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Housing and Real Estate Committee Testimony (Re: 'Fair Notice')

14 July 2020

Good morning Chairman Osterman and Members of the Housing and Real Estate Committee. My name is Tom Benedetto representing the Chicagoland Apartment Association, CAA.

On behalf of CAA's members, who own and manage of over 1300 apartment properties and 220,000 rental units throughout the state, we urge you to **oppose** the Fair Notice Ordinance before you today for the following reasons.

First, the ordinance doubles and in many cases quadruples the notice time when leases are non-renewed. According to the professionals we represent, the majority of 'non-renewals' executed in Chicago today are intended to bypass the lengthy eviction process. But in the same way that you'd go to an immediate care facility instead of scheduling a doctor's appointment months from now, Fair Notice would make eviction courts the quickest option for relief. This bears repeating: as an unintended consequence, this ordinance would lead to more eviction filings.

Second, whether we want to acknowledge it or not, the truth is there are tenants who aren't up to meeting the responsibilities of being neighborly. As one Chicago property manager put it: 10% of residents make up 90% of their troubles. Extending the notice extends the burdens of site-staff at properties around the city.

Third, it also burdens apartment community residents. When serious issues arise, community residents are subjected to living on the property without relief while police get involved. The outcome of which is inevitable: good residents move out, and neighbors with harmful behaviors stay longer.

We asked our members: what does a resident do when their lease is non-renewed via a standard 30-Day Notice? We learned that many times, the resident continues and even heightens their disruptive behavior or stops paying rent in retaliation. So if we double or quadruple the notice time, property managers can expect double or quadruple the amount of behavioral issues and unpaid rent. This adversely shifts the balance in the landlord and tenant relationship to the detriment of other residents and the community's staff. Let us continue to responsibly regulate our properties by resolving these offenses efficiently and effectively.

Finally, the provisions regarding the right to cure were revealed to us as part of this ordinance not 24 hours ago. On top of being overly burdensome to housing providers, it will cause major confusion when conflated with the 'COVID Eviction Protections' Ordinance. Six months of negotiation changed overnight: we saw this ordinance not ten minutes prior to the convening of this meeting.

In sum, Fair Notice's unintended consequences will be more eviction filings, more unpaid rent, and more on-site disputes: all things this body should be using public policy to dissuade (not increase). For the sake of the front-line workers of the multifamily industry, we ask you to vote against the Fair Notice Ordinance today.

