



MICHELE SMITH
ALDERMAN — 43RD WARD

CITY COUNCIL
CITY OF CHICAGO

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Maria Guerra-Lapacek
Commissioner
Department of Business Affairs & Consumer Protection
121 N. LaSalle Street
Chicago, IL 60602

Dear Commissioner Guerra-Lapacek:

Two years ago, under the leadership of Alderman Brendan Reilly (42nd), City Council enacted the vacation rental ordinance. Designed to protect the safety of residents by regulating vacation rentals, the ordinance requires licensing, insurance and basic safety protocols for vacation rentals.

Unfortunately, since the adoption of the ordinance, vacation rentals have proliferated. AirBnB lists over 3,000 such units in Chicago alone, yet fewer than 200 have been licensed.

While the Department of Revenue recently agreed with AirBnB to pay the Chicago occupancy tax, unlicensed vacation rentals or bed and breakfasts fail to pay the city's 1% municipal tax and none of the state taxes paid by other hotel operators, depriving the State and City of much-needed revenue.

More importantly, unlicensed vacation rentals pose serious health and safety concerns to visitors. We have had numerous reports of such establishments being operated as virtual hotels in residential areas, without complying with licensing or zoning requirements.

We understand that the City of Chicago may now have access to the information about the locations of AirBnB listings in the city. We therefore request that the City begin immediate enforcement efforts to bring unlicensed vacation rentals and bed and breakfasts into immediate compliance with Chicago's vacation rental ordinance and bed and breakfast ordinance.

Sincerely,

Michele Smith
Alderman, 43rd Ward

Brendan Reilly
Alderman, 42nd Ward

Brian Hopkins
Alderman, 2nd Ward