



SUPPORT HB 5574, House Amendment No. 1

COVID-19 Emergency and Economic Recovery Renter and Homeowner Protection Act

Lawyers' Committee for Better Housing (LCBH) is one of the few legal aid organizations in Chicago that provides free legal assistance to working-class and low-income tenant families. Though LCBH represents primarily Chicago tenants, we are all too aware of the widespread perils of eviction court and the scars that housing instability and forced displacement can leave on a family and a community.

Money is certainly needed to maintain housing. But if we ignore tenants' due process rights and the devastating effects of eviction, Illinois will face an unprecedented crisis that will devastate the housing market and lead to homelessness and housing instability for thousands. Around 57,000 eviction cases are normally filed in Illinois every year, with almost two-thirds of those cases arising outside of Chicago. Yet today, over 605,000 Illinois renters are expected to suffer from COVID-19-related income and job loss. Eviction filings and homelessness are likely to astronomically increase across the State unless tenants are provided with protections that extend beyond mere financial assistance. Passing HB 5574 is necessary to preserve the housing market, safeguard public health, and ensure that Illinois can recover from this crisis.

An Extended Moratorium on Evictions Is Necessary to Protect the Health, Safety, and Long-Term Stability of Illinois Families and Workers.

The moratorium ordered by Governor Pritzker is set to expire by the end of May, and the number of Illinois renters who will lose income and jobs due to the pandemic number in the hundreds of thousands. Under current law, once an eviction notice is served, any tenant—including those who are COVID-affected—will lose their right to stay in their home if they cannot pay their back rent within just five days. While the Governor's moratorium has so far prevented eviction filings, in just a few short days many tenants who have been served an eviction notice have no legal options left to preserve their tenancy. June 1st looms as a ticking time bomb that will see an explosion of eviction filings State-wide.

As the Governor's own executive order recognized, "residential evictions are contrary to the interest of preserving public health" and individuals should "remain in their homes during this public health emergency." Indeed, eviction court has one of the busiest court calls in Chicago and around the State. In the First Municipal District, an average of 250 cases are heard during the hour-long court calls, where landlords, tenants, attorneys, and court staff cram elbow-to-elbow into a few courtrooms. Forecasts predict a resurgence of COVID-19 infections in the fall. With many tenants lacking access to reliable internet and only 10% having an attorney, eviction court proceedings over Zoom are unrealistic, meaning that crowded eviction courtrooms will inevitably become contagion hotspots.

HB 5574 stops all stages of eviction, preventing eviction notices, court appearances, trials, and the physical ousting of a family during the immediate emergency. The moratorium will ensure that Illinoisans—including seniors, immunocompromised, and others who are



medically vulnerable--are not forced to make the impossible choice between their health and their right to defend their homes. Without a comprehensive and extended moratorium, tenants will continue to receive eviction notices demanding rent that they are unable to pay or will leave their homes in a rushed, chaotic manner, oftentimes doubling up with relatives or seeking refuge in homeless shelters, which the CDC has recognized as COVID-19 hotspots. (In Seattle, for example, an astounding 60% of individuals in homeless shelters in April tested positive for the virus.)

The moratorium is a necessity to keep families safe in their homes, and to give them the chance to financially, emotionally, and medically stabilize during this unprecedented public health crisis.

Illinois Tenants Need Additional Legal Protections to Become Stable and Receive Even a Semblance of Due Process

Due process

COVID-19 will cause an unprecedented number of families and individuals to be forced into eviction court, and yet also gives rise to a number of novel legal issues and tenant defenses. But the yawning disparity in eviction court representation means that tenants are regularly taken advantage of. Just 10% of tenants are represented by attorneys, compared to 90% of landlords. Eviction complaints in Illinois do not require landlords to even explain their reason for the eviction, leaving tenants significantly disadvantaged with respect to how to defend their homes and their rights. The average eviction “trial” lasts just 1 minute and 44 seconds. LCBH regularly sees unrepresented tenants agree to be evicted, acquiesce to vacate their home of decades in just two weeks, and be pressured by landlords’ attorneys into impossible payment plans with unrealistic timelines. These expedited, lopsided proceedings are incompatible with protecting the health, safety, and rights of Illinois tenants during the pandemic, and cannot continue.

HB 5574 seeks to keep tenants out of the eviction court system and to protect their due process rights. It imposes pleading requirements for eviction complaints, extended notice periods, as well as continuances for tenants to obtain legal assistance, or for COVID-19 or other medical issues. These protections will ensure that tenants are informed of the reasons for the eviction filing, allow them the time and opportunity to pay back rent, and if necessary, provide the time and information to obtain legal assistance and present defenses—including those related to COVID-19—in court.

Retaliation, Discrimination, Illegal lockouts

While landlord groups, financial institutions, and property management companies have made the Chicago Solidarity Pledge to work with tenants during this crisis, some of these entities are ignoring that promise. For example, LCBH has learned that at least two large corporate landlords in Chicago are requiring tenants to sign non-disclosure agreements—preventing them from talking to other tenants, or even a lawyer—just for the opportunity to discuss a COVID-19 payment plan. Other landlords have continued to file illegal evictions despite the Governor’s moratorium, pressuring uninformed tenants to move out of their home. Another large landlord’s attorney recently commented that because the tenants’ bar



only represents 10% of renters, landlords' unlawful conduct will go unnoticed during the pandemic. LCBH has also seen an increase in lockouts and retaliatory behavior in Chicago, further increasing the possibilities for COVID-19 transmission.

HB 5574 would end this unsavory and dangerous behavior by enacting provisions on retaliation, lockouts, and discrimination as well as a private right of action and Attorney General Enforcement. Giving tenants the ability to privately enforce their rights will disincentivize landlords acting recklessly and taking actions that endanger tenant families during these fraught times.

Right to cure & payment plan

Tenant families represent the dignified working class. In nearly every instance when an eviction notice was filed, tenants endeavored to pay their rent but fell behind due to circumstances out of their control. Indeed, unexpected expenses like funerals, vehicle repairs, and medical costs can be devastating for renters: the Federal Reserve estimates that 40% of Americans cannot come up with even \$400 to pay for unforeseen costs.

Tenants should not be expected to repay thousands of dollars of back rent within just five days during a global pandemic, particularly when they have been out of a job for the past eight weeks and have been waiting just as long to receive an unemployment or stimulus check. Tenants also cannot be saddled with snowballing late fees and penalties that will make it nearly impossible to financially recover and find stability.

HB5574 grants tenants a right to pay back the rent after expiration of an eviction notice and at any point up until enforcement of the eviction, and waives related fees and penalties in order to give tenants a second chance to preserve their tenancies. The bill also gives COVID-19-affected tenants the right to a fair payment plan. By establishing an interactive process for landlords and tenants to work together to reach reasonable terms before stepping into eviction court, HB 5574 protects tenancies to the benefit of both landlords and tenants. Providing the necessary time to pay off the rent keeps families in their homes, while avoiding the costly eviction process where all parties leave damaged.

HB 5574 Is Necessary to Preserve the Housing Market

HB 5574 is necessary to prevent a wave of foreclosures and mass exodus of small landlords from the rental housing market. Economic damage from the Great Recession, as measured by equity losses and loss of homes, hit minority households the hardest. One of Chicago's largest landlords profited off the fallout, buying foreclosed properties formerly run by mom-and-pop landlords by the block. To avoid a repeat, HB5574 prioritizes paying mortgagors who are unable to make mortgage payments and landlords in high-poverty zip codes. Without this provision, there's a substantial risk that large, corporate landlords—the ones best prepared to weather the storm—will crowd out owners in need of a lifeline.

The Legislature Must Act

Low-income and minority renters will bear the brunt of the negative impacts if we fail to act. African Americans and Latinos are more likely to work in industries impacted by COVID-19



closures. So too with low-income families, where 53% have a member working in a COVID-19-affected industry. One-time federal stimulus checks and increased unemployment awards expiring in July are insufficient to cover permanently lost income from mass layoffs.

The inevitable losses of a global pandemic should not be borne by those least-suited to bear them, which are our working-class communities of color, who have disproportionately suffered the loss of income, jobs, and their lives. The solution is not merely to ensure that banks and large corporate landlords do not suffer any financial loss; they too must share this burden. A relief fund is a good start, but tenant protections are imperative. If corporate landlords, realtors, and banks truly want to be partners with tenants, they should agree to share some of the same protections and due process rights they have enjoyed for decades.

The temporary reforms HB5574 enacts are key to ensuring that latent disparities in the eviction process do not balloon into societal harms of unheard-of magnitude. During this pandemic, it would be irresponsible to pass an ineffective, tepid policy. HB 5574's protections will keep working-class and vulnerable families in their homes, and allow them to find housing and economic stability, to the long-term benefit of the entire state. Please **SUPPORT** HB 5574.