are consistent with the purposes described in Sec. 17-1-0500, Sec. 17-4-1001, and Sec. 17-8-0100.

17-4-1003-B Submittal Requirements. All applicants for bonus floor area must file a bonus worksheet with the Zoning Administrator.

1. The Zoning Administrator shall, by rule, establish a required form and content for such worksheets.

2. Such worksheets must, at a minimum, include the calculations for the amount of bonus floor area requested. In addition, every application for bonus floor area may include a written plan identifying the local improvements to receive financial support from the Local Impact Fund pursuant to Sec. 17-4-1005.

3. Such worksheets will serve as an official record of bonuses and such records will be binding on the *property owners* and their successors and assigns.

17-4-1003-C Bonus Formula.

1. Floor area bonuses will be based on a financial contribution that reflects the value of land within the surrounding area, based on the following formula:

$$\text{Cost of 1 square foot of floor area} \equiv 80\% \times \text{median cost of land per buildable square foot.}$$

2. The cost of land must be based on sale prices within the most recent 5 years, as provided by the Department of Planning and Development.

3. The Commissioner of Planning and Development is responsible for updating estimates of land values at least once every five years.

4. The bonus payment shall be paid in full prior to the issuance of the first building permit for any building or buildings within the *planned development*; provided, however, if the *planned development* is constructed in phases, the bonus payment shall be paid on a pro rata basis as the first building permit for each subsequent new building or phase of construction is issued. The amount due prior to the issuance of a building permit (whether for a single building or for any subsequent phase of construction) shall be calculated by multiplying the total bonus payment due for the *planned development* as a whole (as the land value determination may be adjusted from time to time pursuant to paragraphs 2 and 3 above) by a fraction, the numerator of which is the amount of floor area in the building or buildings for which the permit is then being issued and the denominator of which is the total amount of floor area approved in the *planned development* (calculated as the total maximum *floor area ratio* in the *planned development* multiplied by the total net site area in the *planned development*), as follows:

$$\frac{\text{Bonus payment due at the time of applicable permit}^*}{\text{Total bonus payment for planned development}^{**}} \times \frac{\text{Floor area approved for construction in building permit for applicable building or phase} \div \text{maximum floor area approved for construction in planned development as a whole}^{***}}$$

* Each payment is due prior to the issuance of the first building permit for any building or buildings in the *planned development*.

** The total bonus payment shall be determined by calculating the amount of bonus floor area granted in the approved *planned development* times the amount per square foot due pursuant to Sec. 17-4-1003-C-1 (as the same may be adjusted in accordance with Sec. 17-4-1003-C-2 and Sec. 17-4-1003-C-3), and therefore the final payment amount may change over time.

*** Maximum floor area is calculated as the total maximum *floor area ratio* in the *planned development* multiplied by the total net site area in the *planned development*.

17-4-1003-D Allocation of Bonus Payment.

1. Except as provided in paragraphs 2 and 3 below, all funds received for floor area bonuses under this Sec. 17-4-1000 shall be deposited in the following funds in the following percentages:

<u><i>Bonus Fund</i></u>	<u><i>Percentage of Bonus Payment</i></u>
<u>Neighborhoods Opportunity Fund</u>	<u>80%</u>
<u>Citywide Adopt-a-Landmark Fund</u>	<u>10%</u>
<u>Local Impact Fund</u>	<u>10%</u>

2. In lieu of the direct deposits otherwise required into the Citywide Adopt-a-Landmark Fund or the Local Impact Fund, the Department of Planning and Development may direct applicants to make payments directly to sister agencies or landmark *property owners* to finance specific projects pursuant to the requirements of Sec. 17-4-1005 or Sec. 17-4-1006, as applicable.

3. In lieu of the direct deposit otherwise required into the Local Impact Fund, the *planned development* ordinance may provide for applicants to undertake specific local improvement projects themselves pursuant to the requirements of Sec. 17-4-1005-E.

4. Funds from the Local Impact Fund and the Citywide Adopt-a-Landmark Fund may be combined to finance specific landmark restoration projects in the downtown area, provided such projects satisfy the requirements of Sec. 17-4-1005-C with respect to authorized uses of the Local Impact Fund and Sec. 17-4-1006-C with respect to authorized uses of the Citywide Adopt-a-Landmark Fund.

5. Funds from the Neighborhoods Opportunity Fund and the Citywide Adopt-a-

Landmark Fund may be combined to finance specific landmark restoration projects in qualified investment areas, as that term is defined in Chapter 16-14, provided such projects satisfy the requirements of Chapter 16-14 with respect to authorized uses of the Neighborhoods Opportunity Fund and Sec. 17-4-1006-C with respect to authorized uses of the Citywide Adopt-a-Landmark Fund.

17-4-1003-E Minimum and Maximum Floor Area Bonus.

1. The minimum floor area bonus for any “D” district is 0.5 FAR.
2. Each of the following “D” districts shall have a maximum floor area bonus as follows:

(a)	<u>DR-3, DX-3, DS-3</u>	<u>= 2.75</u>
(b)	<u>DR-5, DX-5, DS-5</u>	<u>= 3.1</u>
(c)	<u>DR-7, DX-7</u>	<u>= 4.5</u>
(d)	<u>DX-10, DR-10</u>	<u>= 3.8</u>
(e)	<u>DX-12, DC-12</u>	<u>= 6.4</u>
(f)	<u>DX-16, DC-16</u>	<u>= No Maximum</u>

17-4-1004 Neighborhoods Opportunity Bonus.

17-4-1004-A Percentage Allocated. 80 percent of all funds due for floor area bonuses under this Sec. 17-4-1000 shall be allocated to and deposited in the Neighborhoods Opportunity Fund established pursuant to Chapter 16-14.

17-4-1004-B Use of Funds. All funds deposited in the Neighborhoods Opportunity Fund shall be used exclusively for the purposes permitted by Chapter 16-14.

17-4-1005 Local Impact Bonus.

17-4-1005-A Percentage Allocated. 10 percent of all funds due for floor area bonuses under this Sec. 17-4-1000 shall be allocated to and deposited in the Local Impact Fund established pursuant to Sec. 17-4-1005-B, except as provided in Sec. 17-4-1003-D-2 for direct payments to sister agencies and landmark *property owners* and Sec. 17-4-1005-E for in-kind improvements.

17-4-1005-B Local Impact Fund. A separate fund is hereby established and designated the Local Impact Fund into which the funds collected from the local impact portion of the floor area bonuses under this Sec. 17-4-1000 will be deposited. Except as provided in Sec. 17-4-1005-D, the revenues of the Local Impact Fund shall be reserved and utilized exclusively in accordance with Sec. 17-4-1005-C below.

17-4-1005-C Use of Funds. All funds deposited in the Local Impact Fund shall be used for specific improvements located within one mile of the *planned development* site, if the *planned development* ordinance identifies specific improvements. Funds derived from multiple

planned developments can be used for a common local improvement project, provided such project is located within one mile of each planned development site. If the planned development ordinance does not identify specific improvements, then the Department of Planning and Development, in consultation with the alderman of the ward in which the planned development site is located, may allocate such funds to eligible improvements located anywhere in the downtown area. The Local Impact Fund may be used to finance improvements in the following categories:

1. Off-Site Park and Open Space. Local impact funds may be distributed to the Chicago Park District, the Chicago Department of Transportation, or another City department or sister agency to support the creation or improvement of pocket parks, improvements to the Chicago Riverwalk, or other public park spaces.

2. Pedestrian, Streetscape, and Infrastructure Improvements. Local impact funds may be distributed to the Chicago Department of Transportation or another City department or sister agency to support pedestrian, streetscape, and infrastructure improvements that the applicant is not otherwise obligated to undertake. Qualifying pedestrian, streetscape, and infrastructure improvements may include, without limitation, raised planters, special pavers, decorative or historic street lighting, pedestrian lighting, flag and banner poles, hanging baskets, bicycle infrastructure and facilities, and bridge house improvements. Plans should demonstrate the maximum use of trees without obstructing the public way or views of retail uses. Street lighting components should be selected from the City's lighting palette. Pavement treatments and materials should reflect those generally used in the immediate area.

3. Transit Infrastructure Improvements. Local impact funds may be distributed to the Chicago Transit Authority, the Chicago Department of Transportation, or another City department or sister agency to support improvements to transit stations and other public transit infrastructure. Qualifying improvements may include, without limitation, new access easements, improvements, remediation and repairs to connecting passageways, mezzanines, concourse areas, tracks, and other public transit structures and facilities.

4. Local Adopt-a-Landmark. Local impact funds may be distributed to property owners of buildings, structures, works of art, or other objects that have been designated as "Chicago Landmarks" under the Chicago Landmarks Ordinance, or have been identified as contributing to the historic or architectural significance of any district designated as a "Chicago Landmark" under the Chicago Landmarks Ordinance, to support specific restoration projects, subject to the criteria and guidelines set forth in Sec. 17-4-1006.

17-4-1005-D Alternative Use of Local Impact Funds. Upon the recommendation of the Commissioner of Planning and Development, after consultation with the Chicago Board of Education and the alderman of the ward in which the planned development site is located, the planned development ordinance may allocate all or a portion of the 10% local impact component of any bonus payment to the Public Schools Capital Improvement Program to support

construction of new schools, school expansions, and related improvements.

17-4-1005-E Option for In-Kind Provision of Local Improvements. In lieu of the required cash contribution to the Local Impact Fund, the *planned development* ordinance may provide for applicants to undertake specific local improvement projects, including infrastructure improvements, themselves. The Department of Planning and Development shall review proposals for in-kind improvements on a case-by-case basis in consultation with the alderman of the ward in which the *planned development* site is located. If the Department of Planning and Development, after consultation with the alderman of the ward in which the *planned development* site is located, approves the proposal, the applicant shall submit project documentation, including but not limited to, detailed site-specific cost estimates for the improvements, appropriate drawings, detailed construction commitments, a construction schedule, and a performance bond for completion of the improvements.

17-4-1005-F Binding Commitments.

1. Any sister agency that receives funds under this Sec. 17-4-1005 (whether from the City as a distribution from the Local Impact Fund, or from the applicant directly pursuant to Sec. 17-4-1003-D-2) must enter into an agreement with the City regarding the manner in which the funds will be used. Any funds that have not been used upon completion of the local improvement project shall be returned to the Local Impact Fund and applied to other eligible local improvement project costs.

2. If the Department of Planning and Development, after consultation with the alderman of the ward in which the *planned development* site is located, approves a proposal for in-kind improvements pursuant to Sec. 17-4-1005-E, the applicant shall enter into an agreement with the applicable City department or sister agency specifying the type of improvements to be provided, the value of the improvements, the timeline for completion of the improvements, and any other terms or conditions the Commissioner of Planning and Development deems necessary or desirable.

3. The Commissioner of Planning and Development, or the Commissioner's designee, is authorized to execute all agreements with sister agencies and landmark *property owners* on behalf of the City. All agreements must be in a form approved by the corporation counsel.

17-4-1005-G Minor Change for Allocation of Local Impact Funds. Changes to local improvements or local landmark restoration projects specified in a *planned development* ordinance, or the substitution of one type of local improvement or landmark for another, or the manner in which payments are made or satisfied under Sec. 17-4-1003-D, shall be deemed minor changes and may be permitted by the Zoning Administrator, in consultation with the alderman of the ward in which the *planned development* site is located, as provided in Sec. 17-13-0611.

17-4-1006 Citywide Adopt-a-Landmark.

17-4-1006-A Percentage Allocated. 10 percent of all funds due for floor area bonuses

under this Sec. 17-4-1000 shall be allocated to and deposited in the Citywide Adopt-a-Landmark Fund established pursuant to Sec. 17-4-1006-B, except as provided in Sec. 17-4-1003-D-2 for direct payments to landmark *property owners*.

17-4-1006-B Citywide Adopt-a-Landmark Fund. A separate fund is hereby established and designated the Citywide Adopt-a-Landmark Fund into which the funds collected from the citywide adopt-a-landmark portion of the floor area bonuses under this Sec. 17-4-1000 will be deposited. The revenues of the Citywide Adopt-a-Landmark Fund shall be reserved and utilized exclusively in accordance with Sec. 17-4-1006-C below.

17-4-1006-C Use of Funds. All funds deposited in the Citywide Adopt-a-Landmark Fund shall be used to support restoration of buildings, structures, works of art, or other objects that have been designated as “Chicago Landmarks” under the Chicago Landmarks Ordinance, or have been identified as contributing to the historic or architectural significance of any district designated as a “Chicago Landmark” under the Chicago Landmarks Ordinance, subject to the following criteria and guidelines:

1. Restoration projects must be consistent with landmark guidelines.
2. Except as provided in paragraph 5 below, the Commission on Chicago Landmarks must approve the scope of work and associated budget for the restoration project pursuant to its standard review and approval procedures.
3. Funds must be used for substantial interior or exterior renovation work that is visible from a public *street* or within a portion of the interior that is open to the public. Such work must exceed normal maintenance work. Examples of work that exceeds normal maintenance work are the restoration of a missing cornice or the replacement of deteriorated terra cotta.
4. The Department of Planning and Development will give priority to projects that have not been completed and that address exterior envelope issues. The Department may also establish other funding priorities by rule. For projects that have not been completed, the *property owner* of the landmark receiving the funds (whether from the City as a distribution from the Citywide Adopt-a-Landmark Fund, or from the applicant directly pursuant to Sec. 17-4-1003-D-2) must enter into an agreement with the City and the Commission on Chicago Landmarks regarding the manner in which the funds will be used. All agreements must be in a form approved by the Corporation Counsel. Any funds that have not been used upon completion of the restoration project shall be returned to the Citywide Adopt-a-Landmark Fund and applied to other eligible landmark restoration project costs. The Department of Planning and Development shall maintain a list of eligible, pre-approved projects that are seeking funding.
5. Completed projects under \$30,000 are eligible for adoption, provided the Department of Planning and Development has previously approved the scope of work and budget for such projects. The Department shall maintain a list of completed projects that are eligible for reimbursement under this section.

17-4-1007 Prior Bonuses. Floor area bonuses granted under the provisions of Sec. 17-4-1000 in effect immediately before the effective date of this amendatory ordinance of 2016 (“Previous Bonus Provisions”) shall remain in effect and shall be governed by this Sec. 17-4-1007.

17-4-1007-A Any request to increase the overall bonus floor area above the maximum amount of floor area granted pursuant to the Previous Bonus Provisions shall require *planned development* review and approval and shall be subject to the terms of this amendatory ordinance of 2016. Floor area bonus payments shall only be due for the amount of floor area bonus in excess of the amount granted pursuant to the Previous Bonus Provisions.

17-4-1007-B No public benefit or amenity for which a floor area bonus has been granted under the Previous Bonus Provisions may be eliminated or reduced in size without (1) a corresponding reduction in approved floor area, (2) replacement of such eliminated or reduced bonus floor area through new floor area bonus payments pursuant to the terms of this amendatory ordinance of 2016, or (3) a re-allocation of unused bonus floor area only among previously approved and specifically identified bonus categories in a *planned development* or approved bonus worksheet. The Zoning Administrator is authorized to approve any reduction under clause (1), replacement under clause (2), or re-allocation under clause (3) above as a minor change in accordance with Sec. 17-13-0611 in the case of projects that are subject to *planned development* review, or through a similar determination in the case of projects that are not subject to *planned development* review.

17-4-1008 Existing Development. Existing developments in DC-16 or DX-16 districts, which are *nonconforming* with respect to the applicable *floor area ratio* standards, may seek a floor area bonus pursuant to this amendatory ordinance of 2016 to increase the amount of floor area over the established nonconforming floor area. An increase of 5% or less of the floor area in existence as of the effective date of this amendatory ordinance may be approved as an *administrative adjustment* by the Zoning Administrator in accordance with Sec. 17-13-1003-D. An increase of more than 5% of such existing floor area requires *planned development* review and approval. Floor area bonus payments shall only be due for the amount of floor area in excess of the established nonconforming floor area.

17-4-1009 Pending Applications.

17-4-1009-A Except as provided in Sec. 17-4-1009-B, this amendatory ordinance of 2016 shall apply to all projects seeking approval for bonus floor area on or after its effective date.

17-4-1009-B The provisions of Sec. 17-4-1000 in effect immediately before the effective date of this amendatory ordinance of 2016 shall apply to any project for which: (1) the city council has passed an ordinance approving the sale of city land for fair market value prior to that effective date; or (2) in the case of projects that are subject to *planned development* review, an ordinance authorizing the *planned development* has been introduced to city council prior to that effective date, provided the *planned development* application must identify specific bonuses, or (3) in the case of projects that are not subject to *planned development* review, a bonus worksheet,

together with fully-dimensioned drawings for the project site, have been submitted in complete form, and the bonus worksheet stamped approved prior to that effective date, provided, however, the applicant must obtain a building permit for the project within one year after the bonus worksheet has been approved. Notwithstanding the foregoing exceptions, an applicant may elect to comply with the provisions of this amendatory ordinance of 2016, in which case the applicant must agree to be governed by the totality of the new provisions.

17-4-1010 Rules and Regulations. The Commissioner of Planning and Development is authorized to adopt such rules as the commissioner may deem necessary for the proper implementation, administration, and enforcement of this amendatory ordinance, including for the administration of, and payments out of, the Neighborhoods Opportunity Fund, the Local Impact Fund, and the Citywide Adopt-a-Landmark Fund.

SECTION 9. Section 17-8-0100 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

(Omitted text is unaffected by this ordinance.)

17-8-0105 allow flexibility in application of selected use, *bulk*, and development standards in order to promote ~~creative~~ excellence and creativity in building design and high-quality urban design; and

(Omitted text is unaffected by this ordinance.)

SECTION 10. Section 17-8-0514 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language, as follows:

~~17-8-0514 Bonus Floor Area in Excess of 150% of the Base FAR.~~ *Planned development* review and approval is required for any development using floor area bonuses (~~See under Sec. 17-4-1000).~~ if the development is proposed to exceed 150% of the base FAR allowed in the underlying zoning district. *Planned development* review and approval is also required for ~~elimination or substitution of any amenity for which a floor area bonus was granted.~~

SECTION 11. Section 17-8-0900 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows:

(Omitted text is unaffected by this ordinance.)

17-8-0902 Other Regulations. Except as otherwise expressly stated, *planned developments* must comply with any special regulations that apply to the subject property, ~~such as including but not limited to,~~ the Chicago Landmark Ordinance, ~~and~~ the Lake Michigan and Chicago Lakefront Protection Ordinance, the Chicago River Urban Design Guidelines - Downtown Corridor, and the Department of Planning and Development's sustainable development policy.

17-8-0903 Approved Plans. *Planned developments* must be consistent with plans that have been adopted by the Plan Commission or approved by the City Council. In furtherance of the foregoing, and in recognition of evolving and changing conditions within the areas which are the

subject thereof, all such plans, including any specific information or determinations relating to uses, bulk, height, and other standards contained in such plans, shall be treated as guidelines to inform consideration and not as regulations or requirements in connection with the evaluation of specific *planned development* proposals. The specific terms and conditions of an approved *planned development* shall govern to the extent they differ from such guidelines.

(Omitted text is unaffected by this ordinance.)

17-8-0904-B Transportation.

1. All *streets* should be constructed to City standards pertaining to paving and construction materials and be dedicated for public use. Deviations from standard widths (cross-sections) may be approved as part of the PD approval process.

2. When new streets are required for large-scale, multi-building developments, the new streets should reconnect the existing street grid.

17-8-0904-C Parking.

1. Large fields of surface parking should be avoided. Large parking lots should be broken up into smaller “cells” or “pods” that are defined by buildings, landscaping and pedestrian paths.

2. Parking should be located behind buildings or to the side of buildings. Large parking areas between buildings and the adjacent *street/sidewalk* should be avoided.

3. Shared parking should be provided whenever possible. Parking lots should be constructed to allow easy access to one or more buildings and multiple storefronts/uses.

4. On large retail and shopping center sites, small footprint, multi-level parking structures are preferred over large surface parking lots.

5. Parking areas should be designed and laid out to maximize pedestrian safety and ease of connections to adjoining property.

6. On large retail and shopping center sites, separate and distinct pedestrian pathways should be provided to connect adjacent public sidewalks and parking areas with building entrances. Clearly delineated crosswalks should be provided when such pathways cross vehicular traffic lanes.

7. Bicycle parking facilities should be easily accessible and secure.

8. Driveways to parking areas should be minimal where possible and located and designed to maximize pedestrian safety and comfort.

17-8-0904-D Parking in “D” Districts.

1. Vehicle access and service functions should be accessed from alleys in order to diminish conflicts with pedestrian traffic on sidewalks.

2. Porte cocheres and similar covered entrances for automobiles are generally strongly discouraged. ~~When used, such features should be limited in size and serve lobbies that are clearly visible from the street. These entrances should be combined with landscaped open space.~~

3. Underground parking is strongly encouraged ~~as a means of reducing the height and bulk of downtown buildings~~ for superior building design that eliminates blank walls at street level for an improved pedestrian experience.

4. Any portion of a multi-level parking garage not located below grade should be lined by active use for a minimum depth of 20 feet (see Sec. 17-8-905-B, Building Features, below).

(Omitted text is unaffected by this ordinance.)

17-8-0905-B Building Features.

1. Buildings should be located abutting the sidewalk with doors, windows and active uses adjacent to it. Exceptions are appropriate when building setbacks would allow the widening of a narrow sidewalk or where a large site allows a plaza or open space.

2. Primary pedestrian entrances should be located at sidewalk level. These entrances should be obvious to pedestrians by forming a significant focal element of the building, ~~through the use of façade variations, porticos, roof variations, recesses or projections, or other architectural forms that are integral to the building.~~ and such features should help provide building identity and presence on the street.

3. ~~On large lots, townhouses or multi-story retail~~ Active uses such as retail or residential, as appropriate, should be employed as ~~liner space~~ to screen parking garages from view and to ensure active uses at sidewalk level.

4. Large expanses of blank walls should be avoided, particularly in areas where pedestrian movement is expected.

5. For grade-level retail, ~~A~~ a minimum of 60% of the street-facing building façade between 2 feet and 8 feet in height should be comprised of clear, non-reflective windows that allow views of indoor commercial space or product display areas.

6. If solid windowless walls are necessary in limited instances because of a building's use or activity, they should be articulated with ~~arches, piers, columns,~~ architectural or material relief, planters, landscaping and other elements that reduce building scale at ground level and add to the building's visual interest.

7. ~~In neighborhood areas (outside of downtown), street-facing façades of buildings should be broken up by using horizontal bays that give the appearance of smaller, individual storefronts. Bays should have a width of 25 to 40 feet to reduce the visual impact of larger buildings and create a more pedestrian-friendly environment.~~ Building facades at pedestrian level should be appropriately scaled within the context of the existing streetscape. This may include, by way of example and not limitation, breaking up a long façade with vertical bays or proportioning a curtain wall with additional mullions.

8. Adequate sidewalk widths should be maintained to ensure pedestrian clear zones with a width appropriate for the level of pedestrian activity expected.

17-8-0906 Urban Design.

(Omitted text is unaffected by this ordinance.)

17-8-0906-B Building Orientation and Massing.

1. Building orientation and massing should create active “*street* or building walls” lining the sidewalk.

2. Buildings should be aligned with neighboring buildings, located close to the sidewalk and close to one another.

3. Where a *street* wall exists, its continuity must be reinforced with the new development. Gaps between buildings that interrupt the *street* wall should be avoided.

4. As the development pattern of the area permits, Buildings on corner sites should be located close to both *street frontages* to help “hold” and give prominence to the corner. Parking areas and driveways should not be located at corners.

(Omitted text is unaffected by this ordinance.)

17-8-0906-C Residential Development.

1. Gated, walled-off residential developments are not characteristic of Chicago neighborhoods. Such development styles should not be used.

2. Large-scale residential developments of 2 or more acres should include a variety of housing types, such as *townhouses* and *detached houses*. A mix of building types is representative of the diverse *residential building* types found in Chicago neighborhoods.

3. When new *streets* are required for large-scale residential developments, they should reconnect the existing *street* grid.

(Omitted text is unaffected by this ordinance.)

17-8-0907 Building Design.

17-8-0907-A General Intent.

1. Design excellence is expected in buildings located in *planned developments*.
2. The creativity and flexibility inherent in *planned developments* require building designs that uniquely respond to the program and location.
3. Building designs should respond to the most up-to-date sustainability and good urban design practices, including but not limited to, energy efficiency and effective landscape where appropriate.

17-8-0907-A-B General Guidelines.

1. ~~Cornices or similar enhancements should be located at the top of building *façades* facing public *streets*.~~ The existing context of a site should be respected in the design of adjacent new construction. This includes the existing general size, shape and scale, site plan and materials of surrounding properties. High-rise buildings or towers should respect the context and scale of surrounding buildings with setbacks at appropriate heights which will also reduce the apparent mass from street level.
2. ~~Elements such as cornices, belt courses, window bays, variations in wall plane and roof features should be used to create interesting attractive buildings.~~ Buildings located at intersections should have prominent design and lighting programs, due to their visibility.
3. ~~Architectural design should articulate and enhance buildings, especially those located at intersections due to their prominence and visibility.~~
- 4-3. All sides and areas of buildings that are visible to the public should be treated with materials, finishes and architectural details that are of high-quality and appropriate for use on the primary street-facing *façade*.

17-8-0907-B C High-rise Buildings. For the purposes of this section, high-rise building is defined as any new construction over 80 feet in height.

1. Buildings should have a clearly defined vertical appearance, comprised of a base, midsection, and top.
2. The bases and upper stories of high-rise buildings should be in the same vertical plane along all building *façades* fronting public *streets*, except as otherwise provided for in the following subsection 3.
3. Upper-story setbacks should be used to reduce the apparent mass and bulk of tall buildings. Such setbacks should convey a sense of sculpting to the tower and the top floors of the building. Setbacks should be at least 10 feet in depth. Exceptions to this standard include:

(a) Upper-level setbacks are not permitted on LaSalle Street between Madison Street and Jackson Boulevard, unless the upper-level setbacks occur at a height above 175 feet.

(b) Upper-level setbacks are not permitted on State Street or Wabash Avenue between the Chicago River and Congress Parkway, unless the upper-level setbacks occur at a height above 55 feet.

(Omitted text is unaffected by this ordinance.)

17-8-0909 Parks, Open Space, and Landscaping.

17-8-0909-A General Intent. *Planned developments* should:

1. where appropriate for the site, provide adequate, inviting, usable and accessible parks, open spaces and recreation areas for workers, visitors and residents; and
2. ~~provide special elements within parks, open spaces or on sidewalks to create a sense of place associated with the development; and~~
3. where appropriate, provide substantial landscaping of the open areas on the building and the site (including contiguous public ways).

(Omitted text is unaffected by this ordinance.)

SECTION 12. Section 17-13-1003 of the Chicago Zoning Ordinance is hereby amended by deleting the struck-through language and inserting the underscored language, as follows, as follows:

(Omitted text is unaffected by this ordinance.)

17-13-1003-D ~~Reserved.~~ Floor Area Ratio Bonuses.

1. The Zoning Administrator is authorized to approve an *administrative adjustment* to award a floor area bonus under Sec. 17-4-1000 to any existing development in a DC-16 or DX-16 district, which is *nonconforming* with respect to the applicable *floor area ratio* standards, provided such floor area bonus does not exceed 5% of the floor area in existence as of the effective date of this amendatory ordinance.

2. Such an *administrative adjustment* may be approved only when the Zoning Administrator determines that the proposed adjustment meets the general approval criteria of Sec. 17-13-1007-B.

SECTION 13. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or any portion thereof, is in conflict with any provision of this ordinance, the provisions of this ordinance shall control. The provisions of this ordinance are

declared to be separate and severable. The invalidity of any provision of this ordinance, or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

SECTION 14. Following due passage and approval, this ordinance shall be in full force and effect on June 1, 2016.