

# Reject “Just Cause” Protect LOCAL and AFFORDABLE Housing in Chicago



Chicago's local housing providers and not-for-profits play a critical role in maintaining affordable housing options across the city. Proposed 'Just Cause Evictions' legislation imposes excessive rules and penalties on these providers. This harmful proposal risks driving out “mom-and-pop” landlords, reduces the city's affordable housing stock, creates legal liability for the city, and ultimately hurts tenants.

## JUST CAUSE'S EFFECTS

### **EFFECT: Lessens stability for low-income Chicagoans by increasing financial burdens.**

Small housing providers are facing rising property taxes, insurance rates, and maintenance costs. The average apartment operates on narrow margins that cannot withstand large, unexpected costs. Just Cause Eviction would require many landlords to provide relocation assistance totaling over \$10,000. **Exorbitant noncompliance penalties would lead to bankruptcy and defaults, leaving these properties vacant or purchased by institutional investors.**

According to the Institute for Housing Studies at DePaul University, 2-to-4-unit buildings represent 26% of Chicago's housing stock and over 70% in neighborhoods like South Lawndale and Brighton Park. **These properties are essential to low-income residents but are most endangered by the costs of Just Cause.**

### **EFFECT: Increases legal exposure and financial costs for the City.**

In nearby Evanston, Just Cause legislation was tabled, due in part to questions over whether Just Cause was constitutional or violated state law. These policies raise significant concerns over potential violations of the “takings” clause of the 5th Amendment of the United States Constitution and have spurred numerous lawsuits in recent years throughout the Country. **Chicago could be sued by landlords who are harmed by Just Cause.**

### **EFFECT: Undermines a 2020 compromise that expanded tenant protections.**

In response to a Subject Matter hearing in the Housing and Real Estate Committee on Just Cause Eviction in 2020, Chicago enacted the Fair Notice Ordinance (60–120 days' notice before lease termination, advance notice of rent increases, one-time 'right to cure' past due rent). **'Fair Notice' was the result of negotiation among stakeholders and ensures clear communication between tenants and landlords.**

### **EFFECT: Ineffective and costly regulations that ultimately hurt tenants.**

In addition to a laundry list of RLTO amendments, the ordinance also includes a registration program for landlords that fails to target “bad actors.” The required data is already accessible. Implementing a registration will be costly to administer and offers no guarantee of compliance. With these changes, **Chicago tenants will face unintended consequences such as higher rents, stricter screening criteria, less maintenance and renovation, and reduced housing stock.**

**These EFFECTS are contradictory to the proponents' goals.**

**Please REJECT “Just Cause” to protect LOCAL and AFFORDABLE Housing in Chicago.**