



## **Permanent Administrative Rule**

### **Mandatory Relocation Assistance Exemption Eligibility and Approval Process**

#### **I. Purpose and Scope**

Under PCC 30.01.085 Landlords in the City of Portland are required to pay Relocation Assistance to their Tenant if their Tenant is displaced due to 1) a Landlord declining to renew a lease on substantially the same terms; 2) a Rent increase of 10% or more over a rolling 12-month period; 3) termination of a Rental Agreement without cause; or 4) termination of the Rental Agreement for a Qualifying Landlord Reason, as defined below. Section 30.01.085(I) outlines twelve circumstances under which a Landlord could claim an exemption from the obligation to pay Relocation Assistance. These administrative rules specify the requirements and process by which a Landlord may claim an exemption.

#### **II. Definitions**

- A. **Accessory Dwelling Unit** is defined by PCC 33.910, as amended from time to time.
- B. **Acknowledgement Letter** means a written letter issued by PHB to the Landlord, acknowledging that the Landlord is claiming an exemption to the requirement to pay Relocation Assistance.
- C. **Duplex** is defined by PCC 33.910, as amended from time to time.
- D. **Dwelling Unit** is defined by PCC 33.910, as amended from time to time, and not by ORS 90.100 unless otherwise specified.
- E. **Dwelling Unit Subject to the Oregon Residential Landlord Tenant Act (“Act”)** means a Dwelling Unit as defined by ORS 90.100, as amended from time to time.
- F. **Fixed Term Tenancy** is defined by ORS 90.100, as amended from time to time.
- G. **Increase Notice** means written notice of an increase in a Tenant's Rent or Associated Housing Costs by 5 percent or more over a rolling 12-month period, issued in accordance with PCC 30.01.085, as amended from time to time.
- H. **Immediate Family Member** means a parent, foster parent, step parent, parent in law, sibling, foster sibling, step sibling, sibling in law, grandparent, grandparent in law, child, step child, foster child, grandchild, aunt, uncle, niece, or nephew. An Immediate Family Member cannot be an Owner of the Dwelling Unit, or the spouse, or domestic partner of an Owner of the Dwelling Unit. The Immediate Family Member must have reached the age of majority (18) or be a legally recognized emancipated minor.
- I. **Landlord** is defined by ORS 90.100, as amended from time to time.
- J. **Natural Person** means a human being as distinguished from a person that is an Organization created by operation of law. When ownership of a property is held by a Trust, the grantor/settlor and the beneficiary of the Trust are Natural Person(s) if they are human beings.
- K. **Owner of the Dwelling Unit** or **Owner** is defined by ORS 90.100, as amended from time to time. Notwithstanding the statutory definition incorporated herein, for purposes of these Rules,

“Owner of the Dwelling Unit” or “Owner” also means a grantor, settlor or beneficiary of a Trust.

- L. **Organization** is defined by ORS 90.100, as amended from time to time.
- M. **PHB** means the Portland Housing Bureau.
- N. **Principal Residence** means the primary location a person inhabits. It is the Dwelling Unit that is physically occupied and personally used for overnight sleep more than any other Dwelling Unit during the period of time specified in each exemption. Moving furniture or personal belongings into a residence does not indicate Principal Residence.
- O. **Qualifying Landlord Reason** means a “qualifying [landlord] reason” for termination, in accordance with ORS 90.427(5) and (7), as amended from time to time.
- P. **REA** means a Relocation Exemption Application that a Landlord must submit to PHB prior to applying an exemption.
- Q. **Relocation Assistance** means the payment in the amount that follows: \$2,900 for a studio or single room occupancy Dwelling Unit, \$3,300 for a one-bedroom Dwelling Unit, \$4,200 for a two-bedroom Dwelling Unit and \$4,500 for a three-bedroom or larger Dwelling Unit.
- R. **Rental Agreement** is defined by ORS 90.100, as amended from time to time.
- S. **Rights and Obligations** means the most recent version of the *Notice of Rights and Responsibilities Form 30.01.085* produced by PHB, or a notice provided by a Landlord with similar information.
- T. **Tenant** is defined by ORS 90.100, as amended from time to time.
- U. **Termination Notice** means a written notice, issued by a Landlord to a Tenant, to terminate a Rental Agreement without a cause or for a Qualifying Landlord Reason specified in the Act.
- V. **Triggering Event** means an issuance of an Increase Notice for a rent increase of 10% or more over a rolling 12-month period, issuance of a Termination Notice, declining to renew or replace an expiring Rental Agreement, or declining to renew or replace an expiring Rental Agreement on substantially the same terms except for the amount of Rent or Associated Housing Costs.

### III. Relocation Applications and Acknowledgement Letters

- A. When submitting an REA form to PHB, a property manager, an agent of the Owner(s) of the Dwelling Unit, or other person(s) authorized by the Owner(s) of the Dwelling Unit to take action relating to the management of rental property on behalf of the Owner(s) of the Dwelling Unit must submit written documentation of their authorization to act on behalf of the Owner(s) of the Dwelling Unit along with all other required documentation.
- B. Acknowledgement Letters will apply to all Owner(s) of the Dwelling Unit.
- C. An Acknowledgement Letter expires after a Landlord uses the exemption for any Triggering Event unless otherwise specified in the Acknowledgement Letter.

#### **IV. Exemption Requirements**

The following requirements apply, as indicated, to each of the exemptions in Section 30.01.085(I). Failure to comply with the process or requirements outlined below invalidates any exemption from Relocation Assistance payment.

**A. Exemption 1:** Rental Agreement for week-to-week tenancies.

For exemption 1 PHB waives the requirement that the Landlord submit an REA form to PHB. PHB will not issue an Acknowledgement Letter. This exemption from paying Relocation Assistance does not exempt a Landlord from complying with all relevant notice requirements.

**B. Exemption 2:** Tenants that occupy the same Dwelling Unit as the Landlord.

For exemption 2, PHB waives the requirement that the Landlord submit an REA form to PHB. PHB will not issue an Acknowledgement Letter. This exemption from paying Relocation Assistance does not exempt a Landlord from complying with all relevant notice requirements.

**1. Process:**

- a. If the Landlord decides to move in after execution of the Rental Agreement, the Landlord must provide a written notice to the of the applicability of this exemption and a description of the Tenant's Right and Obligations prior to the Landlord moving into the Dwelling Unit.

**2. Requirements:**

- a. This exemption is effective so long as the Landlord uses the exempted Dwelling Unit as their Principal Residence for the 6 months prior to a Triggering Event.

**C. Exemption 3:** Tenants that occupy one Dwelling Unit in a Duplex where the Landlord's Principal Residence is the second Dwelling Unit in the same Duplex.

**1. Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.
- c. For Rental Agreements with the lease date beginning after March 8, 2018 the Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement.
- d. In addition to providing the Acknowledgment Letter as described above, the Landlord must also provide a copy of all pages of the Acknowledgement Letter to the Tenant including a description of a Tenant's Rights and Obligations prior to a Triggering Event.

**2. Requirements:**

- a. This exemption is effective so long as an Owner of the Dwelling Unit's Principal Residence is the second Dwelling Unit in the same Duplex as the exempted Dwelling Unit, for the 6 months prior to a Triggering Event.
- b. Existence of a Duplex must be independently verifiable by means of public record.

**D. Exemption 4:** Tenants that occupy an Accessory Dwelling Unit that is subject to the Act in the City of Portland so long as the Owner of the Accessory Dwelling Unit lives on the site, or

Tenancies where the Owner occupies the Accessory Dwelling Unit and the Tenant occupies a Dwelling Unit on the site.

1. **Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.
- c. For Rental Agreements with the lease date beginning after March 8, 2018 where the Tenant occupies the Accessory Dwelling Unit, the Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement.
- d. For Rental Agreements with the lease date beginning after December 14<sup>th</sup>, 2020 where the Owner occupies the Accessory Dwelling Unit, the Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement.
- e. In addition to providing the Acknowledgment Letter as described above, the Landlord must also provide a copy of all pages of the Acknowledgement Letter to the Tenant including a description of a Tenant's Rights and Obligations prior to a Triggering Event.

2. **Requirements:**

- a. This exemption is effective so long as an Owner of the exempted Dwelling Unit's Principal Residence is on the same legal lot as the Accessory Dwelling Unit for the 6 months prior to a Triggering Event.
- b. Existence of an Accessory Dwelling Unit on the site must be independently verifiable by means of public record.

**E. Exemption 5:** A Landlord that temporarily rents out the Landlord's Principal Residence during the Landlord's absence of not more than 3 years.

1. **Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.
- c. For Rental Agreements with the lease date beginning after March 8, 2018 the Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement.
- d. In addition to providing the Acknowledgment Letter as described above, the Landlord must also provide a copy of all pages of the Acknowledgement Letter to the Tenant including a description of a Tenant's Rights and Obligations, prior to issuing a Termination Notice.

2. **Requirements:**

- a. This exemption only applies when the Owner(s) of the Dwelling Unit have an ownership interest in 4 or fewer Dwelling Units, excluding the Owner(s) of the Dwelling Unit's Principal Residence.
- b. This exemption only applies if the Landlord is issuing a Termination Notice.
- c. The Owner(s) of the Dwelling Unit must be Natural Person(s) to claim this exemption.
- d. An Owner of the Dwelling Unit's absence is measured from the last date they maintained Principal Residence to the date they return to the Dwelling Unit.
- e. An Owner of the Dwelling Unit must move into the Dwelling Unit within 60 days of the Tenant moving out.
- f. The Dwelling Unit must become and remain the Principal Residence of an Owner of the Dwelling Unit for the 12-months after moving in or it must be sold.
- g. The Owner(s) of the Dwelling Unit shall not receive an Acknowledgement Letter for this exemption more than once every 36 months.

**F. Exemption 6:** A Landlord that temporarily rents out the Landlord's Principal Residence during the Landlord's absence due to active duty military service.

**1. Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.
- c. The Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant including a description of a Tenant's Rights and Obligations prior to issuing a Termination Notice.

**2. Requirements:**

- a. This exemption only applies if the Landlord is issuing a Termination Notice.
- b. An Owner of the Dwelling Unit must move into the Dwelling Unit within 60 days of the Tenant moving out. The Dwelling Unit must become the Principal Residence of an Owner of the Dwelling Unit.
- c. The absence must be due to active duty military service of an Owner of the Dwelling Unit, their spouse, or their domestic partner.

**G. Exemption 7:** A Dwelling Unit where the Landlord is terminating the Rental Agreement in order for an Immediate Family Member to occupy the Dwelling Unit.

**1. Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.

- c. The Landlord must provide a copy of all pages of the Acknowledgement Letter to the Tenant including a description of a Tenant's Rights and Obligations prior to issuing a Termination Notice.

**2. Requirements:**

- a. This exemption only applies when the Owner(s) of the Dwelling Unit have an ownership interest in 4 or fewer Dwelling Units, excluding the Owner(s) of the Dwelling Unit's Principal Residence.
- b. This exemption only applies if the Landlord is issuing a Termination Notice.
- c. The Owner(s) of the Dwelling Unit must be Natural Person(s) to claim this exemption.
- d. The Landlord, including any Owner(s) of the Dwelling Unit, cannot live in the Dwelling Unit during the 24 months after the exemption is used.
- e. The Immediate Family Member cannot be an Owner of the Dwelling Unit, the domestic partner or spouse of an Owner of the Dwelling Unit, or have been an Owner of the Dwelling Unit in the 12 months prior to or after issuance of the Termination Notice.
- f. The Immediate Family Member must have reached the age of majority (18) or be a legally recognized emancipated minor.
- g. The Immediate Family Member must move into the Dwelling Unit within 60 days of the Tenant moving out.
- h. The Dwelling Unit must become the Immediate Family Member's Principal Residence.
- i. The Immediate Family Member must intend to reside in the Dwelling Unit for the 24-months after moving in.
- j. The Owner(s) of the Dwelling Unit shall not receive an Acknowledgement Letter for this exemption more than once every 36 months.

**H. Exemption 8:** A Dwelling Unit regulated or certified as affordable housing by federal, state or local government is exempt from paying Relocation Assistance for a Rent increase of 10 percent or more within a rolling 12-month period:

- a. So long as such increase does not increase a Tenant's portion of the Rent payment by 10 percent or more within a rolling 12-month period; or in Lease Agreements where the Rent or eligibility is periodically calculated based on the Tenant's income or other program eligibility requirements and a Rent increase is necessary due to program eligibility requirements or a change in the Tenant's income.
- b. This exemption by Subsection 30.01.085(I)(8) does not apply to private market-rate Dwelling Units with a Tenant who is the recipient of a federal, state, or local government voucher;
- c. This exemption by Subsection 30.01.085(I)(8) applies to Rent increases and does not apply to Termination Notices.

For exemption 8, PHB waives the requirement that the Landlord submit an REA form to PHB. PHB will not issue an Acknowledgement Letter. This exemption from paying Relocation Assistance does not exempt a Landlord from complying with all relevant notice requirements

- I. Exemption 9:** A Dwelling Unit that is subject to and in compliance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

For exemption 9, PHB waives the requirement that the Landlord submit an REA form to PHB. PHB will not issue an Acknowledgement Letter. This exemption from paying Relocation Assistance does not exempt a Landlord from complying with all relevant notice requirements.

- J. Exemption 10:** A Dwelling Unit rendered immediately uninhabitable not due to the action or inaction of a Landlord or Tenant.

For exemption 10, PHB waives the requirement that the Landlord submit an REA form to PHB. PHB will not issue an Acknowledgement Letter. This exemption from paying Relocation Assistance does not exempt a Landlord from complying with all relevant notice requirements.

**1. Requirements:**

- a. Dwelling Units rendered immediately uninhabitable due to events including, but not limited to: natural (such as flood or fire) and man-made disasters (such as natural gas explosions) qualify under this exemption.

- K. Exemption 11:** A Dwelling Unit rented for less than 6 months with appropriate verification of the submission of a demolition permit prior to the Tenant renting the Dwelling Unit.

**1. Process:**

- a. The Landlord must submit the required REA form to PHB.
- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgment Letter does not exempt a Landlord from complying with all relevant notice requirements.
- c. For Rental Agreements with the lease date beginning after December 14, 2020 the Landlord must provide to the Tenant a copy of all pages of the Acknowledgement Letter prior to the Tenant entering into a Rental Agreement.
- d. In addition to providing the Acknowledgment Letter as described above, the Landlord must provide to the Tenant a copy of all pages of the Acknowledgement Letter including a description of a Tenant's Rights and Obligations prior to issuance of a Termination Notice.

**2. Requirements:**

- a. This exemption only applies if the Landlord is issuing a Termination Notice.
- b. The Owner(s) of the Dwelling Unit shall not receive an Acknowledgement Letter for this exemption more than once and is permanently ineligible to apply any other exemption to the same Dwelling Unit.

- L. Exemption 12:** A Dwelling Unit where the Landlord has provided a Fixed Term Tenancy and notified the Tenant prior to occupancy, of the Landlord's intent to sell or permanently convert the Dwelling Unit to a use other than as a Dwelling Unit subject to the Act.

**1. Process:**

- a. The Landlord must submit the required REA form to PHB.

- b. The Landlord must receive an Acknowledgement Letter issued by PHB. An Acknowledgement Letter does not exempt a Landlord from complying with all relevant notice requirements.
  - c. For Rental Agreements with lease dates beginning on or before December 14, 2020 the Landlord must provide to the Tenant written notice prior to occupancy of the Landlord's intent to sell or permanently convert the Dwelling Unit to a use other than as a Dwelling Unit subject to the Act.
  - d. For Rental Agreements with the lease date beginning after December 14, 2020 the Landlord must provide to the Tenant a copy of all pages of the Acknowledgement Letter prior to the Tenant entering into a Rental Agreement.
  - e. In addition to providing the Acknowledgment Letter as described above, the Landlord must provide to the Tenant a copy of all pages of the Acknowledgement Letter including a description of a Tenant's Rights and Obligations prior to issuance of a Termination Notice.
2. **Requirements:**
- a. This exemption only applies upon issuance of a Termination Notice for a Fixed Term Tenancy or for a month-to-month tenancy that converted from a Fixed Term Tenancy upon expiration of the term. It cannot be used for a month-to-month rental agreement that did not begin as a fixed-term lease.
  - b. This exemption only applies to a new Fixed Term Tenancy where a Tenant does not currently occupy the Dwelling Unit. It does not apply to Rental Agreement renewals or replacements.
  - c. A Landlord must list for sale or permanently convert the Dwelling Unit to a use other than as a Dwelling Unit subject to the Act within 60 days of the Tenant moving out.
  - d. The Owner(s) of the Dwelling Unit shall not receive an Acknowledgement Letter for this exemption more than once and is permanently ineligible to apply any other exemption to the same Dwelling Unit.
  - e. This exemption will expire 24-months after an Acknowledgement Letter is issued.

## V. **Responsibility**

PHB is responsible for managing and implementing this rule.

## VI. **History**

Date adopted: **March 8, 2018**

Date effective: **March 8, 2018**

Date amended: **April 12, 2018**

Date amended: **March 13, 2019**

Date amended: **December 14, 2020**