

## CHAPTER 5-15

### SINGLE-ROOM OCCUPANCY PRESERVATION ORDINANCE\*

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\* **Editor's note** – Pursuant to Coun. J. 11-12-14, p. 97375, § 5, this chapter shall not apply to any single-room occupancy building that satisfies each of the following requirements:

- (1) the single-room occupancy building was under contract to be sold or otherwise transferred as of October 8, 2014;
- (2) the single-room occupancy building is the subject of a loan restructuring authorized by the Chicago City Council on or after May 15, 2014; and
- (3) the single-room occupancy building is the subject of a transaction in which the buyer/transferee is required (by contract, recorded covenant, or other agreement) to maintain at the property for at least 20 years a number of residential units for individuals and families whose gross household income is not greater than 40 percent of the median gross household income for the Chicago region, as determined by the Secretary of the United States Department of Housing and Urban Development, with adjustments for smaller and larger families, which equals or exceeds 33 percent of the current number of units at the property.

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#### **5-15-010 Title and purpose.**

This chapter shall be known and may be cited as the “Single-Room Occupancy Preservation Ordinance”, and shall be liberally construed and applied to achieve its purpose, which is to promote the public welfare by preserving single-room occupancy buildings, thereby sustaining the availability of affordable housing in neighborhoods throughout Chicago. The legislative intent of this chapter is to advance the City's vital interests in reducing homelessness and maintaining an economically diverse population.

(Added Coun. J. 11-12-14, p. 97375, § 2)

#### **5-15-020 Definitions.**

For purposes of this chapter, the following definitions apply:

“Affordable housing” means housing where the residents pay no more than 30 percent of their adjusted gross monthly household income in rent.

“Conversion” means any action that transforms all or part of an SRO into any type of use, residential or non-residential, that does not meet the definition of SRO.

“Demolition” means any action resulting in the complete or partial, interior or exterior, destruction of an SRO, or the combination of two or more units in an SRO to make a larger unit, or any other action that results in the reduction of the number of units in an SRO.

“Extremely low-income” means those individuals and families whose gross household incomes are between zero and 30 percent of the median gross household income for the Chicago region, as determined by the Secretary of the United States Department of Housing and Urban Development, with adjustments for smaller and larger families.

“Low-income” means those individuals and families whose gross household incomes are between 50 and 80 percent of the median gross household income for the Chicago region, as determined by the Secretary of the United States Department of Housing and Urban Development, with adjustments for smaller and larger families.

“Owner” has the meaning ascribed to that term in Chapter 14A-2 of the Municipal Code of Chicago.

“Selling or otherwise transferring ownership” means transferring the current owner's interest in an SRO to any person, other than a member of the owner's family, by any means, including changing the title or changing the beneficiary of a trust. This definition does not include any internal transfer of control between current officers, members, or managers of corporations, partnerships, or other business entities. Nor does this term apply to any transfer of an SRO where the new owner has committed to maintain at the property a number of units of subsidized affordable housing for low-, very low-, and extremely low-income individuals and families equal to at least 80 percent of the current number of units at the property.

“Single-room occupancy building” or “SRO” means a residential building that contains five or more single-room occupancy units and in which at least 90 percent of the units are single-room occupancy units.

“Single-room occupancy unit” or “SRO unit” has the meaning ascribed to that term in Section 17-17-02164 of the Municipal Code of Chicago.

“Subsidized affordable housing” means affordable housing where individuals and families reside and pay rent to the owner with the benefit of governmental or charitable rental subsidies, rental assistance payments, or other housing assistance payment contracts, which may create a third-party right to the tenancy.

“Unsubsidized affordable housing” means affordable housing where individuals and families reside and pay rent to the owner without the benefit of any governmental or charitable rental subsidies, rental assistance payments, or other housing assistance payment contracts.

“Very low-income” means those individuals and families whose gross household incomes are between 30 and 50 percent of the median gross household income for the Chicago region, as determined by the Secretary of the United States Department of Housing and Urban Development, with adjustments for smaller and larger families.

(Added Coun. J. 11-12-14, p. 97375, § 2; Amend Coun. J. 4-10-19, p. 100029, Art. II, § 84)

#### **5-15-030 Preservation fees.**

Any preservation fee remitted pursuant to this chapter shall be calculated by the Commissioner of Housing. The formula for determining such fees may be adjusted annually based upon the United States Bureau of Labor Statistics’s Consumer Price Index for all Urban Consumers for the Chicago metropolitan area, or, if this index no longer exists, some other comparable index, selected by the Commissioner of Housing in his reasonable discretion.

(Added Coun. J. 11-12-14, p. 97375, § 2; Amend Coun. J. 11-14-18, p. 90308, Art. I, § 31)

#### **5-15-040 SRO Improvement and Stabilization Program.**

(a) The Commissioner of Housing is authorized and instructed to establish an SRO Improvement and Stabilization Program to incentivize the preservation of well-maintained SRO units. All preservation fees collected pursuant to this chapter shall be utilized solely for purposes related to the operation of the SRO Improvement and Stabilization Program.

(b) Subject to appropriations and the availability of funds from other sources, the SRO Improvement and Stabilization Program shall provide incentives such as forgivable loans for the purpose of rehabilitating SROs; grants to make up the difference between offers to purchase tendered by prospective buyers intending to maintain affordable housing at SROs and larger offers tendered by prospective buyers intending to convert those SROs to other uses; on-site, City-funded social and case management services; and/or other comparable measures.

(c) As part of the SRO Improvement and Stabilization Program, the Commissioner of Housing shall investigate the possibility of securing incentives that are outside the authority of the City to provide, including, but not limited to, property tax credits from Cook County for owners of SROs who maintain affordable housing.

(Added Coun. J. 11-12-14, p. 97375, § 2; Amend Coun. J. 11-14-18, p. 90308, Art. I, § 32)

#### **5-15-050 Sales and transfers of SROs.**

(a) Unless exempt pursuant to subsection 5-15-050(b), before selling or otherwise transferring ownership of an SRO, the owner shall meet the requirements described in either subsection 5-15-050(a)(1) or subsection 5-15-050(a)(2).

(1) (A) The owner may choose to:

(i) provide to the Department of Housing by first class mail, and to the residents of the SRO by hand delivery and first class mail, at least 180 days’ notice of the proposed sale or transfer of the property;

(ii) allow 180 days following the date of notice for a buyer intending to maintain affordable housing at the location, including, but not limited to, current residents and their representatives, to tender an offer to purchase the property; and

(iii) upon receiving such offer, engage in good-faith negotiations, during the remaining portion of the 180-day period described in subsection 5-15-050(a)(1)(A)(ii), as well as any extension of time beyond that 180-day period agreed to by the owner and the offering party, toward a purchase and sale agreement with the offering party.

(B) If the owner accepts an offer tendered and negotiated in the manner described in subsection 5-15-050(a)(1)(A), then the owner shall include in the purchase and sale agreement a clause whereby the purchaser agrees to maintain the property, for a period of not less than 15 years, as subsidized or unsubsidized affordable housing for very low-income individuals and families; provided, however, that for each unit the purchaser agrees to maintain as subsidized or unsubsidized affordable housing for extremely low-income individuals and families, the purchaser may set aside one unit as subsidized or unsubsidized affordable housing for low-income individuals and families. However, any unit that is subsidized such that the resident's portion of the rent constitutes not more than 30 percent of his adjusted gross monthly household income that falls under this subsection 5-15-050(a)(1)(B) may be rented to a low-income individual or family. Each purchase and sale agreement shall provide for the sale to be completed within one year. The closing on any sale that falls under this subsection may be extended beyond one year on agreement of the parties, provided they are diligently and actively pursuing all necessary governmental approvals and those approvals have not been subject to a final denial by the relevant governmental entity.

(C) If the owner receives an offer and meets the requirement of negotiating in good faith, as described in subsections 5-15-050(a)(1)(A)(ii) and (iii), but does not reach a purchase and sale agreement with the offering party, then the owner shall have a period of 120 days following the expiration of the 180-day notice period described in subsection 5-15-050(a)(1)(A)(i) within which to enter into a purchase and sale agreement to sell or transfer the property to any other party. The purchase and sale agreement shall provide for the sale to be completed within one year. The closing on any sale that falls under this subsection 5-15-050(a)(1)(C) may be extended beyond one

year on agreement of the parties, provided they are diligently and actively, pursuing all necessary governmental approvals and those approvals have not been subject to a final denial by the relevant governmental entity. Each owner subject to this subsection shall be required to fulfill the resident relocation, requirements described in subsection 5-15-060(b), but shall not be required to pay the preservation fee described in subsection 5-15-050(a)(2). Beginning on the 121st day following the expiration of the 180-day notice period described in subsection 5-15-050(a)(1)(A)(i), the owner shall not sell or otherwise transfer the property without repeating the process described in subsection 5-15-050(a)(1)(A).

(2) An owner shall not be subject to any of the requirements described in subsection 5-15-050(a)(1) if he remits to the City, before selling or otherwise transferring his property, a preservation fee in the amount of the number of units at the property times \$20,000.00 (as adjusted pursuant to Section 5-15-030).

(b) An SRO for which plans, and applications for all required permits, were filed on or before June 25, 2014, where said plans call for modifications that will bring the SRO under the definition of “newly constructed” set out in Section 13-206-020 of the Municipal Code in effect on that date, shall be exempt from the requirements described in subsection 5-15-050(a), as well those described in Sections 5-15-060 through 5-15-090, for a period of 15 years from that date. However, this exemption does not relieve an SRO owner of his responsibilities under Sections 5-15-060 through 5-15-090 insofar as those responsibilities extend to individuals or families residing in subsidized or unsubsidized units at the property that are affordable for low-, very low-, or extremely low-income households.

(Added Coun. J. 11-12-14, p. 97375, § 2; Amend Coun. J. 11-14-18, p. 90308, Art. I, § 33; Amend Coun. J. 4-10-19, p. 100029, Art. II, § 85)

### **5-15-060 Anti-displacement and relocation requirements.**

(a) *Long-term residents.* Each resident of an SRO that is scheduled to be demolished, converted, or sold or otherwise transferred, who has resided at the property for at least 32 consecutive days immediately preceding the date the owner initiates, as applicable, either the demolition or conversion, or the sales process described in Section 5-15-050(a), shall be considered a long-term resident. Each owner of an SRO who intends to convert, demolish, or sell or otherwise transfer the property in a manner that will result in the displacement of residents shall submit a list of all long-term residents to the Commissioner of Housing and, where applicable, to the purchaser of the property.

(b) *Requirements related to displaced residents.* In situations where an SRO is scheduled to be converted, demolished and replaced, or sold or otherwise transferred in a manner that results in the displacement of residents, the owner or purchaser, as applicable, shall determine which, if any, of the current income-eligible and lease-compliant long-term residents wish to return to the property. If the number of affordable units scheduled to be retained is more than zero but less than the number of such long-term residents wishing to return, then the owner or purchaser, as applicable, shall determine via lottery which of those residents to invite to return to the property.

(1) In situations where conversion or construction renders the SRO temporarily uninhabitable, the owner shall arrange for comparable temporary accommodations, as defined by the Commissioner of Housing, for each resident who is invited and intends to return to the property, as well as all reasonable moving and related expenses, not to exceed one month’s rent (or the amount of rent the resident has paid over the most recent 30 days, if rent is not paid on a monthly basis).

(2) In all cases under this subsection 5-15-060(b), the owner or purchaser, as applicable, shall refund to each resident who is not invited to return to the property any security deposit, any interest due on the security deposit, and all prepaid rent. In addition, the owner or purchaser, as applicable, shall pay each such resident who qualifies as a long-term resident a one-time relocation assistance fee in the amount of the greater of \$2,000.00 or three months’ rent (or three times the amount of rent the resident has paid over the most recent 30 days, if rent is not paid on a monthly basis). If any affordable housing units will be maintained or created at the property, the owner or purchaser, as applicable, shall also give each displaced long-term resident the option of placement on a waitlist for such a unit. This subsection 5-15-060(b)(2) does not apply to any owner or purchaser subject the Uniform Relocation Act, 42 U.S.C. § 4601, et seq.

(c) *Higher relocation fee required where owners proceed under subsection 5-15-050(a)(2).* In situations where an SRO is scheduled to be sold or otherwise transferred pursuant to the terms described in subsection 5-15-050(a)(2), in addition to complying with the requirements described in subsection 5-15-060(b), the owner shall pay each displaced long-term resident a supplemental one-time relocation assistance fee in the amount of \$8,600.00.

(d) *Higher relocation fee required if property vacated due to unsafe conditions.* In the event the City vacates an SRO due to unsafe building conditions, or a court orders an SRO vacated due to unsafe building conditions: (1) the owner shall provide, within 14 days, a one-time relocation assistance fee of \$10,600.00 to each person who was a resident of the SRO at the time of the execution of the order to vacate; and (2) if the owner subsequently transfers or sells the property, he shall be required to fulfill the requirements of Section 5-15-050(a), regardless of how much time passes between the execution of the order to vacate and the sale or transfer. In this situation, the term “resident” in Section 5-15-050(a) shall be interpreted to mean “resident of the SRO at the time of the execution of the order to vacate”. Subsection 5-15-060(d)(1) does not apply where the unsafe building conditions are caused by fire or casualty, unless the damaging event is directly caused by the owner.

(Added Coun. J. 11-12-14, p. 97375, § 2; Amend Coun. J. 11-14-18, p. 90308, Art. I, § 34)

### **5-15-070 Change in terms of rental, lease, or occupancy agreements.**

The owner of an SRO shall hand deliver to each resident written notice of any change in the terms of that resident's rental, lease, or occupancy agreement, including changes in the frequency or amount of payment for rent, occupancy, or other housing purposes. The timing of this notice shall be determined by the resident's existing rental, lease, or occupancy agreement, whether written or oral. For example, if a resident pays rent on a weekly basis, he is entitled to one week's notice pursuant to this section. A rent increase imposed in compliance with this section shall not constitute retaliatory conduct for purposes of Section 5-15-090, so long as the increase is imposed on a property-wide basis.

(Added Coun. J. 11-12-14, p. 97375, § 2)

#### **5-15-080 Provision of room keys to residents.**

The owner of an SRO shall provide each resident a copy of his room key. If an owner violates this section, the affected resident shall be entitled to \$2,000.00 or twice the monetary value of the damages sustained, whichever is greater. An owner may charge a fee of not more than \$10.00 for replacing a key lost by a resident.

(Added Coun. J. 11-12-14, p. 97375, § 2)

#### **5-15-090 Retaliation prohibited.**

(a) Where a resident has resided at an SRO for at least 32 consecutive days, the owner of the property shall not knowingly terminate the resident's tenancy, increase the resident's rent, decrease the resident's services, bring or threaten to bring a lawsuit against the resident for possession, or refuse to renew a lease or tenancy because the resident has, in good faith:

- (1) complained of code violations applicable to the premises to a governmental agency, elected representative, or public official charged with responsibility for enforcement of a building, housing, health, or similar code;
- (2) complained of a building, housing, health, or similar code violation, or an illegal owner practice, to a community organization or the news media;
- (3) sought the assistance of a community organization or the news media to remedy a code violation or illegal owner practice;
- (4) requested that the owner make repairs to the premises, as required by a building code, health ordinance, other regulation, or a residential rental agreement;
- (5) become a member of a tenants' union or similar organization;
- (6) testified in any court or administrative proceeding concerning the condition of the premises;
- (7) participated in an offer to purchase to the property or in good-faith negotiations pursuant to 5-15-050(a)(1); or
- (8) exercised any other right or sought any other remedy provided by law.

(b) If an owner is found to have violated subsection 5-15-090(a), the aggrieved resident shall have both a cause of action and a defense in any retaliatory action for possession, and shall be entitled to either recovery of possession or termination of the rental or occupancy agreement, as applicable. The resident shall also be entitled to an amount equal to either twice his monthly rent, or twice the amount of rent he has paid over the most recent 30 days (if he does not pay rent on a monthly basis). Upon the termination of a rental or occupancy agreement pursuant to this subsection 5-15-090(b), the owner shall return to the resident any security deposit, any interest due on the security deposit, and all prepaid rent.

(c) In an action by or against a resident, evidence that the resident undertook conduct protected under subsection 5-15-090(a) within one year prior to the alleged act of retaliation shall create a rebuttable presumption that the owner's conduct was retaliatory.

(Added Coun. J. 11-12-14, p. 97375, § 2)

#### **5-15-100 Enforcement.**

(a) Any resident of an SRO who is injured by a violation of this chapter may institute injunctive, mandamus, or other appropriate legal action seeking enforcement. A resident who institutes a legal action pursuant to this chapter and is adjudged to be a prevailing party may be awarded attorney's fees and court costs. If the court finds that a plaintiff who brought a proceeding under this subsection 5-15-100(a) did not reasonably believe his action was well grounded in fact and warranted by this chapter, or that the action was brought for an improper purpose, such as harassment, unnecessary delay, or the imposition of needless litigation expenses, the defendant may be awarded attorney's fees and court costs.

(b) If the City initiates or joins any enforcement action against an owner who violates or resists enforcement of Section 5-15-050 or Section 5-15-060, the owner shall be fined not less than \$200.00 nor more than \$500.00 for each offense upon which a finding of liability is entered. Each day a violation continues shall constitute a separate offense.

(c) If the owner of an SRO sells or otherwise transfers the property before remitting to the City a preservation fee required under this chapter, the owner and purchaser shall be jointly and severally liable for the payment of such fee.

(Added Coun. J. 11-12-14, p. 97375, § 2)

#### **5-15-110 Rules.**


The Commissioner of Housing is authorized to adopt such rules as the Commissioner may deem necessary for the proper administration and enforcement of this chapter.

(Added Coun. J. 7-29-15, p. 3596, § 1; Amend Coun. J. 11-14-18, p. 90308, Art. I, § 35)

## CHICAGO SINGLE-ROOM OCCUPANCY PRESERVATION ORDINANCE RULES

### AUTHORITY AND USAGES

BY AUTHORITY VESTED IN THE COMMISSIONER OF HOUSING PURSUANT TO SECTION 5-15-110 OF THE MUNICIPAL CODE OF CHICAGO, THE FOLLOWING RULES AND REGULATIONS REGARDING THE CHICAGO SINGLE-ROOM OCCUPANCY PRESERVATION ORDINANCE ARE ADOPTED HEREIN.

Signed:  Date: 7/17/2020  
Commissioner Date Signed by Commissioner

Published date: 9/29/2020

Effective date: 9/29/2020

## **CHICAGO SINGLE-ROOM OCCUPANCY PRESERVATION ORDINANCE RULES**

Terms used in these rules that are defined in Chapter 15 of Title 5 of the Chicago Municipal Code shall bear those definitions.

### ***Rule SRO 1. Meaning Of "Selling Or Otherwise Transferring Ownership."***

The ordinance provides that the term "selling or otherwise transferring ownership" does not apply "to any transfer of an SRO where the new owner has committed to maintain at the property a number of units of subsidized affordable housing for low-, very low-, and extremely low-income individuals and families equal to at least 80 percent of the current number of units at the property."

To establish that a transfer is subject to this exception, the owner of an SRO must include in the contract a binding term that imposes the same standard imposed by subsection 5-15-050(a)(1)(B) of the ordinance. This means that the purchaser/transferee must commit to maintaining at the property a number of units of subsidized affordable housing for very low-income individuals and families equal to at least 80 percent of the current number of units at the property, with two exceptions: (a) for each unit the purchaser/transferee agrees to maintain as subsidized affordable housing for extremely low-income individuals and families, the purchaser/transferee may set aside one unit as subsidized affordable housing for low-income individuals and families; and (b) any unit that is subsidized such that the resident's portion of the rent constitutes not more than 30 percent of his adjusted gross monthly household income may be rented to a low-income individual or family. Unlike the requirement in subsection 5-15-050(a)(1)(B), this exception to the term "selling or otherwise transferring ownership" requires the new owner to maintain the affordable housing for the entire time he or she owns the property; it does not expire 15 years after the sale.

### ***Rule SRO 2. Allocation Of SRO Improvement And Stabilization Program Funds.***

In determining how to allocate funds available to the SRO Improvement and Stabilization Program described in Section 5-15-040 of the ordinance, the Commissioner of Housing may take into account whether and how a particular project will affect current SRO residents and prioritize funds for those projects that retain at least 80% of the current SRO residents, except to the extent any current SRO residents would be over income for the project's governmental or charitable rental assistance program.

### ***Rule SRO 3. Form Of Notice Of Proposed Sale Or Transfer.***

The notices to the City and SRO residents required by subsection 5-15-050(a)(1)(A)(i) of the ordinance shall take the form set out in Appendix A to these rules.

***Rule SRO 4. "Good Faith" Standard.***

The determination whether a party satisfied the "good faith negotiation" requirement in Section 5-15-050 of the ordinance shall take into account the following non-exclusive factors:

- (a) whether the party or any of its agents knowingly made any misrepresentations of material fact to the other party or of its agents during the negotiation period;
- (b) whether the party or any of its agents failed to provide in a timely fashion any information legitimately requested by the other party or any of its agents during the negotiation period;
- (c) whether the party or any of its agents failed to allow in a timely fashion any legitimate inspection of the property requested by the other party or any of its agents during the negotiation period;
- (d) whether the party or any of its agents treated the other party or any of its agents differently in negotiations than another party or any of its agents by providing less information, less access to the property, or less favorable terms during the negotiation period; and
- (e) whether the party or any of its agents engaged in any other conduct that would constitute a lack of good faith under the standard imposed by the Uniform Commercial Code.

***Rule SRO 5. Process For Remitting Preservation Fee To The City.***

The ordinance provides in subsection 5-15-050(a)(2) that the notice and negotiation requirements described in subsection 5-15-050(a)(1) do not apply if the owner "remits to the City, before selling or otherwise transferring his property, a preservation fee in the amount of the number of units at the property times \$20,000.00 (as adjusted pursuant to Section 5-15-030)."

The City will accept this payment upon the actual transfer of title in the property (i.e., the closing) from any title company escrow account. The payment must be delivered to the City within 24 hours after the closing. The payment should be made to the City of Chicago and delivered to the Commissioner of the Department of Housing, or his or her designee.

***Rule SRO 6. Timing Of Submission Of Long-Term Residents List.***

The ordinance provides in subsection 5-15-060(a) that "[e]ach owner of an SRO who intends to convert, demolish, or sell or otherwise transfer the property in a manner that will result in the displacement of residents shall submit a list of all long-term residents to the commissioner of planning and development and, where applicable, to the purchaser of the property."

An owner subject to this provision must submit the required list to the Commissioner of Housing and the purchaser/transferee (if any) on or before the date described in subsection 5-15-050(a)(1)(A)(i) - i.e., at least 180 days before the sale or other transfer of the property.

***Rule SRO 7. Meaning Of "Comparable Temporary Accommodations."***

As used in subsection 5-15-060(b)(1) of the ordinance, the term "comparable temporary accommodations" means a substantially similar unit in terms of size of the unit, building facilities, costs, and location within the City.

***Rule SRO 8. Plan for Displaced Residents.***

Where Section 5-15-060 applies, the owner or purchaser/transferee, as applicable, must submit to the City and receive approval from the City for a written plan describing, in detail, how he or she will manage the permanent and/or temporary displacement of residents. The City will have discretion to review and approve the plan or require changes to bring it up to minimum standards. No tenant relocation, including issuance of notices of termination of tenancy (other than terminations for cause), may take place prior to approval of the relocation plan by the City and receipt of the tenant/lottery list. This plan shall include, as applicable: a description of how the owner or purchaser/transferee intends to manage the displacement and relocation process, including a timeline for making the payments required under subsections 5-15-060(b)(2), a date for all tenants to surrender possession of their unit and relocate (if any) not less than 60 days from the date the City approves the relocation plan, a plan for how communication about relocation with the residents will take place, a description of how the owner or purchaser/transferee intends to use governmental or charitable resources in the displacement and relocation process; and the name and contact information of any person or entity that the owner or purchaser/transferee engages to assist the residents in their relocation. The Relocation Plan shall be distributed to tenants by being clearly posted in common areas of the building, and in addition put beneath all unit doors or into all the unit mailboxes.

The Relocation Plan and all other communications and posted notices to tenants shall include the relocation coordinator's name, office address and contact information such as phone number. Furthermore, it is advised but not required that relocation staff includes individuals with a social work or similar background, who can facilitate the relocation of tenants in a trauma-informed manner given the vulnerability of the tenant population. Relocation staff must include tenant's external case managers or any other supportive individuals in meetings and other communications if the tenant requests these individuals be included. Residents shall be offered relocation and other benefits on a non-discriminatory basis without regard to race, color, religion, national origin, disability, age, familial status, sex, sexual preference, sexual orientation or gender identity and in compliance with Federal, State and Local laws.

In order to ensure that involuntarily displaced residents receive proper information regarding their rights and responsibilities, the owner or its agents or the purchaser/transferee shall issue the notice attached in Appendix A upon remittance of the preservation fee to the City pursuant to Section 5-15-050(a)(2).

In order to facilitate the move of displaced residents pursuant to Section 5-15-050(a)(2), the owner or its agents or purchaser/transferee are permitted to split the \$10,600 in the following manner with the written consent of each resident:



- a. \$2,000 to the resident prior to vacating the unit;
- b. \$8,600 to the resident immediately upon vacating the unit

If applicable, the relocation fee cannot be offset by claims for unpaid rent, fees or unit damages, but none of these claims are waived by action of the SROPO. They can be pursued separately by the owner, in accordance with applicable law.

***Rule SRO 9. Classification Of SROs For Zoning Purposes.***

The ordinance provides that the Commissioner of Planning and Development may, in his or her discretion, determine that a government-subsidized building qualifies as an SRO for zoning purposes, despite the building's failure to comply with the size and room limits of Section 17-17-02164. This determination shall take into account the requirements associated with the specific source or sources of government subsidy.

# - APPENDIX A -