



Mandatory Tenant Relocation Assistance *Housing Bureau Proposed City Code Amendments*

May 25, 2017



PHB Portland Housing
Bureau

Mayor Ted Wheeler ▪ Director Kurt Creager

Technical Advisory Group

- Community Alliance of Tenants
- Portland Tenants United
- Portland Area Rental Owners Association
- MultifamilyNW
- Portland Metropolitan Realtor's Association
- A Small Landlord in the City of Portland
- Portland Housing Advisory Commission
- Legal Aid Services of Oregon
- Home Forward
- Immigrant and Refugee Community Organization
- Multnomah County Public Health
- Affinity Property Management
- NW Pilot Project

Overview of Issues/Questions

1. Technical Issues

- a. Clarification needed
- b. City Code vs. Private Parties vs. Court System*
- c. Amendments needed

2. Policy Questions

Technical Issues

Clarifications

- State landlord/tenant law exempts variety of tenancies, those tenancies are exempted under this ordinance as well
- 12-month period for calculating 10% rent increase begins at last increase
- Definition of “Bedroom” given in PCC Title 29
- ‘Associated housing cost’ is not part of the calculation of rent increase

Clarifications, cont.

- Associated housing costs outside control of landlord (*water/sewer/garbage rates, etc.*) are not the landlord increasing rent
- Rent increases due to optional additional services (*pet fee, additional parking stall, storage*) do not count toward 10% rent increase
- Affordable housing and regulated affordable housing have limited applicability

City Code vs. Private vs. Court System

- Courts decide how relocation assistance timing and requirements reconcile in the event of a **lawsuit**
- Courts decide if relocation assistance applies if a ‘no-cause’ eviction is issued and the landlord **changes the eviction** into a ‘for-cause’
- Courts decide what to do if a renter issued a ‘no-cause’ eviction and decides to **challenge in court**

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- Rescinding relocation assistance by mutual agreement of two parties should be decision of parties
 - If landlord has duplex with one unit is occupied, can landlord offer to transfer tenant to other unit without paying relocation assistance, or evict/increase rent 10% or greater without paying relocation assistance
 - The renter and the landlord should decide amongst themselves whether condition of concessions is that the absence of concessions in 2nd year triggers relocation assistance

Proposed Code Amendments

Proposed Technical Code Amendments

- Landlords with one unit are exempt from requirement if they use a property manager
- Relocation assistance is given on a per unit basis
- Rent increases are calculated on a rolling basis
- Renter must repay relocation assistance if they do not terminate rental agreement

Proposed Policy Code Amendments

- Should the City extend the amount of time allotted to renters to notice their landlords about their intent to terminate the tenancy due to rent increase, as well as the amount of time allotted to landlords to pay tenants relocation assistance (currently 14 days)?

Policy Questions

Potential Impacts on Housing Stock and Market

- In response to claims that the relocation assistance requirement (1) has a more substantial impact on smaller landlords; (2) that owners are selling rental units or removing them from the rental stock; (3) that owners are not buying rental units; or (4) that 9.9% rent increases are occurring, should the City make additional changes to reduce this impact (lower relocation assistance payments, higher rent increase threshold, more exemptions, etc.)?

Potential Impacts on Income Tax Obligations and Requirements

- Should the City inform renters that relocation assistance payments could create an income tax obligation for a renter, or make a renter fall out of eligibility for social service benefits?
- Should the City require renters to complete a W-9, when requested, to be eligible for relocation assistance?
- In response to concerns that if there is a requirement to complete a W-9 there may be harmful impacts on undocumented communities, how will the City address this?

Questions Regarding City's Role Outside of City Code Requirements

- Should the City do outreach to culturally-specific, language-specific and immigrant/refugee-specific organizations to assist these communities in their understanding and utilization of the relocation assistance policy?
- Should the City provide education and information services to owners of rental property who may be unaware if they are obligated to pay relocation assistance?

Questions Regarding Changes to the Current Policy Structure

- Should the City provide a hardship assessment and waiver for landlords unable to pay relocation assistance?
- In response to concerns about the mismatch in timing between the 90-day notice for terminating a no cause tenancy, and the 60-day occupancy FHA rule for an owner selling a rental property, will changes be made to notice requirements to address this?
- Should the City allow Relocation Assistance to be withheld from the renter and used by the landlord to repair damages whose cost surpass the cost covered by the renter's security deposit?

Questions Regarding Changes to the Current Policy Structure, cont.

- Should the City impose area median income based eligibility restrictions on renters seeking access to relocation assistance?
- Should the City extend the year-cap on how long a landlord may rent their primary residence and be exempt from paying relocation assistance (currently up to 3 years)?
- In response to claims that displacement is the result of individuals selling rental property to new owners, or developers, and not existing long-time owners, should the city require the relocation assistance requirement be paid by developers or recent purchasers of rental housing?

Questions Regarding Changes to the Current Policy Structure, cont.

- Should the City add more specificity to the timing or size of relocation assistance payments (for example, specifying that payments must occur in one lump sum or that installment payments are acceptable)?
- Should the City require or allow the use of an escrow account to hold the relocation assistance until the renter and landlord have met their respective obligations?