



Message From the CEO



Dear Housing Choice Voucher Program Families:

As the new Chief Executive Officer of the Chicago Housing Authority, it is an honor to help CHA residents increase their potential for long-term economic success and a sustained high quality of life. With the support of the U.S. Department of Housing and Urban Development and Mayor Rahm Emanuel, CHA will continue to provide safe and affordable housing for Chicago's low-income families as we work to build vibrant communities throughout the city. I

am equally proud of our on-going commitment to implement the strategies set forth in our new vision – Plan Forward.

Plan Forward's new approach accounts for the ever-changing economic marketplace, reconsiders existing strategies and develops sound forward-thinking policies that will help strengthen Chicago neighborhoods. In addition, CHA is working to build holistic communities with institutions, organizations and physical spaces that foster strong communities inclusive of education, recreational and commercial opportunities.

CHA is dedicated to enhancing the quality of life in this great city as evidenced by the record attendance at last year's Owner Symposium and the grand opening of the new Near North Target on the former Cabrini-Green development area this fall. As part of this project, more than 200 job opportunities were made available, including 75 for public housing residents. Additionally, the Shops & Lofts project, a multi-million dollar complex that will be anchored by a neighborhood Wal-Mart, is another key indicator of building successful communities to help strengthen the lives of CHA residents. Shops & Lofts, to be located at E. 47th St. and Cottage Grove Ave., will also help develop a vibrant community and create more affordable housing opportunities. In the future mixed-income development area that will include both residential and commercial retail components, more than 100 permanent jobs will be created.

Thank you for your vested interest in the work of the agency and I look forward to a successful new year as the best is yet to come.

Sincerely,
Michael R. Merchant

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Meet Our Board Members - Commissioner Matthew Brewer



The Chicago Housing Authority (CHA) Board of Commissioners makes decisions about CHA policies and programs to guide CHA's current and future programs. In this series we introduce you to new and sitting board members. For this issue, we present Commissioner Matthew Brewer.

On November 13, 2013, the Chicago City Council approved the appointment of Matthew Brewer as a member of the CHA Board of Commissioners.

Matthew Brewer is a partner at the law firm Bartlit Beck Herman Palenchar & Scott, LLP, where he practices commercial litigation in federal and state courts and advises clients on legal and business issues. His practice includes breach of contract, patent infringement, false advertising, employment, antitrust, and other commercial disputes.

Brewer attended Stanford University where he served as student body president and obtained his B.A. with honors. Brewer earned a J.D. from Yale Law School and an M.B.A. from Harvard Business School. At Harvard, he received the prestigious Bert King Award, which recognizes individuals for their dedication to service as well as their academic, professional, and leadership accomplishments.

Property Owners Help Make 2013 6th Annual Owner Symposium a Huge Success

On Saturday, October 12, 2013, more than 900 property owners and managers and over 50 exhibitors attended the CHA 6th Annual Owner Symposium convened at Chicago's Historic Navy Pier – our highest attendance rate yet!



Registered guests attended over 14 workshops offered this year, broken out into three different sessions throughout the day. Property owners and managers learned about various topics, including eviction processes, inspections, bed bug detection and treatment, HUD compliancy, energy efficiency and more.

The Luncheon was held in Navy Pier's Grand Ballroom, where property owners and managers enjoyed lunch and Keynote address by John G. Markowski, President of the

Community Investment Corporation (CIC) and CHA Board member. This year's Owner Symposium hosted the 2013 Owner Excellence Program, Member of the Year Awards – HHH Solutions won the award for the "Standard Portfolio" category and Barnes Real Estate Holdings, LLC won the award for the "Large Portfolio" category.

Property owners and managers who attended the event entered for a chance to win various noteworthy raffle prizes throughout the day, such as retail gift cards and mobile tablets provided by the exhibitor vendors.



A huge thanks to all property owners and managers who attended the CHA 6th Annual Owner Symposium. This year's event turned out to be a huge success, and we look forward to keeping the momentum going for 2014.

Keep Chicago Renting

Chicago's Protecting Tenants in Foreclosed Rental Property Ordinance

Chicago Municipal Code § 5-14-040

In response to the effect of the mortgage foreclosure crisis on renters, the City of Chicago enacted the Protecting Tenants in Foreclosed Rental Property Ordinance, commonly known as the Keep Chicago Renting Ordinance (KCRO). This amendment to the Chicago Municipal Code went into effect on September 24, 2013. The full text of the ordinance is available online at: <https://chicago.legistar.com/>

Written Notice Served on Tenants

Notice of change in ownership must be provided within 21 days after a person becomes an owner or within 7 days of determining the tenant's identity. Notice must be delivered to known tenant or household member 13 years or older or mailed. In addition, notice must be posted on the primary entrance of each foreclosed property. Chicago Municipal Code, § 5-14-040(a),(b)

Notice Required to Collect Rent

Until the owner serves notice under § 5-14-040, the owner cannot collect rent or terminate a tenant's lease for failure to pay rent. Chicago Municipal Code, § 5-14-040(c).

Tenants Entitled to Protections under the Ordinance

The Ordinance protects "Qualified" tenants who have a bona fide (valid) lease or rental agreement. The definition of a bona fide lease or rental agreement includes all agreements, whether written or oral, as long as:

- **The tenant is not the mortgagor, or the child, spouse, or parent of the mortgagor;**
- **The lease or tenancy was the product of an arm's-length transaction; and**
- **The rent required under the lease or tenancy is not substantially less than fair market or is subsidized by the government.**

Chicago Municipal Code, § 5-14-020.

In other words, leases entered into with children, parents, or the spouse of the former owner; leases where both parties did not negotiate in their own best interest; and leases with substantially less than fair market rent are not considered bona fide, and tenants without bona fide leases are not qualified tenants under the Ordinance.

Property Owners Subject to the Ordinance

The Ordinance applies to: (1) any person who acquires ownership of a property pursuant to a judicial sale of a

foreclosed rental property after the sale has been confirmed by the court and any special right of redemption has expired; or (2) mortgagees that acquire ownership of a property through foreclosure or a deed in lieu of foreclosure. Chicago Municipal Code, § 5-14-020.

Property Owners Not Subject to the Ordinance

The Ordinance does not apply to: (1) an owner of a foreclosed rental property who was the owner prior to the effective date of the Ordinance; (2) a person appointed as a receiver and issued or assigned, a Receiver's Certificate; or (3) a bona fide not-for-profit in existence continuously for a period of five years immediately prior to becoming the owner of the rental unit and whose purpose is to provide financing for the purchase or rehabilitation of affordable housing. Chicago Municipal Code, § 5-14-030.

Owners Required to Renew or Extend Leases or Pay Substantial Relocation Assistance

The Ordinance requires the owner of a foreclosed rental property to either: (1) offer the Qualified Tenant a renewal or extension of their lease with a rent increase of no more than 2%; or (2) pay the tenants a relocation fee of \$10,600 within seven days of the Qualified Tenant vacating the unit. Chicago Municipal Code, § 5-14-050(a). If the owner elects to offer a lease, the owner must continue to offer renewals or extensions (with rent increases of no more than 2% per year) until the owner sells the property to a "bona fide third-party purchaser." Chicago Municipal Code, § 5-14-050(g).

Penalties

If an owner fails to comply with § 5-14-050 (Tenant relocation assistance), the qualified tenant shall be awarded damages in an amount equal to two times the relocation assistance fee. Chicago Municipal Code, § 5-14-050(f). Penalties for violation of the KCRO are significant enough that LCBH expects substantial compliance as well as higher rates of referrals for KCRO violations to LCBH and similar agencies.

Application of Other Laws

The Illinois Mortgage Foreclosure Law (IMFL) as well as the Protecting Tenants in Foreclosure Act (PTFA) still apply after the ordinance takes effect. Therefore, new owners must continue to honor any existing bona fide leases and cannot demand tenant renew or relocate until the end of that lease.

The Property Manager's Corner

In this series, we will feature guest articles written by a participating HCV Program property owner/manager that will focus on best practices for property management. The article below represents peer suggested options for improving your business and is not intended to be legal advice – consult an attorney for legal advice. For this issue, we present Kim Morgan of K-Lo Properties, with a feature about Tenant Moves.

As a landlord, a vacant unit or loss of rent can have a major impact on having a cash flowing unit or result in a loss on the ledger. It is not just a quick occupancy that can make a difference, but also having a best practice in place for a move-out that will help to minimize cost from damages as well as loss of rental income throughout the process.

As a participating HCV landlord, I have implemented a move out policy which has greatly reduced problems that can occur when a tenant vacates my unit, while increasing my bottom line profits. In order to move, the tenant must:

1. **Be eligible to move (not in a current lease and be program/lease compliant),**
2. **Provide a Notice to Vacate to the Owner (30 days' notice), and**
3. **Attend a participant move briefing.**

During the process, a tenant may become behind in rent or incur other fees. At this point, CHA has already verified lease compliance, so the owner must keep themselves very involved in the move out, to be sure that when the tenant leaves there are no unpaid fees or expenses.

At the time that a tenant submits Request for Tenancy Approval (RTA), also known as "moving papers", for their new unit, a Notice to Vacate Form with an estimated vacate and stop payment date will be sent to the current owner. The estimated date to vacate can change depending on how quickly the inspection for the new unit is scheduled and passes inspection, and the date a new lease begins. If the tenant is still occupying the unit and has not entered into another lease, you will receive payment from CHA for that month but you must follow up with the Customer Service Call Center (312) 935-2600 or Owner Services.

Damages

As a requirement in most leases, a tenant is required to leave the unit in the same or better condition as when they moved in. I always do a final walkthrough of each unit that a tenant vacates. At this time, an owner can identify and

document any damage to the property. This can be reported to CHA and will be considered a lease violation.

When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the unused balance to the tenant. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.



Move Dates

A recurring question from owners that I hope I can clarify is, "the tenant did not move out until August 8th, yet I did not get paid for August. Why?" The answer is usually very simple. Once a tenant's new unit has passed inspection, we all know as owners that we want the rent to start immediately. However, sometimes a tenant will sign a new lease beginning on the 1st, knowing that they cannot move until a later date.

I always make it my business to explain to my tenants that, per CHA rules, the tenant is responsible for the full rent, for each day that they are not completely out of the unit, after they are in another lease. It is our responsibility as owners to make sure that we are paid, not CHA. When we have a new tenant moving in, we want our rent to start as soon as possible, but HUD mandates that CHA can only pay for one unit per tenant per month.

Overall, it is critically important to have all of your documentation in order when a tenant is preparing to move, and be sure to stay in close touch with them so that you are aware of exactly when the tenant will be vacating.

CHA Owner Briefings - How Property Owners Stay Informed

Part of being a property owner or manager under the HCV Program requires being knowledgeable and staying up-to-date on processes and program guidelines related to CHA HCVP. One of the best ways to do so is by attending an Owner Briefing.

Owner Briefings are held every month and enable existing property owners to stay current on changes to the U.S. Department of Housing and Urban Development (HUD) rules and regulations, as well as the CHA's operating procedures and policies. Furthermore, all new property owners and managers are required to attend an Owner Briefing – non-compliance could result in the withholding of the Housing Assistance Payment (HAP). Hence, all property owners and managers are encouraged to attend an Owner Briefing at least once a year to receive current information and ensure successful participation in the program.

Owner Briefings provide an excellent opportunity for property owners and managers to not only receive necessary and valuable information, but also to ask questions and receive face-to-face feedback from experienced housing professionals.

By attending an Owner Briefing, property owners and managers will learn more about:

- **Property management tips**
- **Rights as a participating Property Owner or Manager**
- **The inspection process**
- **How rental rates are determined**
- **How to list a property**

Owner Briefings are typically held on Thursdays and take place at two locations:

- **Evening sessions** - CHA Central Office
60 E. Van Buren St.
Register at <http://60vanburen.eventbrite.com>
- **Afternoon sessions** - Charles A. Hayes Family Investment Center (FIC)
4859 S. Wabash Ave.
Register at <http://4859wabash.eventbrite.com>

For more information about CHA Owner Briefings, visit www.thecha.org/ownerbrief or email ownerinfo@thecha.org.

Chicago Passes Bed Bug Ordinance

Feature Article by Ruth Kurzee, Executive Director, Midwest Pesticide Action Center (MPAC)

Whether you're an experienced property owner/manager or just signed up with the HCV Program, bed bugs are nothing new. While they have been a common problem in the U.S. for quite some time now, it is important to detect and manage such pests to ensure comfortable and sanitary living conditions for your tenants.



The City of Chicago has become one of the first U.S. cities to pass a comprehensive bed bug ordinance, which became effective on December 23rd, 2013. Enforced by the Department of Buildings and the Department of Public Health, the ordinance

is aimed towards slowing the growth of Chicago's bed bug problem – an issue with which many property owners and managers, as well as their tenants, may be well familiar.

Both property owners/managers and tenants have defined responsibilities under the new ordinance, including written notification, inspection, treatment via best practices outlined by the National Pest Management Association, proper disposal practices and documentation of pest management measures.

CHA will offer training on bed bug management in the near future - be on the lookout for upcoming dates! In the meantime, property owners and managers can find more information on safe, effective bed bug control practices by visiting the Midwest Pesticide Action Center website at www.midwestpesticideaction.org.

To view the full ordinance, visit www.chicityclerk.com.

Remedies for Lease Violations

Best Practices shared by Taft West, Director of Property Management Training
Community Investment Corporation (CIC)



Good Property Managers recognize that mutual good will come from communication and cooperation with their tenants, and results in successful residential communities. When lease violations occur, the Property Manager has a responsibility to address the problem. Suggested remedies are the following:

- **Loud Music** – If the tenant plays televisions, radios, or other musical equipment in a way that disturbs other tenants, the Property Manager must first verify if the music is too loud. If it continues, the Property Manager may issue a ten-day notice. If the behavior occurs again, the Property Manager may give the notice to his attorney, who can file for eviction.
- **Refusal of Access** – The tenant shall permit reasonable access to the Property Manager upon receiving two days' notice. In the event of an emergency, the Property Manager may enter without permission but must provide notice within two days after entry. If the tenant refuses to allow the Property Manager access, the Property Manager may have a judge order the tenant to allow unit access to the Property Manager. If the tenant still refuses, he or she can be evicted.
- **Guests in Violation of Rules & Regulations** – All guests of the tenant shall observe the rules & regulations of the building. If guests violate these provisions, they may be barred and/or arrested for criminal trespassing after they have received a barred notice and placed on a barred list.

Violation of these regulations is grounds for termination of the tenant's lease, except if the tenant is a victim of domestic violence.

- **Changing Locks, Installing Burglar Bars on Doors and Windows** – Illinois Law requires that Property Managers must change locks with each new tenancy. Installation of any metal gates or bars on doors or windows by the tenant is dangerous and strictly prohibited. It is okay to have bars on ground-floor windows accessible from the street – if the tenant installs additional locks or bars on doors or windows, he or she can be evicted.
- **Property Damage** - Whenever damage is caused by carelessness, misuse or negligence by the tenant, his family or visitors, the tenant agrees to pay. The Property Manager may repair the damage and give the tenant the bill. If the tenant refuses to pay, the Property Manager can initiate an eviction or deduct the cost from the security deposit when the tenant vacates.
- **Unauthorized Pet** - No dogs, cats or other animals shall be kept in the unit except with the Property Manager's prior consent and the conditions set forth. If a pet is found without consent, the Property Manager may issue a ten-day notice to remove the pet. If the animal is a service animal used to assist the tenant with a disability, the tenant must give the Property Manager documentation from the agency who supplied the service animal, and the service animal must be allowed.
- **Non-Payment of Rent** – If the tenant does not pay the rent, the Property Manager can issue a five-day notice. If the tenant does not pay within the five-day period, the Property Manager can file for an eviction. Using an attorney is recommended for this process.
- **Late Payment of Rent** – The City of Chicago has a Landlord/Tenant Ordinance which addresses late payment of rent: the Property Manager may charge a late fee of \$10/month on rent amounts less than \$500, and a late fee of 5%/month on any portion of the rent that exceeds \$500.

The above represents accepted best practices in Property Management and is not intended to be legal advice – consult an attorney for legal advice.

Smoke-Free Buildings - Popular and Cost-Effective

If you have ever rehabbed a smoking unit in your building, you've seen the damage to your property: burned carpet, stained walls, ruined ceilings, etc. Data shows a dramatic, measurable difference in rehab turnover costs between smoking and non-smoking units. The average cost to rehab a non-smoking unit is approximately \$500; however, the cost to rehab a unit occupied by a heavy-smoker is \$3,515.

In a multi-unit building, 35 to 65 percent of the air in a unit is shared air from other units and common areas. If just one unit allows smoking, other units are affected. Even a unit exposed to light-smoking can require up to \$1,810 in rehab costs.

A survey conducted by the Respiratory Health Association found that 44 percent of Chicago renters would pay more to live in a smoke-free building. Likewise, 59 percent of those

polled said that they would be more likely to rent in a smoke-free building. The Respiratory Health Association works with public housing agencies, private developers and community organizations to transition properties to smoke-free. The Respiratory Health Association can help with sample lease language, resident surveys, educational materials and smoking cessation resources.



To learn more about smoke-free housing, contact Matt Maloney at Respiratory Health Association via email at MMaloney@lungchicago.org or phone (312) 628-0233.

Utility Responsibilities and HAP Contracts

Property owners and managers must comply with the Housing Assistance Payment (HAP) contract signed when initially leasing to each HCV Participant.

The HAP contract requires the property owner or manager specify what utilities and appliances he or she will be supplying, as well as which utilities and appliances will be supplied by the tenant. CHA determines the rent offer and tenant portion based on this information.

Furthermore, it is the property owner/manager's responsibility to include these specifications in the lease agreement with the participating family/tenant. In other words, when drafting the lease agreement to be signed by the participating family, the provided utilities must be specified and be consistent with what is indicated on the HAP contract.



Any changes to the initial utility responsibility terms must first be approved by CHA. If a property owner or manager does not comply with these regulations, or if he or she changes utility specifications without notifying or receiving CHA approval, it is considered a breach of the HAP contract and could result in termination. To avoid such a conflict, property owners and managers are encouraged to follow the HAP contract instructions and consult the Property Owner Reference Manual.

For more information, please visit the CHA website at www.thecha.org or contact the Customer Call Center at (312) 935-2600.



OEP Member?
Have an upcoming annual or initial HQS inspection?
 Owner Excellence Program team invites you to request
 for a Combination Enhanced Inspection!



Visit www.thecha.org/excellence to submit your request today!





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Inspections Corner

The CHA team strives to ensure that CHA-assisted units are in compliance with the Housing Quality Standards (HQS), while providing the utmost customer service to property owners and managers. It is important for property owners and managers to be aware of the role they play to help the HCV Program operate successfully.

Photo Documentation

When inspectors are conducting an inspection for a unit, it is their responsibility to document all failed items. As a part of this process, inspectors will take photos of failed items to provide clarity during the internal documentation process; photos will not be used for any other purpose.

Inspection Time Tables

Each inspector is required to perform their duties with the utmost focus and efficiency within predetermined time limits. Therefore, it is not always advantageous for inspectors to be overly engaged while on duty. We ask all property owners and managers to be respectful of inspectors' time while in the field to ensure successful operation of the HCV Program.

CHA Owner Portal

For internal processes to operate smoothly, the CHA has implemented an internal tracking system for uploading documents within the Owner Portal. The goal of this system is to streamline this process and make it easier for property owners and managers to submit documents, as well as for CHA staff to access these documents and handle cases more efficiently. Property owners and managers are encouraged to use this new feature to upload the following documents and requests:

- Elevator certifications
- Lead Blood Poisoning (LBP) documents
- Weather and non-weather related extension requests
- Building Code Compliance documents
- Environmental Intervention Blood Lead Level (EIBLL) documents

This convenient and easy-to-use tool can now be accessed at www.thecha.org/hcvportal.

