The PRO Ordinance: Higher Costs, More Bureaucracy, Less Housing

The Protecting Renters Ordinance (PRO) would significantly expand housing regulation in Chicago while worsening the city's housing challenges. Instead of improving affordability, it would increase costs, legal risk and bureaucracy for housing providers — discouraging investment, reducing housing supply, driving up rents and ultimately harming renters.

Chicago's affordability crisis is driven by a lack of housing supply and overregulation. For years, the city has added layers of regulations that increase the cost and complexity of operating housing, pushing-out small landlords, discouraging new investment and placing additional financial pressure on renters. PRO continues that trend and mirrors policies adopted by some of the nation's least affordable housing markets, including New York, San Francisco, Los Angeles, and Washington, D.C.

This ordinance is not balanced. Chicago already has some of the strongest tenant protections in the country; PRO adds duplicative regulations and expands government in ways that risk reducing housing supply, worsening affordability and driving investment out of the city. Policymakers should do everything they can to attract more housing and expand affordability This ordinance fails both needs.

PRO is widely opposed by the housing providers responsible for maintaining and expanding Chicago's housing stock because it fails to reflect the economic realities of operating and developing housing in the city.

The PRO proposal is… **NOT pro-housing NOT pro-affordability and NOT pro-Chicago**

Just Cause Evictions

- "Just Cause" policies force housing providers to renew leases even when tenants repeatedly disrupt neighbors, create safety concerns, or violate community standards.
- Residents experiencing threats, harassment, excessive noise, criminal activity, or chronic disturbances may be forced to continue living next to problem tenants because proving "just cause" is legally burdensome and difficult.
- By eliminating reasonable lease non-renewal tools, the ordinance will likely increase formal eviction filings and prolong conflict within residential communities.
- The policy creates major legal uncertainty regarding a property owner's freedom to contract, regulatory takings without "just" compensation, and creates potential violations of the state's rent control preemption through forced relocation assistance.

Rental Registry

- The proposed rental registry would impose new fees, paperwork, inspections and compliance requirements that will increase operational complexity and operating costs for providers across Chicago.
- Those added costs do not disappear — they are ultimately passed on to renters through higher housing costs and fewer housing options.
- Chicago already has enforcement tools and public posting requirements in place, making this additional layer of bureaucracy costly, duplicative and unnecessary.

Right to Counsel

- Right to counsel programs often prolong eviction cases for months, increasing unpaid rent, legal fees and court costs for housing providers.
- Small and independent housing providers are hit hardest, threatening their ability to maintain buildings, pay employees, cover taxes and reinvest in properties.
- Extended litigation benefits attorneys more than struggling renters facing underlying financial hardship.
- Direct rental assistance and emergency housing support are more effective, targeted solutions for preventing displacement.

Move-in Fees

- Move-in fees are non-refundable charges designed to cover the actual costs associated with preparing and onboarding a new resident. These fees vary by property and reflect the specific services required by each tenant.
- Over-regulating these fees forces housing providers to spread those costs across all tenants through increased rents.
- The Illinois General Assembly has already taken steps to address so called "junk fees" with the passage of HB3564. This bill prohibits a variety of rental fees and limits what can be charged for an application fee. It also requires disclosure of all non-optional fees prior to lease signing. The FTC is also in the middle of a formal rule-making process to create a clear nation-wide rental fee transparency standard. At the risk of further over-regulation, the Chicago City Council should allow these policies to take effect before pursuing another legislative "solution" in this area.

Major Expansion of Penalties for Housing Providers

- The PRO Ordinance dramatically increases financial penalties, legal exposure and regulatory risks for housing providers.
- Chicago already has one of the most tenant-protective landlord-tenant laws in the country under the Residential Landlord and Tenant Ordinance (RLTO), which includes strict compliance standards, significant penalties and mandatory attorney's fee provisions.
- Adding more punitive enforcement mechanisms will discourage investment in rental housing and push development to neighboring communities with more balanced policies.
- Increasing liability and compliance costs will make housing more expensive to operate, maintain and build.

Bureau of Rental Housing Services (RHS)

- The proposed RHS creates another layer of government bureaucracy despite many of its functions already existing within city agencies and nonprofit organizations.
- Expanding government offices and staffing will increase costs that are ultimately funded through higher taxes and housing-related fees.
- Chicago should focus on improving existing systems instead of creating duplicative programs with unclear benefits.
- More bureaucracy does not create more housing — it slows decision-making, increases costs and discourages investment.

Renters Bill of Rights

- Most of the proposed "new" renter protections already exist under federal, state and local law.
- Duplicative regulations create confusion, conflicting standards, and create additional compliance costs without delivering meaningful new protections.
- Effective housing policy should encourage investment, expand supply and protect residents without driving up rents or reducing housing availability.