



City of Chicago



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Office of the City Clerk

Document Tracking Sheet

Meeting Date: 6/25/2021

Sponsor(s): Lightfoot (Mayor)
La Spata (1)

Type: Ordinance

Title: Amendment of Municipal Code Sections 5-14-040 and 5-14-050 by modifying rent regulation provisions of Keep Chicago Renting Ordinance

Committee(s) Assignment: Committee on Housing and Real Estate

HSG



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

June 25, 2021

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith, together with Alderman La Spata, an ordinance amending the Keep Chicago Renting Ordinance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Lori E. Lightfoot".

Mayor

ORDINANCE

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

SECTION 1. Section 5-14-040 of the Municipal Code of Chicago is hereby amended by adding the language underscored and by deleting the language struck through, as follows:

5-14-040 Notice to tenants.

(a) (1) No later than 21 days after a person becomes the owner of a foreclosed rental property, the owner shall make a good faith effort to ascertain the identities and addresses of all tenants of the rental units in the foreclosed rental property and notify, in writing, all known tenants of such rental units that, under certain circumstances, the tenant may be eligible for relocation assistance. The notice shall be given in English, Spanish, Polish and Chinese and be as follows:

(Omitted text is unaffected by this ordinance)

Pursuant to the City of Chicago's Protecting Tenants in Foreclosed Rental Property Ordinance, if you are a qualified tenant you may be eligible for relocation assistance in the amount of \$10,600 unless the owner offers you the option to renew or extend your current written or oral rental agreement ~~with an annual rent that: (1) for the first 12 months, does not exceed 102 percent of your current annual rent; and (2) for any 12-month period thereafter, does not exceed 102 percent of the immediate prior 12-month period's annual rent.~~ The option to renew or extend your lease shall continue until the property is sold to a bona fide third-party purchaser.

(Omitted text is unaffected by this ordinance)

(b) The owner shall attach to each notice required by subsection (a) a Tenant Information Disclosure Form, in a form prescribed by the ~~commissioner~~ Commissioner of ~~business affairs~~ Business Affairs and ~~consumer protection~~ Consumer Protection by rule. No later than 21 days after receipt of the notice, the tenant shall complete and return the Tenant Information Disclosure Form to the person and address indicated on the Form. The failure of a tenant to return the Tenant Information Disclosure Form does not relieve the owner of any obligation to either: (i) extend or renew the tenant's rental agreement, or provide a rental agreement for a replacement rental unit, whichever is applicable; or (ii) pay the relocation assistance fee.

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 5-14-050 of the Municipal Code of Chicago is hereby amended by adding the language underscored and by deleting the language struck through, as follows:

5-14-050 Tenant relocation assistance.

(a) (1) Except as provided in subsection (a)(2), the owner of a foreclosed rental property shall pay a one-time relocation assistance fee of \$10,600 to a qualified tenant unless the owner offers such tenant the option to renew or extend the tenant's current rental agreement ~~with an annual rental rate that: (1) for the first 12 months of the renewed or extended rental~~

agreement, does not exceed 102 percent of the qualified tenant's current annual rental rate; and (2) for any 12-month period thereafter, does not exceed 102 percent of the immediate prior year's annual rental rate.

(2) For any unlawful hazardous unit or unlawful conversion occupied by a qualified tenant, the owner shall pay a one-time relocation assistance fee of \$10,600 to the qualified tenant unless the owner offers, and the tenant accepts the owner's offer of, a rental agreement at a replacement rental unit with an annual rental rate that does not exceed 102 percent of the qualified tenant's current annual rental rate; and (2) for any 12-month period thereafter, does not exceed 102 percent of the immediate prior year's annual rental rate. The replacement rental unit may be located either in the same foreclosed rental property or at another location.

Provided that the Commissioner commissioner may prescribe by rule conditions under which an owner may offer a qualified tenant residing in an unlawful hazardous unit to extend or renew, at the tenant's option, the tenant's current rental agreement with an annual rental rate that complies with subsection (a)(4) if the owner makes all necessary repairs to correct any life safety or unsafe sanitary conditions.

(3) No later than 21 days after the date upon which the tenant returns or should have returned the Tenant Information Disclosure Form pursuant to Section 5-14-040, the owner shall send a written: (i)(4) notice to a qualified Qualified tenant advising the qualified tenant that the owner is paying the required relocation fee; or (ii) offer to extend or renew the qualified tenant's rental agreement, or provide a rental agreement for a replacement rental unit, whichever is applicable, with an annual rental rate in an amount that complies with subsection (a). All notices or offers shall clearly show the date the offer or notice was sent.

If a qualified tenant fails to accept the owner's offer to extend or renew the tenant's rental agreement, or accept a rental agreement for a replacement rental unit, whichever is applicable, within 21 days of receipt of the offer, or if the qualified tenant meets the criteria for an extended response time, as established by the commissioner Commissioner of business affairs Business Affairs and consumer protection Consumer Protection by rule, within 42 days of the offer, the owner shall not be liable to such tenant for the extension or renewal of the tenant's rental agreement; provided that a qualified tenant's refusal to accept the owner's offer for a replacement rental unit or to extend or renew the tenant's current rental agreement for an unlawful hazardous unit pursuant to subsection (a)(2) does not affect the tenant's right to the payment of a relocation fee.

(Omitted text is unaffected by this ordinance)

(e) The owner shall not be liable to pay the relocation fee to any qualified tenant:

(1) who does not enter into a rental agreement after being offered a renewal or extension of the tenant's rental agreement pursuant to subsection (a)(1) with a rent in an amount that complies with subsection; or

(2) against whom the owner has obtained a judgment for possession of the rental unit.

(Omitted text is unaffected by this ordinance)

SECTION 3. This ordinance shall be effective upon passage and approval.