Sheila Dantzler – Public Testimony 6.29.26 – Housing & Real Estate Committee Subject Matter Expert Hearing

Intro: Good morning Chairman Sigcho-Lopez and members of the Housing & Real Estate. My name is Sheila Dantzler, past Chair of the Chicago Association of REALTORS® Public Policy Coordinating Committee, a member of CAR's Board of Directors, and a resident of Bronzeville.

Before I start I want to note that REALTORS® also submitted a two-page resource in your materials for the committee– it's purple and blue for reference.

I want to speak today about the "Protecting Renters Ordinance," a policy designed to benefit tenants, but in my view and the industry's view, will likely achieve the opposite effects. Particularly I wanted to focus on my comments on the cap on security deposits, ban on move-in fees and rejection of rent increases which triggers relocation fees. Again, while on their face, these ideas could be appealing, they significantly hinder neighborhood housing providers like myself in managing risk and keeping up with rising insurance and utility rates, property and real estate taxes, and labor and operating costs.

While the ordinance before you does contain minor changes to security deposit interest rates and comingling that have historically generated litigation, those changes are overwhelmed by the broader expansion of housing provider liability, mandatory payments, procedural mandates, and tenant causes of action throughout the ordinance.

In addition, security deposits would be capped at one month's rent and move-in fees are effectively prohibited. In my experience, many tenants see move-in fees as a preferable choice to saving up to pay larger security deposit sums up-front. Forcing the market to shift back to security deposit reliance creates more risk for housing providers and higher costs for tenants.

As originally proposed, the ordinance would allow tenants to reject rent increases as "unconscionable" with no recourse for the housing provider. Whether these measures are called rent control or not, they create the same practical problem. Property taxes continue to rise. Insurance premiums continue to rise. Utilities and repair costs continue to rise. That puts responsible housing providers in an impossible position: absorb rising costs they cannot control, risk a mandated relocation payment, or leave the rental market.

Research on San Francisco's rent-control expansion also found that some property owners responded by converting rental units to owner occupancy or other uses, reducing rental supply and contributing to higher housing costs over time. In other words, policies meant to protect affordability ended up reducing housing options and making the market more expensive. Chicago cannot afford to repeat that mistake.

In closing, I would like to say that I am proud to be a REALTOR®, not just because of my role in securing all types of housing for families who need it, but because our association works in good faith to ensure housing affordability and stability in our city. We have a track record of working with the City Council on many of the issues addressed in this ordinance, and are open to discussing each of the pillars on the merits. However, considering all of them at once in the setting of a negotiation, not a dialogue, is not just unprecedented, it puts aside the nuances of the tenant-landlord relationship in favor of expedience. We need to add more housing to address the need for more stability, not force out those who are providing it at the neighborhood level like myself. Thank you for your time and consideration.