AGENDA AND NOTICE OF A MEETING
Housing & Community Development Committee
Tuesday, June 25, 2024
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Evanston, IL 60201 Room 2404
7:00 PM

Those wishing to make public comments may submit written comments or sign-up to provide in-person comment with the public comment form or by calling/texting 847-448-4311 by 5pm the day of the meeting.

The purpose of public comment is to enable members of the public to provide input on any topic on the agenda. The Committee may question the commenter, but a response is not required. The length of the public comment period will be **15 minutes**; the time allocated for each commenter is dependent on the number wishing to speak, but will not exceed **5 minutes per person**. The length of the public comment may be extended at the discretion of the Chairperson depending on the number of commenters and time needed to address the items on the agenda.

To listen to the meeting, join the Zoom meeting online:
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1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. NEW BUSINESS/OLD BUSINESS

A. **Research on Just Cause Ordinances and Three Proposed Amendments to the RLTO to Inform Discussion by the Housing and Community Development Committee** 3 - 12

This memo provides the Housing and Community Development Committee information on Just Cause ordinances, as well as information about three additional amendments to the Residential Landlord Tenant Ordinance that have been considered to inform a discussion by the Housing and Community Development Committee at the June 25, 2024 Special Meeting for this purpose.

For Discussion

Research on Just Cause Ordinances and Three Proposed Amendments to the RLTO to Inform Discussion by the Housing and Community Development Committee - - Pdf

4. ADJOURNMENT

Agenda items and order are subject to change.
Questions can be sent to Marion Johnson, Housing & Grants Supervisor at marionjohnson@cityofevanston.org.
The City of Evanston is committed to making all public meetings accessible to persons with disabilities. Any citizen needing mobility or communications access assistance should contact 847-448-4311 or 847-448-8064 (TYY) at least 48 hours in advance of the scheduled meeting so that accommodations can be made. La ciudad de Evanston está obligada a hacer accesibles todas las reuniones públicas a las personas minusválidas o las quines no hablan inglés. Si usted necesita ayuda, favor de ponerse en contacto con la Oficina de Administración del Centro a 847/866-2916 (voz) o 847/448-8052 (TDD).

Memorandum

To:	Members of Housing & Community Development Committee
From:	Sarah Flax, Director of Community Development
Subject:	Research on Just Cause Ordinances and Three Proposed Amendments to the RLTO to Inform Discussion by the Housing and Community Development Committee
Date:	June 25, 2024

Recommended Action:
This memo provides the Housing and Community Development Committee information on Just Cause ordinances, as well as information about three additional amendments to the Residential Landlord Tenant Ordinance that have been considered to inform a discussion by the Housing and Community Development Committee at the June 25, 2024 Special Meeting for this purpose.

Committee Action:
For Discussion

Summary:

The Housing and Community Development Committee approved amendments to the City's Residential Landlord and Tenant Ordinance (RLTO) at its meeting on April 16, 2024 and agreed to hold a special meeting for further discussion of a Just Cause for Non-Lease Renewal, Notice of Reason for Non-Renewal of a Lease, Housing Provider Mitigation/Anti-Displacement Fund, and Right of First Refusal/Tenant Right to Purchase as potential additional amendments to the RLTO.

“Just Cause” policies can enhance renters’ housing stability by protecting them from displacement when landlords are not required to provide any reason for eviction of tenants without leases or at the end of a tenant’s lease term. Other policies that can address these issues include notice requirements, discovery rights, and the right to a jury trial. Substantive defenses include retaliation, breach of the implied warranty of habitability, and violation of applicable consumer protection statutes. In Illinois, the Illinois Forcible Entry and Detainer Act, 735 ILCS 5/901 et seq., protects tenants from being evicted without cause. Illinois requires a 30-day notice if a tenant’s lease is not being renewed.

Staff was asked to provide information on Just Cause ordinances in places without rent control. No municipality in Illinois has a Just Cause ordinance. The attached map from LawDistrict.com shows 31 states, including Illinois, that prohibit or preempt city or county governments from enacting rent control measures as of February 2022. Seattle, WA, is not allowed to enact rent control but has a Just Cause ordinance whose impact on non-renewal of leases is described below.

Staff researched notice requirements for non-renewal of leases and found that in some states, the minimum notice period for fixed-term leases is dictated by State code but over half of states leave this to local governments or landlords. Fixed-term leases generally include the period of notice for renewal or non-renewal in the lease terms. Unless subject to rent controls, landlords may increase the rent at lease renewal and may choose not to renew fixed-term leases without providing any explanation or cause for the non-renewal. However, more states regulate notice terms for month-to-month leases. At least 28 states and the District of Columbia do not have notice of non-renewal requirements for fixed-term leases, while only three states lack any notice of non-renewal requirements for month-to-month agreements. The majority of these have notice periods of 28 or 30 days, one month, or one rental period, but five have notice periods that range from seven to 21 days.

Seattle, WA: The Just Cause Eviction Ordinance, passed in 1980 and subsequently amended, applies to month-to-month renters, renters with verbal agreements, and renters with expiring term leases. To end a periodic ("month-to-month") tenancy, or not offer to renew a rental agreement, a landlord must state one of the 16 approved reasons listed in the Just Cause Eviction Ordinance (see Exhibit B). Note that the Seattle ordinance does not apply to owner-occupied units (or, rather, it is a "just cause" to refuse to renew or evict if the owner occupies the same premises). Many of the "just causes" are broader than those proposed here; for example, a landlord may refuse to renew if the landlord alleges that the tenant (or one of the tenant's guests, with the tenant's consent) committed a crime – drug possession or crimes affecting the health and safety of other residents – on the premises or the adjoining sidewalk; no criminal conviction, arrest, or even police complaint is required. Lack of an appropriate "just cause" can (in certain circumstances) be a defense in an eviction action if the tenant remains past the expiration of the rental agreement. Furthermore, It is a violation of Seattle's Just Cause Eviction Ordinance for a landlord to rely on a just cause reason to not renew and then fail to follow through, whether that means not moving into the unit, not listing it for sale, etc. Fines and penalties will apply, and renters have the right to sue for $2,000 in damages.

Per Seattle code 7.24.030 - Rental agreement requirements, landlords must offer tenants in expiring term leases a renewal unless they have a just cause reason not to renew the tenancy. Either a new lease on reasonable terms or a notice of non-renewal (including citation to a "just cause" reason for nonrenewal) must be issued 60 to 90 days prior to the expiration of the tenancy. If a new lease is offered, a tenant has 30 days to accept or reject the new lease.

In addition, landlords must provide at least 180 days prior written notice whenever the periodic or monthly housing costs to be charged a tenant are to increase, except that for a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, the rental agreement shall instead

provide at least 30 days prior written notice of an increase in the amount of rent to each affected tenant.

Since July of 2022: If the total housing costs[1] in a renewal rental agreement are to increase by 10% or more (whether all at once or in increments within a twelve-month period), and the tenant meets certain income (and other) requirements, the tenant may apply for Economic Development Relocation Assistance (EDRA) from the City of Seattle. The City screens applicants (to determine income eligibility and compliance with other requirements) and pays the relocation assistance to qualified tenants. The City subsequently seeks reimbursement from the landlord[2].

Where tenants do not qualify for EDRA, there is no limit on the amount a landlord may charge or increase rent, so long as the required notice is given (180 days), because rent control is expressly prohibited under Washington law. Nor does the landlord pay relocation assistance generally[3]; instead, such relocation assistance is available only for increases of 10% or more and only for certain lower-income residents.

[1] Housing costs are not limited to rent, but also include things such as utilities (i.e., if a landlord previously paid for utilities but now will require tenant to pay), pet fees, etc.
[2] Landlords may appeal the City's eligibility determination, and efforts to collect from landlords have not been 100% successful. https://tinyurl.com/2m7xecyw
[3] Landlords do have to pay relocation assistance if tenants must move due to redevelopment or because of certain code violations.

Impact of Just Cause Ordinances

Princeton's Eviction Lab, Effect of "Just Cause" Eviction Ordinances on Eviction in Four California Cities, is the only analysis of the effectiveness of Just Cause ordinances found by staff. It analyzed the relationship between just cause eviction ordinances and eviction rates and eviction filing rates in four California cities. It found that cities that implemented just cause eviction laws experienced lower eviction, by 0.808 percentage points, and eviction filing rates, by 0.780 percentage points, than those that did not.

This is the only study of the effect of Just Cause ordinances that staff has located and the conditions between the California cities in the study and Evanston are significant, including having rent control. The Equitable Development Toolkit on Just Cause Eviction Controls by PolicyLink states:

> "Just Cause Eviction Controls need to be coupled with other tools. In order to be effective, JCEC must be used in conjunction with other tools, such as rent controls. For example, JCEC without rent control can be ineffective because landlords could increase the rent prohibitively to force out renters."

Information about three additional amendments to the Residential Landlord Tenant Ordinance is provided below:

Notice of Reason for Nonrenewal. A "Notice of Reason for Non-Renewal" policy to Evanston's RLTO could provide information on the reasons landlords are not offering lease renewals in order to address them with tools other than rent control that could be implemented in Evanston.
A Notice of Reason for Nonrenewal requires housing providers to disclose their reason(s) for not renewing their tenant's lease within the required 90-day written notice of lease non-renewal. The policy would require housing providers to submit a copy of this notice to the City simultaneously with the tenant notice, with the date of email or postmark at least 90 days before the expiration of the lease term. The reasons cited in nonrenewal notices will become a source of data to understand the reasons for and prevalence of lease non-renewal to inform future policy decisions.

Housing providers who fail to give the tenant or the City adequate notice, or who fail to give the tenant or the City the reason for nonrenewal would be subject to paying the tenant the equivalent of two months' rent or actual damages, whichever is greater. In addition, the housing provider would pay a $500 fee to the City of Evanston which would be deposited in the City's proposed Anti-Displacement Fund, or to the Affordable Housing Fund if an Anti-Displacement Fund is not established.

Notices of reason for nonrenewal that violate the Fair Housing Act will be reported to the U.S. Department of Housing and Urban Development, and those that violate the terms of the Evanston RLTO will be acted upon as described in the City's municipal code.

Housing Provider Mitigation Fund / Anti-Displacement Fund. Staff initially presented the Committee with a Housing Provider Mitigation Fund that would reimburse housing providers for significant damages and losses over the security deposit to reduce a barrier to signing a lease for renters with a history of homelessness, housing vouchers, or other forms of subsidized housing. This risk mitigation model was included and further developed by the Just Cause Task Force but has been implemented independently in several communities.

Staff refined the Housing Provider Mitigation Fund model into an Anti-Displacement Fund, which has a two-pronged approach to tenant stabilization that provides financial support to housing providers and low-income tenants:

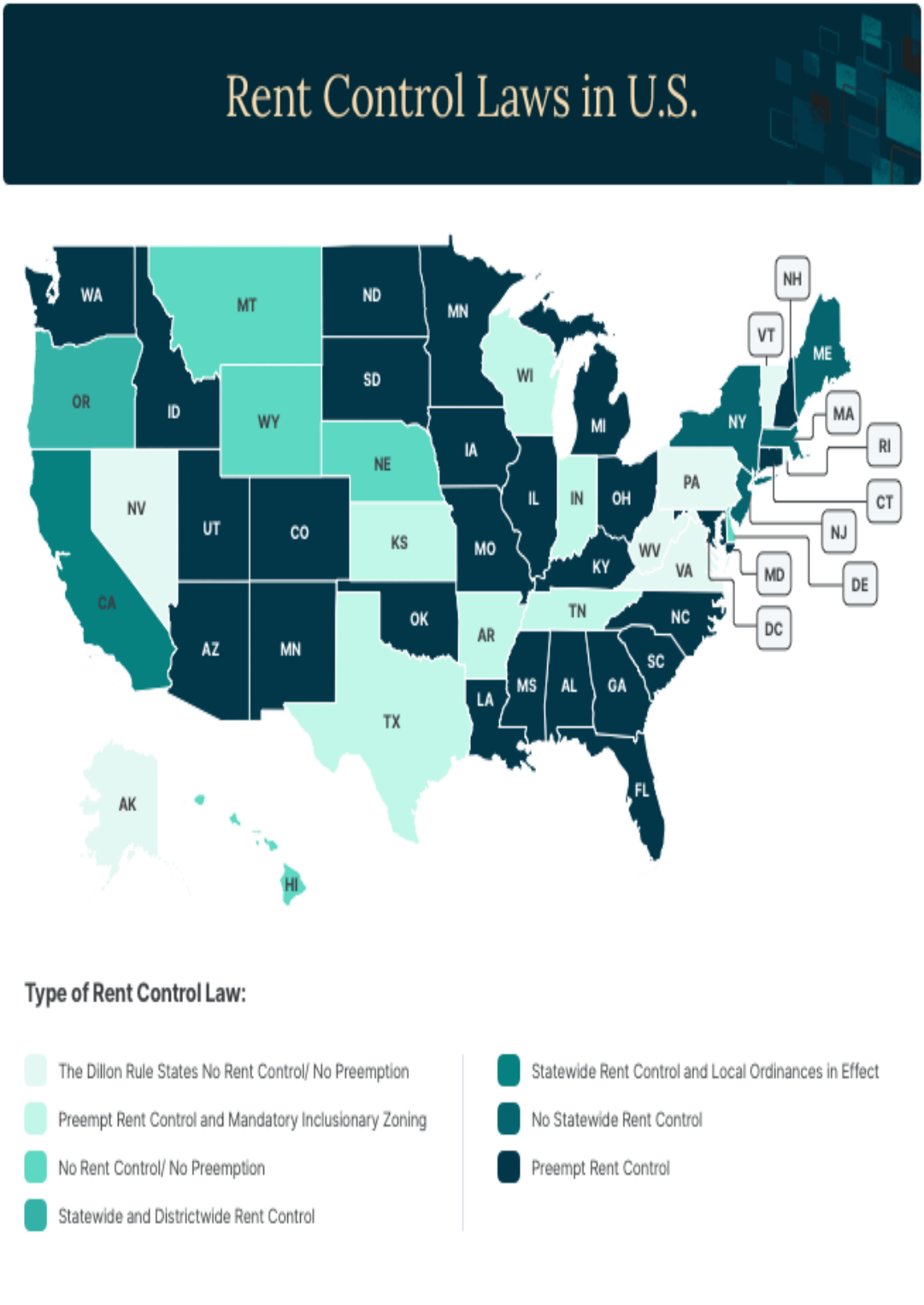
1. Funds are paid out to housing providers for damages and holds, and
2. Funds are paid out as relocation assistance to low-income tenants experiencing lease non-renewal.

Right of First Refusal / Tenant Right to Purchase. In July 2023, HCDC had a tie vote on whether to include a Right of First Refusal clause in the RLTO. This would allow renters to purchase their building before any other buyer, should it go up for sale. This provision can help stabilize renters' housing and reduce displacement, particularly in high-cost housing

markets targeted for new development and rehabilitation. It also helps maintain affordable housing and provides tenants with homeownership opportunities. Right of First Refusal policies are being implemented successfully in numerous cities throughout the country.

The Right of First Refusal model originally proposed to the HCDC would require rental property owners to provide tenants with a notice to sell, and 120 days to organize and purchase the building before the property could be marketed or sold to any other party or parties. Staff drafted a modified policy for the Committee's consideration that reduces the time tenants have to organize from 120 days to 90 days, and renamed the provision Tenant Right to Purchase, which is more descriptive of the rights and authorities provided to tenants under the proposed provision. The language in the provision also provides more clarity to the process that housing providers and tenants must follow under the Tenant Right to Purchase Policy.

Attachments:
Exhibit A - Rent control map
Exhibit B Seattle-Reasons for termination of tenancy


Rent Control Laws in U.S.
WA
MT
ND
MN
OR
ID
SD
WI
MI
WY
NY
VT
ME
NH
MA
RI
CT
NJ
MD
DE
DC
PA
NE
IA
IL
IN
OH
NV
UT
CO
KS
MO
KY
WV
VA
CA
AZ
MN
OK
AR
TN
NC
SC
MS
AL
GA
LA
TX
FL
AK
HI
Type of Rent Control Law:
The Dillon Rule States No Rent Control/ No Preemption
Preempt Rent Control and Mandatory Inclusionary Zoning
No Rent Control/ No Preemption
Statewide and Districtwide Rent Control
Statewide Rent Control and Local Ordinances in Effect
No Statewide Rent Control
Preempt Rent Control

A.

22.205.010 Reasons for termination of tenancy

Pursuant to provisions of the Washington State Residential Landlord-Tenant Act (RCW 59.18.290), an owner may not evict a residential tenant without a court order, which can be issued by a court only after the tenant has an opportunity in a show cause hearing to contest the eviction (RCW 59.18.380). An owner of a housing unit shall not evict or attempt to evict any tenant, or otherwise terminate or attempt to terminate the tenancy of any tenant, unless the owner can prove in court that just cause exists. Regardless of whether just cause for eviction may exist, an owner may not evict a residential tenant from a rental housing unit if: the unit is not registered with the Seattle Department of Construction and Inspections if required by Section 22.214.040; the landlord has failed to comply with subsection 7.24.030.J as required and the reason for terminating the tenancy is that the tenancy ended at the expiration of a specified term or period; or if Sections 22.205.080, 22.205.090, or 22.205.110 provide the tenant a defense to the eviction.

An owner is in compliance with the registration requirement if the rental housing unit is registered with the Seattle Department of Construction and Inspections before issuing a notice to terminate tenancy. The reasons for termination of tenancy listed below, and no others, shall constitute just cause under this Chapter 22.205:

A. The tenant fails to comply with a 14 day notice to pay rent or vacate pursuant to RCW 59.12.030(3); a ten day notice to comply or vacate pursuant to RCW 59.12.030(4); or a three day notice to vacate for waste, nuisance (including a drug-related activity nuisance pursuant to chapter 7.43 RCW), or maintenance of an unlawful business or conduct pursuant to RCW 59.12.030(5);

B. The tenant habitually fails to pay rent when due which causes the owner to notify the tenant in writing of late rent four or more times in a 12 month period;

C. The tenant fails to comply with a ten day notice to comply or vacate that requires compliance with a material term of the rental agreement or that requires compliance with a material obligation under chapter 59.18 RCW;

D. The tenant habitually fails to comply with the material terms of the rental agreement which causes the owner to serve a ten day notice to comply or vacate three or more times in a 12 month period;

E. The owner seeks possession so that the owner or a member of the owner's immediate family may occupy the unit as that person's principal residence and no substantially equivalent unit is vacant and available in the same building, and the owner has given the tenant at least 90 days' advance written notice of the date the tenant's possession is to end. The Director may reduce the time required to give notice to no less than 20 days if the Director determines that delaying occupancy will result in a personal hardship to the owner or to the owner's immediate family. Personal hardship may include but is not limited to hardship caused by illness or accident, unemployment, or job relocation. For the purposes of this Chapter 22.205, "Immediate family" includes the owner's domestic partner registered pursuant to Section 1 of Ordinance 117244 or the owner's spouse, parents, grandparents, children, brothers and sisters of the owner, of the owner's spouse, or of the owner's domestic partner. There is a rebuttable presumption of a violation of this subsection 22.205.010.E if the owner or a member of the owner's immediate family fails to occupy the unit as that person's principal residence for at least 60 consecutive days during the 90 days immediately after the tenant vacated the unit pursuant to a notice of termination or eviction using this subparagraph as the cause for eviction;

F. The owner elects to sell a single-family dwelling unit and gives the tenant at least 90 days' written notice prior to the date set for vacating, which date shall coincide with the end of the term of a rental agreement, or if the agreement is month to month, with the last day of a monthly period. The Director may reduce the time required to give notice to no less than 60 days if the Director determines that providing 90 days' notice will result in a personal hardship to the owner. Personal hardship may include but is not limited to hardship caused by illness or accident, unemployment, or job relocation. For the

purposes of this Chapter 22.205, an owner "elects to sell" when the owner makes reasonable attempts to sell the dwelling within 30 days after the tenant has vacated, including, at a minimum, listing it for sale at a reasonable price with a realty agency or advertising it for sale at a reasonable price in a newspaper of general circulation. There shall be a rebuttable presumption that the owner did not intend to sell the unit if:

1. Within 30 days after the tenant has vacated, the owner does not list the single-family dwelling unit for sale at a reasonable price with a realty agency or advertise it for sale at a reasonable price in a newspaper of general circulation, or

2. Within 90 days after the date the tenant vacated or the date the property was listed for sale, whichever is later, the owner withdraws the rental unit from the market, rents the unit to someone other than the former tenant, or otherwise indicates that the owner does not intend to sell the unit;

G. The tenant's occupancy is conditioned upon employment on the property and the employment relationship is terminated;

H. The owner seeks to do substantial rehabilitation in the building; provided that, the owner must obtain a tenant relocation license if required by Chapter 22.210 and at least one permit necessary for the rehabilitation, other than a Master Use Permit, before terminating the tenancy;

I. The owner (i) elects to demolish the building, convert it to a cooperative, or convert it to a nonresidential use; provided that, the owner must obtain a tenant relocation license if required by Chapter 22.210 and a permit necessary to demolish or change the use before terminating any tenancy, or (ii) converts the building to a condominium provided the owner complies with the provisions of Sections 22.903.030 and 22.903.035;

J. The owner seeks to discontinue use of a housing unit unauthorized by Title 23 after receipt of a notice of violation. The owner is required to pay relocation assistance to the tenant(s) of each such unit at least two weeks prior to the date set for termination of the tenancy, at the rate of:

1. $2,000 for a tenant household with an income during the past 12 months at or below 50 percent of the County median income, or

2. Two months' rent for a tenant household with an income during the past 12 months above 50 percent of the County median income;

K. The owner seeks to reduce the number of individuals residing in a dwelling unit to comply with the maximum limit of individuals allowed to occupy one dwelling unit, as required by Title 23, and:

1. a. The number of such individuals was more than is lawful under the current version of Title 23 but was lawful under Title 23 or Title 24 on August 10, 1994;

b. That number has not increased with the knowledge or consent of the owner at any time after August 10, 1994; and

c. The owner is either unwilling or unable to obtain a permit to allow the unit with that number of residents.

2. The owner has served the tenants with a 30 day notice, informing the tenants that the number of tenants exceeds the legal limit and must be reduced to the legal limit,

3. After expiration of the 30 day notice, the owner has served the tenants with and the tenants have failed to comply with a ten day notice to comply with the limit on the number of occupants or vacate, and

4. If there is more than one rental agreement for the unit, the owner may choose which agreements to terminate; provided that, the owner may either terminate no more than the minimum number of rental agreements necessary to comply with the legal limit on the number of occupants, or, at the owner's option, terminate only those agreements involving the minimum number of occupants necessary to comply with the legal limit;

L. 1. The owner seeks to reduce the number of individuals who reside in one dwelling unit to comply with the legal limit after receipt of a notice of violation of the Title 23 restriction on the number of individuals allowed to reside in a dwelling unit, and:

a. The owner has served the tenants with a 30 day notice, informing the tenants that the number of tenants exceeds the legal limit and must be reduced to the legal limit; provided that no 30 day notice is required if the number of tenants was increased above the legal limit without the knowledge or consent of the owner;

b. After expiration of the 30 day notice required by subsection 22.205.010.L.1.a, or at any time after receipt of the notice of violation if no 30 day notice is required pursuant to subsection 22.205.010.L.1.a, the owner has served the tenants with and the tenants have failed to comply with a ten day notice to comply with the maximum legal limit on the number of occupants or vacate; and

c. If there is more than one rental agreement for the unit, the owner may choose which agreements to terminate; provided that the owner may either terminate no more than the minimum number of rental agreements necessary to comply with the legal limit on the number of occupants, or, at the option of the owner, terminate only those agreements involving the minimum number of occupants necessary to comply with the legal limit.

2. For any violation of the maximum legal limit on the number of individuals allowed to reside in a unit that occurred with the knowledge or consent of the owner, the owner is required to pay relocation assistance to the tenant(s) of each such unit at least two weeks prior to the date set for termination of the tenancy, at the rate of:

a. $2,000 for a tenant household with an income during the past 12 months at or below 50 percent of the county median income, or

b. Two months' rent for a tenant household with an income during the past 12 months above 50 percent of the county median income;

M. The owner seeks to discontinue use of an accessory dwelling unit for which a permit has been obtained pursuant to Sections 23.44.041 and 23.45.545 after receipt of a notice of violation of the development standards provided in those sections. The owner is required to pay relocation assistance to the tenant household residing in such a unit at least two weeks prior to the date set for termination of the tenancy, at the rate of:

1. $2,000 for a tenant household with an income during the past 12 months at or below 50 percent of the county median income, or

2. Two months' rent for a tenant household with an income during the past 12 months above 50 percent of the county median income;

N. An emergency order requiring that the housing unit be vacated and closed has been issued pursuant to Section 22.206.260 and the emergency conditions identified in the order have not been corrected;

O. The owner seeks to discontinue sharing with a tenant of the owner's own housing unit, i.e., the unit in which the owner resides, seeks to terminate the tenancy of a tenant of an accessory dwelling unit authorized pursuant to Sections 23.44.041 and 23.45.545 that is accessory to the housing unit in which

the owner resides, or seeks to terminate the tenancy of a tenant in a single-family dwelling unit and the owner resides in an accessory dwelling unit on the same lot. This subsection 22.205.010.O does not apply if the owner has received a notice of violation of the development standards of Section 23.44.041. If the owner has received such a notice of violation, subsection 22.205.010.M applies;

P. A tenant, or with the consent of the tenant, the tenant's subtenant, sublessee, resident, or guest, has engaged in criminal activity on the premises, or on the property or public right-of-way abutting the premises, and the owner has specified in the notice of termination the crime alleged to have been committed and the general facts supporting the allegation, and has assured that the Seattle Department of Construction and Inspections has recorded receipt of a copy of the notice of termination. For purposes of this subsection 22.205.010.P, a person has "engaged in criminal activity" if the person:

1. Engages in drug-related activity that would constitute a violation of chapters 69.41, 69.50, or 69.52 RCW, or

2. Engages in activity that is a crime under the laws of this state, but only if the activity substantially affects the health or safety of other tenants or the owner.

([Renumbered from 22.206.160.C.1]; Ord. 126075, § 2, 2020; Ord. 126041, § 1, 2020; Ord. 125954, § 1, 2019; Ord. 125901, § 4, 2019; Ord. 125343, § 11, 2017 [style update]; Ord. 124919, § 78, 2015 [department name change and other cleanup]; Ord. 124862, § 1, 2015; Ord. 124738, § 1, 2015; Ord. 123564, § 3, 2011 [cleanup]; Ord. 123141, § 1, 2009; Ord. 122728, § 1, 2008; Ord. 121408, § 1, 2004; Ord. 121276, § 19, 2003 [department name change]; Ord. 119617, § 1, 1999 [cross-reference and department name update]; Ord. 118441, § 2, 1996; Ord. 117942, § 2, 1995; Ord. 117570, § 2, 1995 [removing reference to Title 24]; Ord. 115877, § 1, 1991; Ord. 115671, § 17, 1991; Ord. 114834, § 2, 1989; Ord. 113545, § 5, 1987.)