



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Administrative Division*

### **m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Director

**DATE:** August 7, 2014

**SUBJECT: AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 12.5 TO REQUIRE RELOCATION ASSISTANCE FOR TENANTS**

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### **Introduction & Background**

Over the past several years, the downturn in the economy, lack of adequate property maintenance, and other factors have resulted in increasing instances in Champaign County where tenants have been forced to relocate on an emergency basis due to code violations, nonpayment of utility bills, and other factors outside of the tenant's control. In many cases, tenants have not received relocation assistance from the landlord and/or have such limited resources that they may be made temporarily or even permanently homeless by these relocations. Examples of these situations include the Gateway Studios in Champaign, the Autumn Glen Apartments in Rantoul, and in Urbana the closures of the Urbana Townhomes, the Hanford Inn, and the three apartment buildings located on Silver Street.

In order to provide a coordinated response to these emergency tenant relocation situations, in 2009 the City of Urbana helped to organize a Tenant Relocation Task Force and worked alongside representatives of the City of Champaign, Village of Rantoul, United Way, Cunningham Township, Regional Planning Commission, Housing Authority of Champaign County, Champaign-Urbana Tenant Union, and other interested parties to develop a community-wide plan to provide tenant relocation support, in the form of action plans, resource guides, and the establishment of assistance funds.

As an outcome of the Task Force's activities, the City of Urbana established a tenant relocation assistance fund as part of its Consolidated Social Service Funding process. The fund began with just \$2,000 in 2009-10 and in 2014 grew to have a balance of approximately \$7,000. The fund is administered by the Grants Management division of the City of Urbana, the staff of which includes individuals who have social service experience. The fund is used on an as-needed basis to help those displaced residents who are most needy and most vulnerable to being made homeless due to code violations or other relocation circumstances. The funds are typically used to pay for hotel/motel charges, transportation, utilities, security deposits, and in some cases moving expenses. The limited funds have allowed for hotel/motel stays on the order of one to

two weeks. Grants and other Community Development staff arrange for the hotel stays and/or provide assistance in finding alternative rental units, transportation costs, and moving expenses to ensure that displaced tenants remain housed and safe. Since establishment of the fund, the City has assisted 17 families with assistance levels ranging from \$125 to \$700. The tenant relocation fund was recently augmented to support the relocation of residents of the Barnes Mobile Home Park, as this location is under a purchase contract with the City for future use as a public works maintenance and storage facility.

Among the other follow-up items discussed by the task force was the need to strengthen the City's ordinances so that landlords would be required to provide relocation assistance to tenants in those circumstances where code violations created by the landlords, and at no fault of the tenants, result in the need for tenant relocation.

## **Discussion**

While the City's existing relocation assistance funds and efforts have been critically important for those individuals who have used it, the current program fails to require landlords to accommodate the relocation needs of their tenants. Access to the program is also limited by the amount of funds available.

In order to better encourage landlord responsibility for relocation costs, Councilmembers asked city staff in 2013 to develop a tenant relocation assistance ordinance that would require landlords to pay for the reasonable costs of relocation due to code violations. The Ordinance proposal was promoted by the Champaign-Urbana Tenant Union who provided technical assistance in its preparation. Research was also conducted on the possibility of the city providing for up-front assistance where the landlord was negligent and for the City to thence seek repayment through legal means. However, upon further analysis by staff and by the Tenant Union, it has been determined that such an assistance program could actually prove to be a deterrent to the landlords providing for tenant relocation assistance. Consequently, the creation of an expanded tenant relocation program by the City is not being proposed at this time, but can be considered at a later date once the proposed ordinance is in place and there has been an evaluation as to its effectiveness.

## **Proposed Ordinance**

Community Development and Legal staff worked together to develop language that would meet the goals identified by the Mayor and Council in its 2013 direction to staff and would fit within the framework of the City's related ordinances. The ordinance is intended to encourage landlords to better protect tenant's interests in the event of relocation by providing them with reasonable relocation costs.

The Ordinance would be added as a new Article IV in Chapter 12.5 of the Municipal Code regarding Landlord-Tenant Relationships. The new Article would not in any way remove or replace any of the other duties and obligations required by the Landlord-Tenant Rights, Duties, and Remedies (Article I and II) or Rental Registration (Article III), or other sections of the Code.

The new ordinance language requires that if the City notifies a landlord that a rental property dwelling unit will be condemned or will be unlawful to occupy due to conditions that violate applicable codes, statutes or ordinances or will lose or have its rental registration denied, the landlord will be required to pay relocation assistance to every displaced tenant household with the exception of those whose own illegal conduct caused the need to relocate or whose right to possession has been terminated by court order. The relocation arrangement would be between the tenant and landlord and need not involve the City unless there is a dispute or failure on the part of the landlord to fulfill the obligation.

The landlord-provided relocation assistance shall consist generally of the following:

1. a refund of all prepaid rent including the unused balance of the current month's rental payment;
2. a refund of any security deposit;
3. the cost of the physical move, such as moving company or rental of moving van;
4. the tenant household's cost to reconnect any utilities, and,
5. if given less than 30 days' notice of the need to move, the reasonable cost of a hotel or motel room for temporary housing for up to 14 days.

The landlord would be required to pay relocation assistance to the tenant within three days prior to the date the tenant is required to vacate the premises and no more than one business day from the presentment of invoices, bills or paid receipts for the actual costs of the physical move, reconnection of utilities, and/or hotel/motel stay. This obligation is based upon the actual cost of relocation as experienced by the affected parties.

If the landlord fails to complete the payments in a timely manner, the City may assess an Ordinance violation fine of up to \$750 per day, for each day the landlord has failed to make such payments.

The ordinance also provides for reimbursement to the City in the event that the City advances any amounts to tenant households who are displaced under the terms of the ordinance where the landlord fails to make direct payment to the tenant households. In addition to reimbursement of these funds, the landlord shall be subject to a civil penalty of \$50 per day for each displaced tenant household to whom the City advances relocation assistance.

## **Fiscal Impact**

The City currently has a tenant relocation fund that is funded by the Consolidated Social Service Funding process in the annual budget. The budgeted amount for 2013-2014 was \$7,601 and there is currently an encumbered fund balance at the close of the last fiscal year of \$7,045. As part of the Consolidated Social Service Funding process in 2014-15, the City Council allocated an additional \$50,000 to the fund to assist in the relocation of Barnes Mobile Home Park residents.

The proposed Ordinance could have a positive fiscal impact upon the city in that it will require landlords to provide for relocation costs directly to their tenants, thereby potentially reducing the instances when tenants request assistance from the City.

## **Recommendations**

Staff requests that the Mayor and City Council review the attached Ordinance and offer any desired revisions prior to adoption.

Attachments:

Draft Ordinance Regarding Relocation Assistance for Tenants

Cc: Esther Patt, C-U Tenants Union  
Tanisha King-Taylor, Community Life and Tenant Services  
CIRPP, Central Illinois Rental Property Professionals  
Kevin Jackson, Kerri Spear, City of Champaign  
Darlene Kloeppe, Champaign County RPC  
Daniel Culkin, Mike Loschen, Village of Rantoul  
Ed Bland, Housing Authority of Champaign County  
Michelle Mayol, Cunningham Township  
Beverly Baker/ Sue Grey, United Way

**ORDINANCE NO. 2014-08-080**

**AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 12.5 TO ADD A NEW  
ARTICLE FOUR  
(Regarding Relocation Assistance for Tenants)**

**WHEREAS**, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

**WHEREAS**, the City Council did heretofore on the 18th day of January 1994, pursuant to Ordinance No. 9394-58, amend Urbana City Code Chapter 12.5 to establish regulations regarding Landlord-Tenant Relationships for the protection of the public health, safety, and welfare; and

**WHEREAS**, the City Council recognizes that the number of tenants who have been displaced from their dwelling units due to uninhabitable conditions caused or created by landlords in violation of City codes and ordinances have been increasing in recent years; and

**WHEREAS**, the City Council deems it appropriate to require landlords to refund to their tenants security deposits and rents which have been paid in advance as well as providing certain relocation assistance where such tenants become displaced from their rental dwelling units by reason of conditions created by their landlords which render the dwelling units uninhabitable, unsafe or unlawful to occupy; and

**WHEREAS**, the City Council finds that adding Article IV to Chapter 12.5, as provided herein, will protect the health, safety, and welfare of the public.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

**Section 1.**

That Article IV of Chapter 12.5 be adopted to read as follows:

**Article IV. Relocation Assistance for Tenants**

**Sec. 12.5-46. Purpose and declaration of policy.**

If the City provides a landlord with written notice that a rental property or any dwelling unit located therein (i) will be designated as unlawful to occupy due to conditions created by the landlord that violate one or more applicable codes, statutes or ordinances, or (ii) loss or denial of rental registration, the landlord shall pay relocation assistance to every displaced tenant household as provided for in Sections 12.5-47 and 12.5-48. However, no tenant whose own illegal conduct caused the conditions which require relocation shall be entitled to relocation assistance and no tenant whose right to possession has been terminated by court order shall be entitled to relocation assistance. For purposes of Sections 12-5-46 through 12-5-55,

"tenant household" shall mean an individual tenant who resides in a rental dwelling unit or two or more individuals who lawfully reside in the same rental dwelling unit whether or not such individuals are related to one another by blood or marriage.

**Sec. 12.5-47. Landlord's obligation to provide relocation assistance payment defined.**

Relocation assistance payment from the landlord to the tenant household, as defined in Section 12.5-46, shall include:

- (a) Refund of all prepaid rent; and
- (b) Refund of the unused balance of the current month's rental payment with such refund being computed by the number of days remaining in the month divided by the total days in that month with the result thereof multiplied by the total rent paid for that month; and
- (c) Refund of any security deposit; and
- (d) The cost of the physical move such as moving company or rental of moving van; and
- (e) The tenant household's fee to reconnect any utilities in the location to where such tenant household relocates. Said reconnection fee shall not include any arrearage due and owing to any utility company.
- (f) If any tenant household is given less than thirty (30) days' notice in which to vacate the dwelling unit pursuant to Section 12.5-46 and where the tenant, after reasonable efforts, is unable to relocate directly to another habitable dwelling unit, the landlord shall be obligated to reimburse the tenant household for any and all costs which the tenant household incurs in relocating to and staying at a local area hotel or motel. The landlord's obligation to each tenant household to reimburse for such hotel or motel stay shall be limited to no more than fourteen (14) days of stay. The landlord shall be obligated to reimburse the aforestated hotel/motel costs within one business day of the tenant household's presentment to the landlord of an invoice, bill, or paid receipt from the hotel/motel which evidences the tenant household's stay at such hotel/motel.

**Sec. 12.5-48. Timing of payment.**

The landlord shall pay to the tenant household (as defined in Section 12.5-46) that portion of the relocation assistance provided for in Sub-sections 12.5-47(a), (b) and (c) in no fewer than three (3) days prior to the date the tenant household is required to vacate the dwelling unit. The landlord shall pay that portion of the relocation assistance to the tenant household provided for in Sub-sections 12.5-47(d), (e) and (f) in no more than one business day following presentment by the tenant household of invoices, bills or paid receipts for the cost of the physical move, reconnection of utilities, and/or hotel/motel stay, as the case may be. Nothing herein shall be construed as prohibiting the tenant household from presenting to the landlord invoices, bills or paid receipts as they are issued to the tenant household. All payments by the landlord to the tenant household shall be by certified check and tendered to the head of the tenant household.

**Sec. 12.5-49. City action in the event of non-payment.**

If the landlord fails to timely complete the payments identified in Section 12.5-47 within the timeframes provided in Section 12.5-48, the City may assess an Ordinance violation fine of up to \$750 per day, for each day the landlord has failed to make such payments.

**Sec. 12.5-50. Administrative Fees, Penalties, and Fines.**

In the event that the City advances any amount or amounts to one or more tenant households, the City shall have the right to assess the landlord -

(a) An amount equal to all such relocation assistance provided by the City to each tenant household; and

(b) A civil penalty equal to fifty dollars (\$50.00) per day for each displaced tenant household to whom the City advanced financial relocation assistance times the number of days until the landlord reimburses the City for any and all sums to be paid by the landlord pursuant to this Section 12.5-50 with the accrual of such penalty commencing on the calendar day immediately following the date when the City advances such financial relocation assistance.

**Sec. 12.5-51. Other damages.**

Nothing in Sections 12.5-46 through 12.5-50 shall be construed or interpreted as creating any obligation on the City to undertake any court or administrative action on behalf of or in the name of any such displaced tenant household. Further, nothing in Sections 12.5-46 through 12.5-50 shall be deemed or construed as limiting any tenant household's legal or equitable rights under the lease for the dwelling unit from which the tenant household was displaced or under the statutory, equitable or common law rights.

**Section 2.**

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

**Section 3.**

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSENT:

ABSTAINED:

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Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Laurel Lunt Prussing, Mayor