

Metropolitan Planning Council

May 20, 2020

Representative Delia Ramirez:

As the General Assembly considers the **COVID19 Emergency and Economic Recovery Renter and Homeowner Protection Act** (HB 5574 HA 1), the Metropolitan Planning Council strongly supports this important bill, which will take comprehensive action to promote housing stability.

We especially commend the legislation's inclusions around:

- Pairing rental forgiveness with relief for small landlords
- Extending the current eviction moratorium and expanding to include foreclosures
- Expanded renter protections, including just cause eviction controls
- Adding new protected classes to anti-housing discrimination law

In addition to the elements we commend, there are portions of the bill we that we recommend be improved upon, strengthened, or added, especially in the areas of:

- Target assistance to renters, homeowners, and landlords most in need
- Strengthening education and enforcement mechanism
- Ensuring accountability and transparency in results

In the attached memo, we provide more detailed feedback on each of the points mentioned above. Please be in touch if we can provide additional information about any of the recommendations in this memo, including specific funding and program design guidelines. We are also happy to lend a hand with drafting any needed language. Thank you for the opportunity to contribute our suggestions to this ongoing conversation about the state's health. We hope to be in touch soon.

Sincerely,



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Response to the **COVID19 Emergency and Economic Recovery Renter and Homeowner Protection Act** (HB 5574 HA 1)

As the Illinois General Assembly considers further responses to COVID-19, the Metropolitan Planning Council commends the comprehensive measures to ensure housing stability included in HB 5574 HA 1. We have signed on as an endorsing organization and will advocate for passage.

The measures in HB5574, among others, are consistent with what MPC believes is necessary to slow the spread of COVID-19 in the short term and set a strong foundation for building back a better future. In addition, we recommend areas to strengthen, clarify, and add to future iterations of this bill and subsequent COVID-19 response packages.

Positive Elements

- Pairing rental forgiveness for impacted renter households with relief for small landlords
- Extending the current eviction moratorium and expanding to include foreclosures
- Adding new protected classes to anti-housing discrimination law, including justice-involvement, source of income, and occupation
- Temporary limits on rapid rent increases to prevent rent-gouging

Suggestions to Strengthen Response

The following are priority suggestions for areas to strengthen in a future iteration of the current bill or subsequent relief packages:

- **Target assistance to renters, homeowners, and landlords most in need.** Additional priority criteria could be developed to target frontline workers and communities, mixed-status households, and other impacted communities, especially Black, Latinx, and indigenous communities.
 - Mixed-status and undocumented households have been excluded from federal relief efforts and should receive some priority in allocation of new financial assistance.
 - For landlords requesting relief, priority should be given to nonprofit housing providers and smaller landlords. Small landlords can be defined as those whose total property holdings can be considered a modest investment based on their total assessed value (for example, less than \$3 million).
- **Strengthen education and enforcement.** Awareness of new programs and enforcement of new protections will be contingent on outreach and education efforts, both for tenants, homeowners, and landlords. Outreach should be conducted in multiple languages and through various means to ensure impacted residents are aware. Funding to community-based organizations can support this outreach.

Additional Considerations

The following are additional considerations, clarifications, and improvements.

- Affirm and ensure that all residents and landlords are eligible for rental assistance and relief **regardless of citizenship status**. This should be made clear through above noted outreach and education efforts.
- Clarify rent cancellation as **rent relief**. Common misunderstandings of the bill's impact to small landlords is already apparent. Proactive clarification will be needed to highlight relief provided to impacted landlords instead of a simple cancellation of rental debt.
- Comprehensive support for **small landlords**. Preventing mass evictions during this crisis is critical. Similarly, providing relief for smaller landlords who are seeing a loss in rental income and increasingly unable to meet operating expenses will also be critical for preventing a wave of foreclosures and building disrepair.
- Incorporate **racial disparities into recovery metrics**. Consider adding unemployment measures that are disaggregated by race as part of the formula to assess economic recovery. A race-conscious measure will be critical for ensuring Black, Latinx and other communities of color are not left behind as the rest of the economy picks back up.
- Create clear, equitable **guidelines for documenting COVID19 hardship**. One thing to keep in mind is how to account for non-traditional forms of employment that are harder to show proof of COVID hardship for, such as jobs without paystubs or 1099 contract workers.
- **Stop water shutoffs** and require water service reconnections. Declare a statewide moratorium on water shutoffs by public utilities, and to require immediate reconnections of suspended accounts. Extend the moratorium on water shutoffs indefinitely. Similar policies should be explored looking across utilities, including gas and electricity.
- Explore targeted **property tax relief**. Property taxes are another expense that impacted homeowners and small landlords may struggle to meet with losses of employment and rental incomes. Consider additional measures that can be taken to provide some balanced, targeted relief to those that need it most.
- Address **housing quality issues**. Many households currently live in substandard housing conditions. Landlords are also less able to respond to maintenance needs with declining income streams. Consider measures to promote healthy housing, such as by encouraging the use of proactive rental inspection programs locally.
- **Evaluation and accountability**. The effectiveness of the bill should be measured and tracked over time to ensure accountability and transparency, including tracking demographics of assistance recipients.