



Spring/Summer 2010

housing briefs

Publication of
Lawyers' Committee
for Better Housing

Hearts For Housing



The crowd at Kirkland & Ellis between tournament rounds.

2010 Hearts for Housing was a huge success! The event, held March 5th, was generously hosted by Kirkland & Ellis LLP. Over 200 guests enjoyed an entertaining Hearts tournament, exciting raffle and

delicious appetizers. The event raised nearly \$25,000 for LCBH's programs. Robert Middleton won the beginner level tournament and Peter Wilberscheid was the winner of the advanced tournament. Thank you to all who supported Hearts for Housing 2010. Your sponsorships, raffle and event ticket purchases, and donations helped to make this the most successful Hearts for Housing ever!



Board members Claire O'Connor and Louis DiSanto, in Blackhawks regalia, urge the crowd to buy raffle tickets.

Hockey Tickets

The grand prize in the Hearts for Housing raffle was a pair of tickets to the Blackhawks second round playoff game. The tickets were generously donated by Board member Greg Furda of Sidley Austin. He has already promised to donate another pair next year! Winner Annemarie Stack was thrilled, especially when the Blackhawks co-operated with a first round win!



Board member Greg Furda presents the Blackhawks playoff tickets to raffle winner Annemarie Stack with LCBH Executive Director Kathy Clark.

Young Professionals Board

In January, Board members Claire O'Connor and Louis DiSanto spearheaded formation of a Young Professionals Board. The initial YPB is composed of members Vito Giovingo of Deloitte, Max Kellin of Sidley Austin, Jessica Panza of Mayer Brown, and Raj Vibhakar, technology consultant. All four members jumped in and assisted with Hearts for Housing by selling tickets, soliciting raffle prizes, and sponsorships and inviting their friends to attend. Kudos to them for their dedication to our mission. We look forward to many years of involvement as we continue to build the YPB.

Foreclosing Banks Responsible for Security Deposit Return

LCBH and other tenant advocates applaud a recent change in Chicago's Residential Landlord and Tenant Ordinance (RLTO) that helps ensure that tenants displaced due to foreclosure of their building will get their security deposit back. The amendment, proposed on Mayor Daley's initiative, expands the definition of "successor landlord" to include a lien holder in cases of foreclosure. Thus all successors-in-interest of a foreclosed building would be responsible for the return of the tenants' security deposits. This addresses the issue of innocent tenants who have paid or attempted to pay rent unfairly losing their security deposits when a landlord disappears during a foreclosure action.

The amendment was initially deferred by the Building Committee, in spite of apparent unanimous support, because Chairman Bernard Stone linked its passage to an unrelated amendment put forward by the Chicagoland Apartment Association (CAA) on behalf of realtors and landlords. LCBH's Director of Building Programs, Mark Swartz, testified in favor of the City amendment and against the CAA proposal. The City amendment was subsequently passed by the Building Committee and approved unanimously by the City Council.

The CAA's proposed amendment has been sent to subcommittee. In our view, it would unfairly and unnecessarily shift the burden of enforcement of all of the current RLTO security deposit provisions from the landlord to tenants by requiring a 14-day notice to landlords for all sections of the security deposit provisions. This includes a prohibition on comingling of rent and security deposit funds; providing a security deposit receipt to tenants; paying annual interest rate payments on security deposits to tenants; and rules for return of security deposit on move out. The CAA's proposal would shift the burden for compliance by landlords to tenants and provide a disincentive for a landlord to follow the law until called to account by each and every tenant in their building.

Tenant advocates agree that one provision in the security deposit section could be addressed: landlords subject to the full spectrum of ordinance fines, costs, and fees if they make an unintentional calculation error on interest so long as they attempted to return the required annual interest in a timely manner. Alderman Helen Shiller has proposed just such an amendment and this will also be discussed at the subcommittee level. Tenant advocates, including LCBH, have offered to participate in discussions with CAA to review unintended consequences of the RLTO.

Foreclosure Report



Mark Swartz presents the report to funders and advocates.

On April 29th, LCBH attorneys Mark Swartz and Rachel Blake presented their 2009 Tenants in Foreclosure report to a select group of funders and advocates at an event hosted by Sidley Austin. The report was a summation of findings about the affect of foreclosure on tenants

in Chicago. A startling statistic is that in 2009, on average more than 125 multi-unit rental buildings went into foreclosure each week. In total, over 21,000 units went into foreclosure over the course of 2009 with the majority located in lower-income, minority communities. The report has been released to the public with coverage in the Chicago Tribune, SunTimes, on WGN, WVON, WBEZ, Channel 5, and online on ChicagoNow.



Mark Swartz and Rachel Blake discuss the report with Jack Markowski of Community Investment Corporation.

Cy Pres Award to LCBH

LCBH received a generous *cy pres* award in April. The award was directed to LCBH at the behest of Larry Martin, the lead plaintiff in the class action. Mr. Martin's case involved a security deposit claim against his landlord. Upon realization that there would be a *cy pres* award, Mr. Martin took it upon himself to research beneficiaries. His research led him to LCBH. He selected LCBH because "I was able to hire an attorney to help me in this case but I know a lot of others aren't able to do so. I wanted the award to go to an organization that helps people like me." At LCBH's April Board meeting the Board of Directors presented Mr. Martin with a plaque recognizing his support. Mr. Martin's attorney Mark Silverman was also in attendance and was thanked for his contribution.



Board President Tony Hopp presents an award to Larry Martin in recognition of the *cy pres* award, pictured with Mark Silverman.

New Board Members

LCBH is pleased to welcome two new members to our Board of Directors. Long-time volunteer Brian Thomas of Fakis & Tallis and Bernadette Freeman of Barrister One were voted onto the Board of Directors at the February Board meeting.



L to R: New Board member Brian Thomas, Board President Tony Hopp, new Board member Bernadette Freeman

LCBH's mission is to promote safe, fair, affordable housing, free from discrimination for low-income tenants in Chicago through legal representation, education, and advocacy.

How Do We Pay Our Rent?

The Jameson family, tenants in a multi-family rental building, came to LCBH after receiving a notice of foreclosure from the bank. They found out when they received a notice of foreclosure from the bank. They wanted to do they right thing but they were confused about how to pay rent as multiple people were claiming to be the owner. The situation was further complicated because the original property owner was fighting the foreclosure. LCBH worked with the family to determine how they should pay rent. At one point the original owner shut the water heater off and locked the basement, preventing the family from accessing hot water. LCBH reported this illegal lockout and forced the property owner to restore hot water to the unit. LCBH also helped keep the utilities on and obtained \$2,000 in relocation expenses for the family. LCBH's Supportive Service team worked with the family and Casa Norte, which located a newly rehabbed two-bedroom apartment for them.

This report has data on rental building foreclosure by community, by foreclosing bank, and number of units. View it online at www.lcbh.org.

