

Miguel Chacon – Public Testimony 6.29.26 – Housing & Real Estate Committee Subject Matter Expert Hearing

Good morning Chairman Sigcho-Lopez and members of the Housing & Real Estate. My name is Miguel Chacon, I am the Vice Chair of the Chicago Association of REALTORS® Public Policy Coordinating Committee and a resident of Pilsen.

The ordinance we are discussing today is the lengthiest piece of housing legislation our industry has ever seen. I am not here to attack the goals of the ordinance. Tenant stability is a worthy cause. But with housing policy, the details matter deeply, and I believe a subject matter hearing is the appropriate forum to discuss potential unintended consequences.

While we believe this will take a year or more to fully evaluate and digest, today I'll speak just to the provisions about lease non-renewals, which would require housing providers to pay relocation fees when a lease is not renewed, even for legitimate reasons such as making significant repairs or moving in a family member.

For an owner rehabbing an average three-flat, the cost could be staggering. A property owner in Humboldt Park could be required to spend an additional \$22,950 to relocate tenants. In West Englewood, the cost rises to \$19,800. In Lincoln Park, it exceeds \$40,050.

In San Francisco, these mandated relocation payments unraveled into exorbitant tenant buyout agreements, which were so prevalent and costly that the city eventually enacted a separate ordinance regulating them.

Plus, under this proposal, if a lease renewal IS offered, but a tenant feels the amount of a rent increase is "unconscionable" – a term vague and open to interpretation – they are owed a lump sum of 10 months' rent. Whether it's 10 months of rent or 5 months of rent, consider the financial impact of these lump sum payments on a retired couple renting a garden unit for partial income, or young families investing in aging, naturally occurring affordable housing.

Renters should be alarmed, too. Costs this large do not simply disappear. They are absorbed into the rental market through higher rents, deferred maintenance, fewer available units or owners choosing to stop renting altogether.

Chicago's housing crisis will not be solved by making rental housing harder to provide. Yet that is exactly what the proposed "Protecting Renters Ordinance" risks doing.

At a time when Chicago urgently needs more rental housing, this ordinance would move us in the opposite direction - making it harder for responsible housing providers like myself to stay in the market. Please work with us and our association to fully evaluate each pillar before passing wholesale legislation that may benefit select tenants in the short-term, but will hurt our neighborhoods in the long-term. Thank you for your time.

