

ORDINANCE No. 188219 As Amended

*Amend Affordable Housing Preservation and Portland Renter Protections to add relocation assistance for involuntary displacements of tenants (Ordinance; amend Code Section 30.01.085)

The City of Portland ordains:

Section 1. The Council finds:

1. As noted in the City's 2016 Report on the State of Housing in Portland (the "Housing Report"), the average monthly rent in Portland rose 7 percent between 2015 and 2016, with increases between 12-18 percent in 1, 2, and 3-bedroom units. Studio apartments experienced a comparatively smaller increase of 3 percent.
2. This is now the fourth consecutive year that Portland has seen an annual rent increase in excess of 5 percent, with the average rent increasing nearly 30 percent since 2012.
3. Significant increases in rents raise serious concerns over potential involuntary economic displacement. East Portland neighborhoods saw some of the city's largest rent increases.
4. Large rent increases in neighborhoods in Southwest and North Portland in both 2015 and 2016 also raise concerns over potential involuntary economic displacement.
5. Due to the severe shortage of rental housing and shelter space arising from human-made events and circumstances, the Portland City Council ("Council") declared a housing emergency on October 7, 2015 (the "Housing Emergency"). Council extended the Housing Emergency for one additional year until October 6[A1], 2017.
6. Also in October 2015, finding that Portland tenants need more advance notice of both no cause terminations and rental increases, Council approved amendments to City Code Chapter 30.01.085 (the "Portland Renter Protections"), requiring a 90-day notice before a no-cause termination of tenancy, and a 90-day notice for a rent increase greater than 5 percent over a 12-month period.
7. At least 45% of the population of Portland are tenants.
8. Over 52% of tenants in Portland are considered "cost-burdened" (paying over 30% of their gross monthly income on rent).
9. The average Portland tenant is paying between 45% to 49% of their income in rent which puts them at significant risk of becoming "severely cost-burdened" (paying over 50% of their gross monthly income on rent).
10. Rent increases of 10% and higher have the effect of constructively evicting tenants ("Economic Evictions") resulting in involuntary economic displacement.

11. Involuntary displacement occurs not only as a result of Economic Evictions, but also when a tenant is forced to leave their home through no fault of their own due to a no-cause eviction.
12. Involuntary displacements have contributed to a significant increase in homelessness. Point-in-Time Counts for 2015 indicate a 26.8% increase in newly homeless individuals including a 48% increase in persons of color and a 24% increase in families with children.
13. Relocation expenses associated involuntary displacement, such as application fees, security deposits, double rent, moving supplies, storage, and lost wages present a significant financial burden to an average Portland tenant.
14. Relocation assistance is essential to allow tenants to manage the unexpected relocation expenses that result from involuntary displacements.
15. Current law allows for just-cause eviction of tenants who are engaging in unlawful behavior, or who are otherwise breaking the conditions of their lease agreement. Remedies for property owners in these circumstances are well established in the court system and are easy and inexpensive to obtain. Tenants evicted for just-cause reasons would not qualify for relocation benefits.
16. Accordingly, the Portland Renter Protections set forth in City Code Chapter 30.01.085 are amended to include for the provision of relocation assistance for tenants receiving a 90-day notice for a no-cause termination of tenancy or an Economic Eviction (“Relocation Assistance”).
17. Relocation Assistance amounts were determined by averaging the range of rental rates of similarly sized units across the city according to the Housing Report. Averaging the range of rents also creates an equitable flat fee that does not vary based on the current rent paid, thus giving property owners a fixed amount to plan for.

NOW, THEREFORE, the Council directs:

- a. City Code Chapter 30.01 Affordable Housing Preservation is hereby amended to add Relocation Assistance to the Portland Renter Protections, as provided in Exhibit A, attached hereto.
- b. Portland Housing Bureau is directed to establish an advisory body comprised of representatives from landlords, tenants and other interested parties to review any proposed changes to the law and to report to Council as needed, but at least prior to October 7, 2017.
- c. If any portion of this Ordinance or the Relocation Assistance is ruled invalid, void or illegal by an order of the court, the remainder of this Ordinance and the Relocation Assistance shall remain in full force and effect.

Section 2. The Council declares that an emergency exists to prevent delays in implementing the Relocation Assistance therefore, this ordinance shall be in full force and effect on and after its date of passage.

Passed by the Council: FEB 02 2017

Comm Eudaly and Mayor Wheeler
Prepared by: Jamey Duhamel
Date Prepared: 01/24/2017

Mary Hull Caballero
Auditor of the City of Portland

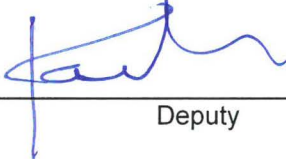
By

A handwritten signature in blue ink, appearing to read "Susan Parsons", written over the word "By".

Deputy

Agenda No. **188219** As Amended
ORDINANCE NO.
 Title

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Section 30.01.085

INTRODUCED BY Commissioner/Auditor: Comm Eudaly and Mayor Wheeler	CLERK USE: DATE FILED <u>JAN 24 2017</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland By:  Deputy
Mayor - Finance & Administration - Wheeler	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Eudaly <i>Chris Eudaly</i>	
BUREAU APPROVAL	
Bureau: Bureau Head:	
Prepared by: Jamey Duhamel Date Prepared: 1/23/17	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances <i>Toni AP</i>	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>Steve Pearce</i>	
Council Meeting Date 02/02/17	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 2pm Total amount of time needed: 3hrs (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Eudaly	✓	
Wheeler	✓	