

Residential Landlords Take Notice: City of Chicago Proposes New Ordinance Mandating up to Twelve Months of Rent Relief for Tenants affected by the COVID-19 Pandemic

CCM COVID-19 ALERT

1. Proposed Ordinance.

On April 22, 2020, Ordinance O2020-2235 (the "Ordinance") was introduced in the City of Chicago proposing to grant significant rental relief protections to residential tenants affected by the COVID-19 pandemic. A copy of the proposed Ordinance is available directly from City of Chicago's Legislative Information Center website here.

The Ordinance has been referred to the City of Chicago's Committee on Housing and Real Estate for review.

2. Rental Relief - Mandatory, but there will be Options.

As introduced, the Ordinance would provide up to twelve (12) months for residential tenants to repay past due rental obligations arising in connection with the COVID-19 pandemic. The proposed relief would be retroactive for past due rents beginning on March 18, 2020, and the proposed twelve (12) month repayment period would not start until both the State of Illinois and City of Chicago "stay at home orders" are rescinded.

While the Ordinance provides that the right to make up past due rents is limited to tenants affected by the COVID-19 pandemic, the scope of such relief is quite broad. Specifically, Section 2 of the Ordinance provides such relief to any tenant experiencing:

- loss of income due to COVID-19-related workplace closure;
- increased or additional childcare expenses due to school closures or changed work schedules;
- healthcare and other expenses related to being ill with COVID-19 or caring for a member of the tenant's household or family who is ill with COVID-19; or
- otherwise due to reasonable expenditures that stem from government-ordered emergency measures.

As an alternative option the Ordinances states, tenants and landlords may, prior to rescission of the stay at home orders or within ninety (90) days of the first missed rent payment (whichever is first), mutually agree on a repayment plan. Any such plan must be selected from repayment options that will be promulgated by the City of Chicago's Commissioner of the Department of Housing within thirty (30) days following enactment of the Ordinance.

3. Rent is not Excused.

Section 5 of the Ordinance specifically provides that the Ordinance does not eliminate any obligation of the tenant to pay lawfully charged rent.

4. Can Landlord Assess Interest or Late Fees?

Section 5 of the Ordinance specifically provides that the Ordinance does not affect the accrual of interest or late fees on any past due rents.

5. Tenant will have an Affirmative Defense.

Section 2 of the Ordinance provides that the protections granted to tenants under the Ordinance will serve as an affirmative defense against any landlord eviction proceedings or other specified remedies available to landlord under the Chicago Municipal Code.

6. Access Restrictions.

Section 4 of the Ordinance provides that tenants may withhold consent to a landlord seeking to enter a tenant's unit during the continuation of the COVID-19 "stay at home orders" except:

- as may be necessary to protect the health and safety of the tenant or other tenants of the property;
- as may be necessary to make repairs to the tenant's unit or perform necessary building maintenance that unexpectedly requires access to the unit;
- in case of emergency; or
- as otherwise required by a governmental agency.

7. Stay Tuned.

Final action has not yet been taken with respect to the Ordinance. The next scheduled meeting of the Committee on Housing and Real Estate is scheduled for May 12, 2020 at 10:00

a.m. Chicago time. The agenda for that meeting has not yet been posted.

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