

30.01.86 Evaluation of Applicants for Dwelling Units.**Exhibit A****A. Applicability.**

In addition to the protections set forth in the Oregon Residential Landlord and Tenant Act (“Act”) and in Sections 30.01.085 and 30.01.086, the following additional Tenant protections regarding Screening Criteria apply to Rental Agreements for a Dwelling Unit covered by the Act. For purposes of this Section, unless otherwise defined in this Section or elsewhere in Chapter 30, capitalized terms have the meaning set forth in the Act.

In changing some terms from the Fair Housing Act, such as the term “Disability,” the City preserves the meaning of the Fair Housing Act while utilizing updated terminology that aligns with the City’s values.

B. Definitions.

For purposes of this chapter, unless otherwise defined in this subsection, capitalized terms have the meaning set forth in the Act.

1. **“Accessible Dwelling Unit”** means a Dwelling Unit that qualifies as a “Type A Unit” pursuant to the Oregon Structural Building Code and ICC A117.1.
2. **“Accommodation”** means a reasonable accommodation requested pursuant to the Fair Housing Act, as amended in 1988 (42 U.S.C. § 3601) et seq. (“Fair Housing Act”), at 24 CFR § 100.204.
3. **“Applicant”** means a person applying to reside in a Dwelling Unit. When there are multiple persons who will reside in common within a Dwelling Unit, Applicant shall refer in common to those members of the household who intend to contribute financially to payment of the Rent and to sign the lease or Rental Agreement.
4. **“Dwelling Unit”** has the meaning given in PCC 33.910.030, as amended from time to time.
5. **“Disability”** has the meaning given to “handicap” as defined in the Fair Housing Act, 24 C.F.R § 100.204, as amended from time to time.
6. **“Mobility Disability”** or **“Mobility Disabled,”** with respect to a person, means a Disability that causes an ongoing limitation of independent, purposeful, physical movement of the body or one or more extremities and requires a modifiable living space because of, but not limited to, the need for an assistive mobility device.
7. **“Modification”** means a reasonable modification requested pursuant to the Fair Housing Act, 24 C.F.R § 100.203, pertaining to the physical characteristics of a Dwelling Unit.
8. **“Rules of Residency”** means an agreement that Landlord (as defined in the Act) may require prospective Tenants of Landlord’s Dwelling Unit to acknowledge and sign that

describes rules of conduct, and the rights and obligations of all adults residing in a Dwelling Unit. The Rules of Residency may be separate from or incorporated into a Rental Agreement and must comply with ORS 90.262.

9. **“Screening Criteria”** means a written statement of any factors a Landlord considers in deciding whether to accept or reject an Applicant and any qualifications required for acceptance. “Screening or admission criteria” includes, but is not limited to, the rental history, character references, public records, criminal records, credit reports, credit references and incomes or resources of the Applicant.

10. **“Supplemental Evidence”** means any written information submitted by the Applicant in addition to that provided on the Landlord’s form application that the Applicant believes to be relevant to the Applicant’s predicted performance as a Tenant.

C. Tenant Application Process; Generally.

1. Notice of Dwelling Unit Availability; Notice Content.

- a. If Landlord advertises a Dwelling Unit’s availability, Landlord must publish notices for rental of an available Dwelling Unit at least 72 hours prior to the start of the date and time the Landlord will begin processing applications (“Open Application Period”). The notice must specify the following:
- (1) When Landlord will begin to process applications;
 - (2) A description of the factors Landlord will consider in evaluating Applicants if Landlord intends to charge a screening fee; and
 - (3) Whether an available unit is an Accessible Dwelling Unit.
- b. Landlord’s Notice may incorporate this information or may provide an address, website address, internet link or other method of communicating this information to prospective Tenants.

2. Order of Processing Applications.

a. Applications Received in Response to an Advertised Notice.

- (1) At the start of the Open Application Period, Landlord must digitally or manually record the date and time Landlord received each complete application.
- (2) With regard to any applications received earlier than the Open Application Period, Landlord must digitally or manually record the date and time of such complete applications as 8 hours after the start of the Open Application Period.
- (3) Landlord may simultaneously process multiple applications but must accept, conditionally accept, or deny Applicants in order of receipt.

- (4) A Landlord owning Dwelling Units within the City of Portland, may refuse to process the application of an Applicant who has verifiable repeated Rental Agreement violations with this Landlord if the most recent violation occurred within 365 days before the Applicant's submission date.
- (5) Landlord may refuse to process an application that is incomplete, that fails to include information concerning an Applicant's identification, income, or upon which an Applicant has intentionally withheld or misrepresented required information.
- (6) Within 5 business days of receiving a request from an Applicant, Landlord must provide the Applicant with a record of the date and time Landlord received the complete Application.

b. Applications Processed from a Waitlist.

- (1) If Landlord maintains a waitlist for filling vacancies instead of advertising notice of vacancies, Landlord must add names to the waitlist in the order of receipt.
- (2) When members of a waitlist apply for a vacancy, Landlord may simultaneously process multiple applications but must accept, conditionally accept, or deny Applicants in order of receipt of a completed application.

c. Applications for Accessible Dwelling Units.

- (1) When, during the first 8 hours of the Open Application Period, a Landlord receives an application for an Accessible Dwelling Unit from an Applicant with a household member who self-identifies as Mobility Disabled, the Landlord must give priority to such application and accept, conditionally accept, or deny the Applicant prior to considering other Applicants.
- (2) If there are multiple Applicants for an Accessible Dwelling Unit with a family member that is Mobility Disabled, the Landlord must accept, conditionally accept, or deny such applications in order of receipt, but prior to processing completed applications for Applicants without household members that are Mobility Disabled.

d. The requirements of this Subsection C do not apply to applications for Dwelling Units that are leased through a lottery or coordinated access system used to lease up residential buildings with Rents at 80 percent Median Family Income, or lower.

e. Upon Landlord's approval and the Applicant's acceptance of the Dwelling Unit, the Applicant and the Landlord must enter into a Rental Agreement.

Landlord may require all adult Tenants or persons intending to occupy the Dwelling Unit to sign Rules of Residency.

- 3. Content of Landlord Application Forms.** Landlord Application forms for rental of a vacant Dwelling Unit must include the following:
- a. An opportunity on the application for an Applicant to affirmatively indicate a Mobility Disability or other Disability Status;
 - b. City of Portland Notice to Applicants relating to a Tenant's right to request a Modification or Accommodation;
 - c. A City of Portland Notice to Applicants referencing where an Applicant could obtain the Portland Housing Bureau (PHB)'s Statement of Applicant Rights;
 - d. If Landlord charges a screening fee, a description of the Landlord's Screening Criteria and evaluation process; and
 - e. An opportunity for Applicant to include Supplemental Evidence for Landlord's consideration to mitigate potentially negative screening results.

D. General Screening Process.

Landlords must apply the General Screening Process described in this Subsection D but may screen Applicants using additional Screening Criteria. If applying additional Screening Criteria, the Landlord must: 1) use a Screening Criteria no more prohibitive to the Tenant than the low-barrier ("Low-Barrier Criteria") described in subsection E; or 2) use a Screening Criteria of the Landlord's choosing (Landlord's Screening Criteria); however, when using the Landlord's Screening Criteria, Landlord must conduct an individual assessment ("Individual Assessment") in accordance with the requirements of Subsection F, before denying an Applicant.

Landlord must comply with the following General Screening Process:

- 1. Applicant Identification.** A Landlord may not reject an application as incomplete because an Applicant or member of the Applicant's household does not produce a social security number or prove lawful presence in the U.S. . A Landlord may not inquire about the immigration status of a member of the Applicant's household or require proof of their lawful presence in the U.S. . A Landlord must accept any of the following, or a combination thereof, to verify the name, date of birth and photo of the Applicant:
 - a. Evidence of Social Security Number (SSN Card);
 - b. Valid Permanent Resident Alien Registration Receipt Card;
 - c. Immigrant Visa;

- d. Individual Tax Payer Identification Number (ITIN);
- e. Non-immigrant visa;
- f. Any government-issued identification regardless of expiration date; or
- g. Any non-governmental identification or combination of identifications that would permit a reasonable verification of identity.

2. Financial Responsibility of Applicant. When there are multiple persons who will reside in common within a Dwelling Unit, the persons may choose which adults will be the Applicants financially responsible for the Dwelling Unit and which will be Tenants with no financial responsibility (“Non-Applicant Tenant”). The Landlord may screen only an Applicant for financial responsibility, and not the Non-Applicant Tenant

- a. A Landlord may require an Applicant to demonstrate a monthly gross income of up to but not greater than 2.5 times the amount of the Rent for the Dwelling Unit when the monthly Rent amount is below 80% MFI as published by the Portland Housing Bureau.
- b. Landlord may require an Applicant to demonstrate a monthly gross income of up to, but not greater than 2 times the amount of the Rent for the Dwelling Unit when the monthly Rent amount is 80% MFI or more as published by the Portland Housing Bureau.
- c. For the purposes of this subsection, Landlord’s evaluation of an Applicant’s income to Rent ratio must:
 - (1) Include all income sources of an Applicant, including, but not limited to, wages, rent assistance (non-governmental only), and monetary public benefits. Landlord may also choose to consider verifiable friend or family assistance;
 - (2) Calculate based on a rental amount that is reduced by the amount of any local, state, or federal government rent voucher or housing subsidy available to the Applicant; and
 - (3) Be based on the cumulative financial resources of all Applicants.
- d. If an Applicant does not meet the minimum income ratios as described in Subsection 2.a. and 2.b. above, a Landlord may require additional and documented security from a guarantor, or in the form of an additional security deposit pursuant to Subsection 30.01.087 A. Landlord shall communicate this conditional approval to the Applicant in writing and indicate the amount of the additional security. Applicant will have no less than 48 hours to accept or decline this opportunity.

- e. If a Landlord chooses to require additional documented security from a guarantor, Landlord may require the guarantor to demonstrate financial capacity. If the guarantor is a friend or family member, Landlord cannot require the guarantor to have income greater than 3x the Rent amount. Landlord may not require an Applicant's guarantor agreement to exceed the term of the Rental Agreement.
3. **Evaluating Adult Tenants Who are Not Applicants.** Landlord may screen an adult Non-Applicant Tenant who will reside with an Applicant in a Dwelling Unit but who is not responsible for paying the Rent, only for factors related to maintaining the property, and for conduct consistent with the health, safety or peaceful enjoyment of the premises by other residents or the Landlord and to evaluate prospective Tenants' ability to comply with the Landlord's Rules of Residency. Landlord may not screen a Non-Applicant Tenant for financial responsibility.
4. **Application Denial Generally.**
 - a. A Landlord may deny any Applicant or Non-Applicant Tenant in accordance with the requirements of 30.01.086 and all applicable federal, state, and local laws.
 - b. If an Applicant qualifies for a Dwelling Unit, the Landlord may not deny that Applicant based on the denial of a Non-Applicant Tenant that the Applicant included on the application. Instead, the Landlord must allow the qualifying Applicant to accept the Dwelling Unit without the Non-Applicant Tenant.
 - c. An Applicant's request for reasonable Modification or Accommodation for a Disability, or the nature of the Modification or Accommodation requested, may not be a factor for a Landlord's denial of an Applicant.
5. **Communication of Determination.** Within 2 weeks after Landlord or its screening company completes its evaluation of an Applicant, Landlord must provide Applicant with a written communication of acceptance, conditional acceptance or denial and in the case of a conditional acceptance or denial, describe the basis for the decision.
6. **Disability Related Modification Requests.**
 - a. An Applicant with a Disability that is otherwise approved through the screening process and requests a Modification may not be denied housing based solely on Landlord's denial of a requested Modification.
 - b. If a Landlord denies an Applicant's Modification request, the Landlord must provide the Applicant 2 successive 24-hour periods within which to request alternative Modifications.
 - c. If no reasonable Modification can be made to the Dwelling Unit to address the Applicant's Disability, the Applicant, if otherwise eligible, may accept the Dwelling Unit without Modification.

7. **Screening Fees.** In addition to the requirements of ORS Chapter 90.295, the following apply:
 - a. If Landlord conducts all of an Applicant screening through professional screening company, Landlord must not charge Applicant a screening fee greater than that charged by the screening company.
 - b. If Landlord conducts some but not all of an Applicant screening through the use of a professional screening company, Landlord must not charge Applicant a screening fee that is more than 25 percent greater than the cost charged by the screening company.
 - c. If Landlord conducts all of an Applicant screening and does not use the screening services of a professional screening company, Landlord must not charge Applicant a screening fee that exceeds 10 percent more than the cost for a professional screening company serving the Portland-Metro area to complete the same work.
8. **Appeals.** Landlord must offer the Applicant an opportunity for appeal for 30 days following the denial of an Application. The Landlord's appeal process must:
 - a. Provide the Applicant the opportunity to correct, refute or explain negative information that formed the basis of the Landlord's denial;
 - b. Prequalify the Applicant for rental opportunities at the Landlord's properties for the 3 months following the date a Landlord approves an application reviewed on appeal; and
 - c. Waive the Applicant's screening fee for the 3 months following the approved appeal. Prior to waiving the screening fee, the Landlord may require the Applicant to self-certify that no conditions have materially changed from those described in the Landlord's approved application.

E. Applicant Evaluation; Encouraging Most Inclusive Evaluation Process.

If applying a Screening Criteria to an Applicant in addition to the General Evaluation Process, a Landlord is encouraged to apply criteria consistent with, or less prohibitive than, the Low-Barrier Screening Criteria ("Low Barrier") described in Subsection E below. If Landlord applies any single criterion more prohibitive than any of the Low Barrier criteria listed in Subsection E.1.a.-c. below, then Landlord must apply the Individual Assessment process as described in Subsection F. In applying Low-Barrier, Landlords must comply with all applicable Federal, State, and Local Laws.

1. **Low-Barrier Screening Criteria.** In adopting Low-Barrier, Landlords agree not to reject Applicants for:
 - a. **Criminal History:**
 - (1) An arrest that did not result in conviction, unless the resulting charge is pending on the date of the Application;
 - (2) Participation in or completion of a diversion or a deferral of judgment program;
 - (3) A conviction that has been judicially dismissed, expunged, voided or invalidated;
 - (4) A conviction for a crime that is no longer illegal in the State of Oregon;
 - (5) A conviction or any other determination or adjudication issued through the juvenile justice system;
 - (6) A criminal conviction for misdemeanor offenses for which the dates of sentencing are older than 3 years from the date of the Application, excluding court-mandated prohibitions that are present at the property for which the Applicant has applied; or
 - (7) A criminal conviction for a felony offense for which the dates of sentencing are older than 7 years from the date of the Application, excluding court-mandated prohibitions that are present at the property for which the Applicant has applied.
 - b. **Credit History:**
 - (1) A credit score of 500 or higher;
 - (2) Insufficient credit history, unless the Applicant in bad faith withholds credit history information that might otherwise form the basis for a denial;
 - (3) Negative information provided by a consumer credit reporting agency indicating past-due unpaid obligations in amounts less than \$1,000;
 - (4) Balance owed for prior rental property damage in an amount less than \$500;
 - (5) A Bankruptcy filed by the Applicant that has been discharged;
 - (6) A Chapter 13 Bankruptcy filed by the Applicant under an active repayment plan; or

(7) Medical or education/vocational training debt.

c. Rental History:

- (1) An action to recover possession pursuant to ORS 105.105 to 105.168 if the action:
 - (a) Was dismissed or resulted in a general judgment for the Applicant before the Applicant submitted the application;
 - (b) Resulted in a general judgment against the Applicant that was entered 3 or more years before the date of the Application;
 - (c) Resulted in a general judgment against the Applicant that was entered fewer than 3 years before the date of the Application if:
 - (i) The termination of tenancy upon which the action was based was without cause (no-cause eviction); or
 - (ii) The judgment against the Applicant was a default judgment due to a failure to appear, and the Applicant presents credible evidence to the Landlord that the Applicant had already vacated the unit upon which the action was based at the time notice of the action was served.
 - (d) Resulted in a judgment or court record that was subsequently set aside or sealed pursuant to procedures in state law .
- (2) Any information that the Landlord obtains from a verbal or written rental reference check with the exception of defaults in Rent, 3 or more material violations of a Rental Agreement within one year prior to the date of the Application that resulted in notices issued to the Tenant, outstanding balance due to the Landlord, or lease violations that resulted in a termination with cause; or
- (3) Insufficient rental history, unless the Applicant in bad faith withholds rental history information that might otherwise form a basis for denial.

2. Evaluation Denial; Low-Barrier.

- a. When denying an Applicant using the Low-Barrier criteria described in this Subsection, a Landlord must provide to the Applicant a written statement of reasons for denial in accordance with ORS 90.304(1).
- b. Before denying an Applicant for criminal history using the Low-Barrier criteria described in this Subsection, a Landlord must consider Supplement Evidence provided by the Applicant if provided at the time of application submittal.

F. Individual Assessment.

A Landlord that applies the Landlord's Screening Criteria which is more prohibitive than the Low-Barrier criteria as described in Subsection E above, must conduct an Individual Assessment for any basis upon which Landlord intends to deny an application, before issuing a denial to an Applicant.

- 1. **Consideration of Supplemental Evidence; Individual Assessment.** In evaluating an Applicant using the Individual Assessment, Landlord must accept and consider all Supplemental Evidence provided with a completed application to explain, justify or negate the relevance of potentially negative information revealed by screening. When evaluating the effect of Supplemental Evidence on a Landlord's decision of acceptance or denial of an Applicant, the Landlord must also consider:
 - a. The nature and severity of the incidents that would lead to a denial;
 - b. The number and type of the incidents;
 - c. The time that has elapsed since the date the incidents occurred; and
 - d. The age of the individual at the time the incidents occurred.
- 2. **Denial; Individual Assessment.** After performing an Individual Assessment, Landlord may deny the Applicant, so long as:
 - a. The denial is non-discriminatory in accordance with the Fair Housing Act;
 - b. The denial is in accordance with Subsection D of this Code and all other applicable federal, state, and local laws;
 - c. Landlord provides a written "Notice of Denial" to the Applicant within 2 weeks of the denial that meets the requirements of ORS 90.304, Subsection D.4. above, and includes an explanation of the basis for denial, an explanation of the reasons that the Supplemental Evidence did not adequately compensate for the factors that informed Landlord's decision to reject the application; and
 - d. The notice of denial is issued to the Applicant by the Landlord.

G. Exemptions

1. Section 30.01.086 does not apply to a process for leasing for a Dwelling Unit that is:
 - a. Subject to a coordinated access system or a formal referral agreement between a Landlord and a non-profit service provider or government agency working to place low income or vulnerable Tenants into housing;
 - b. Not rented to, or advertised for rental to the general public, including advertisements on online platforms with or without a fee; or
 - c. Shared with a Landlord, roommate, or a sub-lessor using the Dwelling Unit as a primary residence; or
 - d. Tenancies where the Applicant would occupy one Dwelling Unit in a Duplex where the Landlord's principal residence is the second Dwelling Unit in the same Duplex; or
 - e. Tenancies where the Applicant would 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.
2. Wherever local, state, or federal funding or loan requirements for Tenant screening conflict with any portion of Section 30.01.086, the funding or loan requirements will take precedence over only those portions in conflict.

H. Damages.

A Landlord that fails to comply with any of the requirements set forth in this Section shall be liable to the Applicant for an amount up to \$250 per violation plus actual damages, reasonable attorney fees and costs (collectively, "Damages"). Any Applicant materially harmed by a Landlord's intentional noncompliance with the foregoing has a cause of action in any court of competent jurisdiction for Damages and such other remedies as may be appropriate.

- I. **Delegation of Authority.** In carrying out the provisions of this Section 30.01.086, the Director of PHB, or a designee, is authorized to adopt, amend and repeal administrative rules to carry out and administer the provisions of this Section 30.01.086.

MEMO

Exhibit B

To: Commissioner Chloe Eudaly
Cc: Jamey Duhamel, Policy Director
From: Lisa K. Bates, Ph.D.
Re: 'Beta test' of FAIR tenant screening policy

Executive Summary

The proposed FAIR tenant screening policy creates a standardized set of criteria for screening applicants for rental housing; landlords adopting the 'fast track' screening criteria adhere to a prescribed set of conditions under which rental housing can be denied. The 'beta test' analyzed how this policy would affect access to rental housing in terms of applicants' ability to pass the standards applied by comparing the FAIR standards to three current practices (affordable housing; the industry standard operating procedure; and a strict market policy). Based on an assessment using the dataset of over 5,800 individuals who submitted information to the OneApp platform, the FAIR policy will significantly increase the number of renter applicants who are accepted into rental housing. The FAIR policy outcomes most closely resemble those of affordable housing provider screening. For market rate screening procedures, the shift to an acceptance affects from one-third to one-half of all renter applicants, depending on the comparison policy. The FAIR policy also substantially increases the acceptance rate for people of color; low-income applicants; renters with Housing Choice ('Section 8') Vouchers; and people with a history of criminal justice system contact.

This memo describes the renter applicants and then provides the analysis of outcomes expected for their applications under the four comparison screening policies, including an overall acceptance rate and the change in access for individual applicants, and a more focused analysis for identified groups of concern.

Analysis of tenant screening policies using the OneApp data

Who are the renter applicants in the analysis?

The provided OneApp database has some demographic information that describes the group of renters about which this analysis draws conclusions. This dataset is not a statistically representative sample of renter households in Portland and cannot be generalized as such; however the variety of OneApp users allows for the beta test and partnership with the City for data access provides information that would not otherwise be easily obtained.

The OneApp renter applicant database analyzed includes 5,854 individuals. The following is a snapshot of demographic information:

- 50% are female identified (19% missing)
- 16% identify as people of color (48.8% missing)
- Median age is 35

- Median monthly income is \$2,500; Mean monthly income is \$3,169¹
- 4.8% of applicants report they will use a Housing Choice ('Section 8') voucher

There are individuals in the dataset with histories that present challenges in rental application screening due to restrictive policies. These include:

- 13.45% have an eviction history
- 9% have a history of criminal justice system contact (conviction)
- 19% have no rental history
- 25% lack a credit history
- For those with a credit score, the median FICO score is 591

The analysis of the FAIR policy proposal demonstrates the impact of these factors on rental application success. For the market rate screening policies tested here, accepted applicants must have from 1 to 3 years of continuous rental history and clean credit reports; 5 years without an eviction; and 3 to 7 years without criminal convictions—depending on the offense. Policies also suggest there are some circumstances under which applicants with these issues in their histories may be considered for acceptance with additional conditions (extra security deposits, co-signers, etc) but it is unclear how those exceptions would be applied.

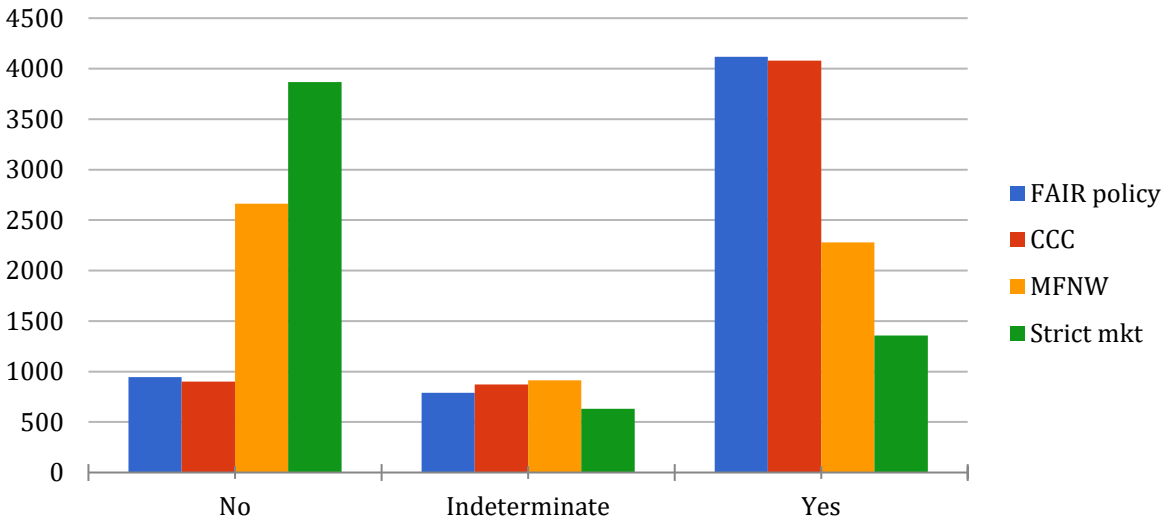
Screening beta test: outcomes for renter applicants across four policies

The FAIR screening policy results in more applicants' being approved for rental access than currently used private market screening policies.

Out of 5,854 individual applicants, 4,119 would be approved under the FAIR screening policy. Approximately 900 applicants would still be denied due to not meeting one or more criteria. The remaining applicants' status is indeterminate given the data available and the policy's details.

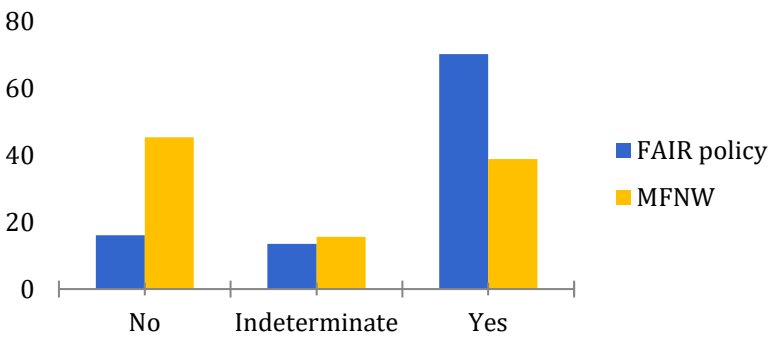
¹ The dataset does not include household size, so calculating AMI is not possible; however, the data median income (\$2,500) would be approximately 55% AMI for a one person household, and the mean income (\$3,100) would be about 70% AMI for a one person household and at 50% AMI for a three person household.

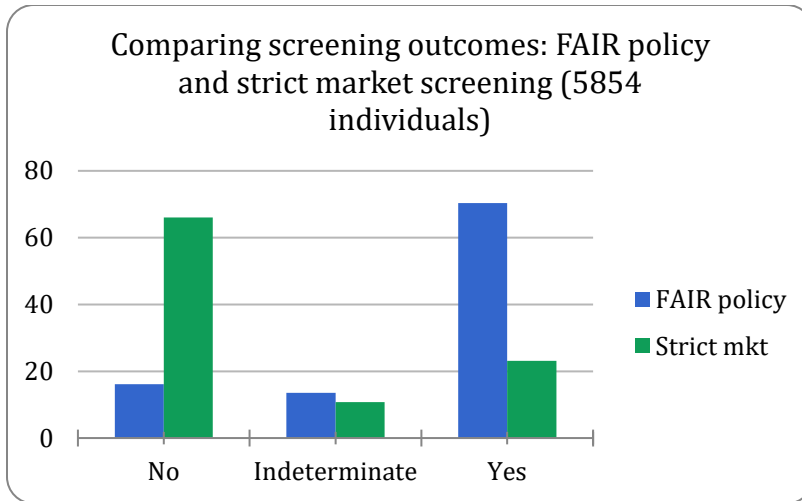
Comparing screening outcomes across industry standard operating procedures (5854 individuals)



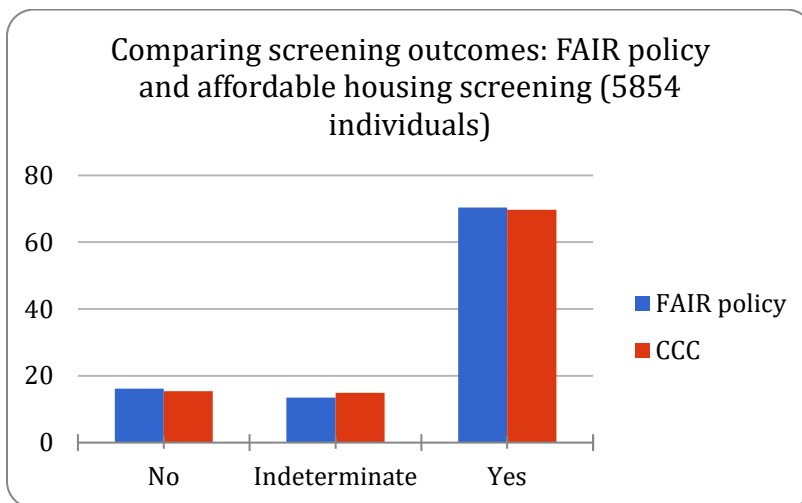
In comparison, the industry standard Multi-Family Northwest policy denies approximately 45% of applicants; while the strict market standard provided denies two-thirds of applicants in the dataset.

Comparing screening outcomes: FAIR policy and MFNW standard screening (5854 individuals)

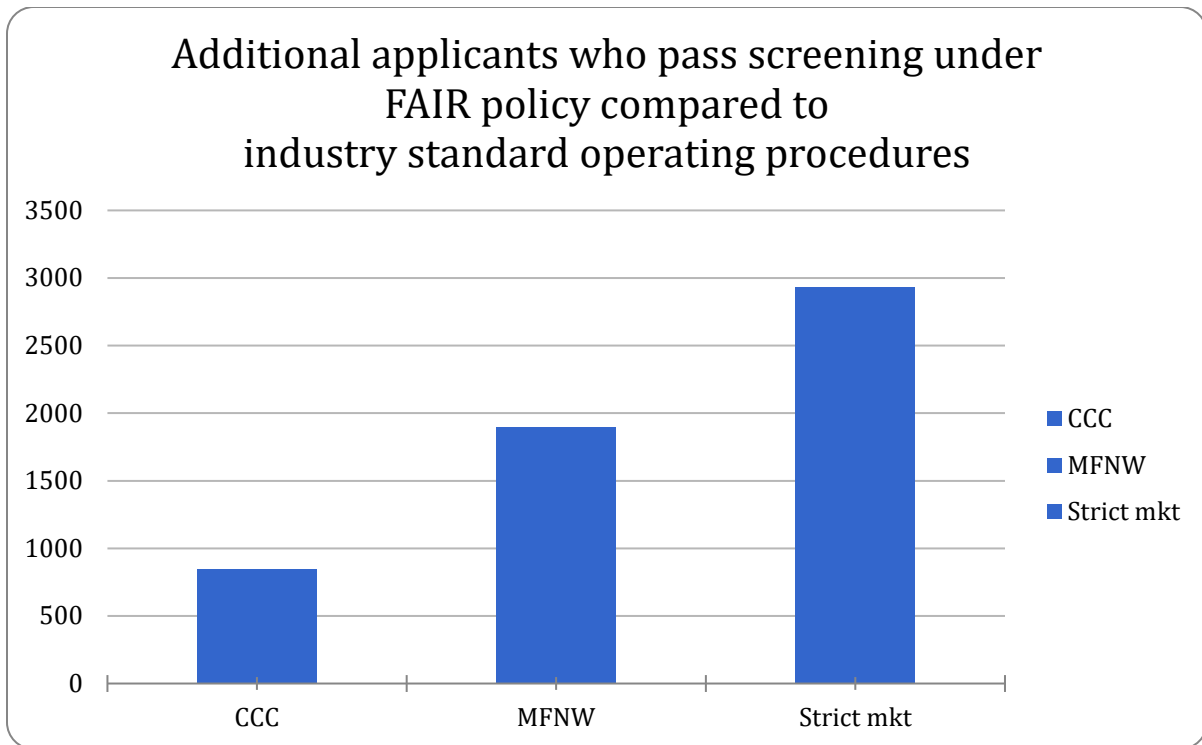




The FAIR policy outcomes most resemble the outcomes for the policy provided by Central City Concern.



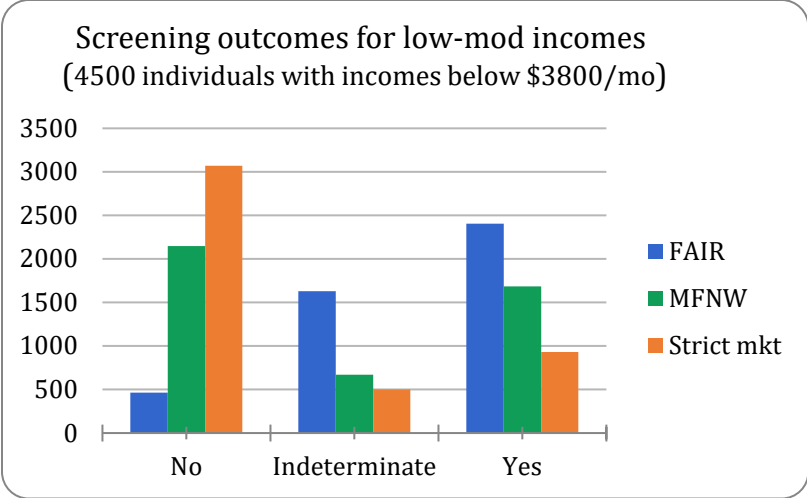
These analyses show the aggregate outcomes for the entire pool of applicants. A cross-tabulation analysis shows how individual applicants fare under the FAIR policy compared with other policies, allowing us to see how many applicants' outcomes shift from No into a yes condition. Compared to the two private market screening policies, the FAIR screening shifts over 60 percent of those who would have been denied housing into an acceptance. Taking into account both shifts from 'indeterminate' to acceptance and denial to acceptance, the FAIR policy provides access for between one third and one half of renter applicants compared to the private market policies.



Screening beta test: outcomes for renter applicants with characteristics of concern.

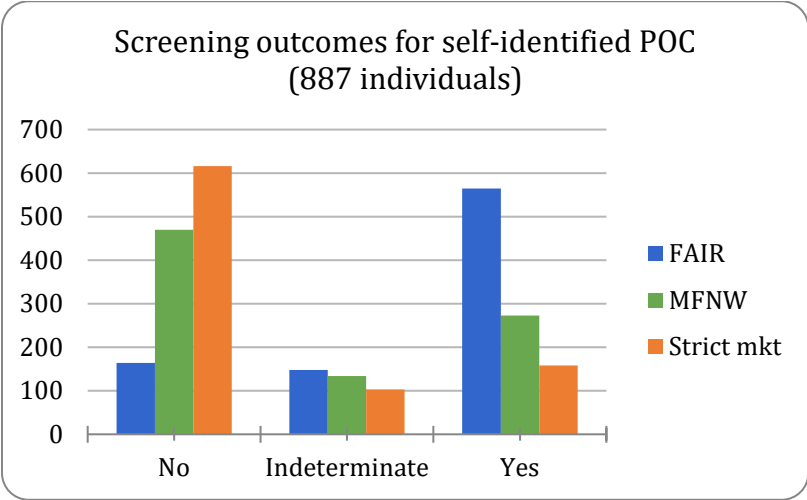
The FAIR policy proposal would apply to all households; taking an equity lens to ask whether it has an impact for groups of particular concern, we analyze some subsets of data. The policy is assessed for applicants with low to moderate incomes; for those reporting they will use Housing Choice ('Section 8') vouchers; for people of color; and for people with a criminal justice contact history.

To consider applicants with low to moderate incomes, we set a monthly income limit at \$3,800 per month. This income represents 80% of Area Median Income for a one person household—considered 'moderate income.' It would be below 60% of AMI for a four person household. Therefore this figure fits into a low to moderate income level for most household sizes. At this income level, the FAIR policy and the CCC affordable housing screener are again very similar in outcomes. However, the difference between the FAIR policy and market rate screening procedures is sizeable. More than half of the low-moderate income applicants would be denied under MFNW's policy; and the stricter market policy denies over two thirds of these individuals.

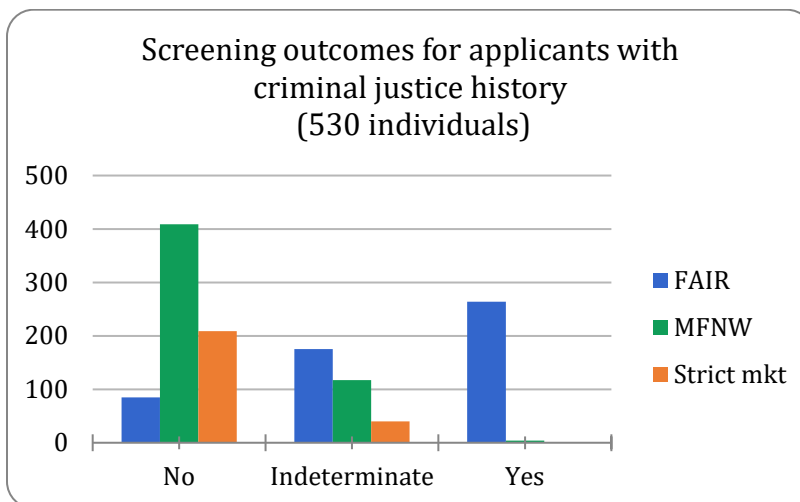


There are 282 applicants who indicate they will use a voucher to pay for part of their rent. While using a voucher as an income source is a protected status under Oregon’s fair housing law, many voucher holders do not pass screening criteria for other reasons such as credit and rental history. About half of voucher holders are accepted outright under both the CCC and FAIR policies, with a quarter needing further review; whereas the reverse is true for the market providers—half are rejected, with a smaller number to be determined with additional review.

Finally, we analyzed the screening outcomes for self-identified people of color. It is important to note that approximately half of OneApp users do not volunteer racial/ethnic identity data, so this analysis is not definitive. Within this subset, denial rates are high for market rate providers, with rental history a significant factor in denial. The FAIR policy increases acceptance for these people of color through its criteria for rental history and credit history.



The FAIR policy also provides more access for applicants with a history of criminal justice system contact. A number of applicants' outcomes could not be determined due to a lack of information about the charge (felony or misdemeanor); these applicants with conviction dates between 3 and 7 years ago are considered indeterminate outcomes. However, many applicants with a convictions history can be accepted because they pass all other screening requirements. It should be noted that the policy for Multifamily Northwest does allow for individualized screening of applicants' criminal justice history and there may be discretion to allow for additional access; for the purposes of this analysis, we applied a strict reading of the screening criteria, finding most applicants with CJ history could be denied due to a combination of this and other factors.



Procedures

As part of crafting the FAIR policy proposal, a workgroup was convened to develop and consider a tenant screening policy that creates a standard set of conditions under which rental housing can be denied an applicant. As part of that deliberation, a study of the potential outcomes of the policy was devised; this analysis was discussed and presented to the workgroup in February 2019. The study simulates tenant screening for four comparison policies: the FAIR proposal; an affordable housing provider, using Central City Concern's policy; an industry standard operating procedure, the Multi-Family Northwest policy template; and a stricter market policy shared by a market rate management company. Tenant applicant data are provided by OneApp, a technology platform that allows a prospective renter to submit application information for many housing units at once. These data are for 5,854 applicants who submitted complete data and had a completed background check through January 2019.

Based on the applicant-supplied information and the screening criteria, each prospective renter is assigned an outcome of yes, no, or indeterminate as an overall response to an application under the policy's rules. There are important methodological limits to this analysis: first, it does not include income to rent ratios as a factor, as those will vary depending on the unit and makes

no conclusions on access to rental housing based on income requirements; second, the vast majority of applicants' prior landlords have not submitted complete rental references, leaving some information about lease violations impossible to analyze; and third, there are indeterminate outcomes for some renters due to policies that require more information than is contained in the database--for instance, more specificity about the outcome of evictions or criminal justice system contact, or mitigating factors for those circumstances.

The OneApp data renter applicants are not perfectly representative of all renter households in Portland. OneApp users have access to technology and a desire to use an app platform to conduct their housing search. Since all housing units are not available via the app, some renters may bypass it in favor of direct contact with the property of their choice. Nonetheless, the renter applicants in this dataset have demographic and income variety and the dataset does include individuals with barriers to housing access, making it viable for this test. It is important to note that these results are not statistically generalizable to all renters in Portland, particularly for subgroups of people, because the dataset was not created with random stratified sampling techniques to represent the renter population.

Sample Forms
And
Worksheets

Exhibit C

NOTICE OF CONDITIONAL APPROVAL

*A Notice of Conditional Approval is issued when adverse conditions on a screening report identify risk that could be offset by a request for additional security deposit.
Terms of the Conditional Approval are found on Page 2.*

Notice Date: _____

Applicant Name: _____

Company Issuing Notice: _____

ANALYSIS OF APPLICATION

The following adverse conditions were present in the screening report:

Credit History:

Criminal History:

Rental History:

The following Supplemental Evidence was provided with the application:

Credit History:

Criminal History:

Rental History:

The Supplemental Evidence did not have a tangible impact on the adverse conditions for the following reasons: _____

Based on a full assessment of the application there is a legitimate, non-discriminatory business interest to deny this application for the following reasons: _____

The following Supplemental Evidence may have provided a more tangible impact on the adverse conditions noted on the screening report (optional):

Credit History:

Criminal History:

Rental History:

Office of Commissioner Eudaly
Notice of Denial
Rough draft concept – For Discussion Purposes Only

TERMS OF CONDITIONAL APPROVAL

Based on the Notice of Conditional Approval, adverse conditions were identified that could be offset by a request for additional security deposit.

*Please read the following terms carefully and return your selection **within 3 days** of the date of the notice.*

Based on adverse conditions present on the screening report, we are requesting an additional security deposit of \$_____ (up to .5 month's rent is the maximum allowed).

You are not required to accept this request, but we will be unable to approve your application at this time if you choose not to pay the additional amount. Please choose your preference below.

- Yes, I accept the request for additional security deposit.
- No, I do not accept the request for additional security deposit and understand I am declining to be approved for the unit I applied for.

You have the right to pay for the additional security deposit amount in a single payment or in installments of between 2months-6months. Please choose your preference below.

I will pay the full amount in a single payment with the rest of the security deposit required.

I will pay the additional security deposit in installments in the amount of \$_____

for a period of: ____ 2 months ____ 3 months ____ 4 months ____ 5 months ____ 6 months

Signature: _____

(Applicant)

Date: _____

Signature: _____

(Company representative)

Date: _____

Office of Commissioner Eudaly
Notice of Denial
Rough draft concept – For Discussion Purposes Only

NOTICE OF DENIAL

Notice Date: _____

Applicant Name: _____

Company Issuing Notice: _____

ANALYSIS OF APPLICATION

The following adverse conditions were present in the screening report:

Credit History:

Criminal History:

Rental History:

The following Supplemental Evidence was provided with the application:

Credit History:

Criminal History:

Rental History:

The Supplemental Evidence did not have a tangible impact on the adverse conditions for the following reasons: _____

Based on a full assessment of the application there is a legitimate, non-discriminatory business interest to deny this application for the following reasons: _____

(Optional) The following Supplemental Evidence may have provided a more tangible impact on the adverse conditions noted on the screening report:

Credit History:

Criminal History:

Rental History:

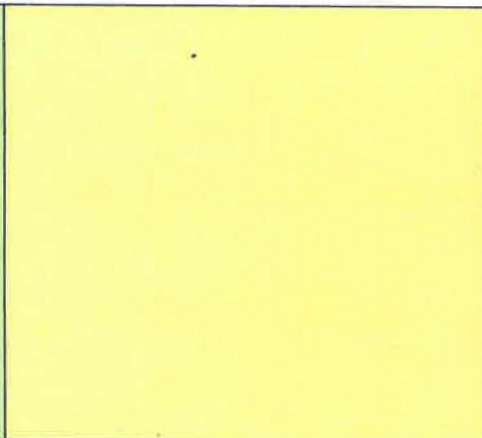
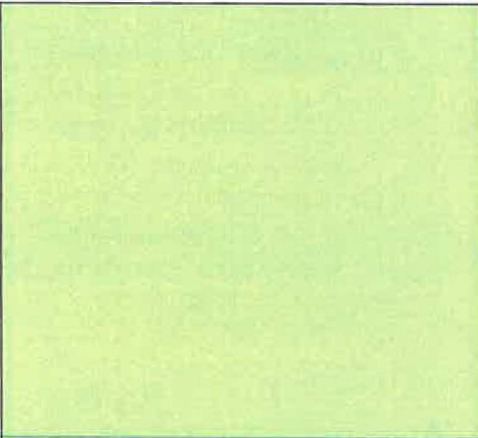
Signature: _____

Date: _____

Office of Commissioner Eudaly
Individualized assessment model
Rough draft concept – For Discussion Purposes Only

Screening Criteria Worksheet			
STEP 1			
<p style="text-align: center;">Review of Application</p>	<p>Does this applicant meet basic eligibility requirements? (check all that apply)</p> <p> <input type="checkbox"/> Provided appropriate identification <input type="checkbox"/> Meets income requirements (with or without co-signer) </p> <p style="color: red;"> If Identification and Income are checked above, move to STEP 2. If applicant does not meet basic criteria, you may deny the application without further assessment or a Notice of Denial. </p>		
STEP 2			
<p style="text-align: center;">Individualized Assessment</p> <p style="text-align: center;"><u>Instructions:</u></p> <p style="text-align: center;">Evaluate each condition (Credit History, Criminal History, Rental History) starting in column A, moving left to right.</p>	<p>A. <u>Presumptions of No Risk:</u> It is presumed that the conditions listed below do not represent an increased risk to property or successful tenancy and therefore do not indicate a need for additional Supplemental Evidence to assess.</p> <p><u>Does the applicant's history show any of the following conditions? (check all that apply)</u></p> <p style="text-align: center;"><u>Credit History Conditions</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Insufficient credit score <input type="checkbox"/> No credit history <input type="checkbox"/> Adverse accounts under \$1000 <input type="checkbox"/> Property debt under \$500 <input type="checkbox"/> Closed bankruptcy <input type="checkbox"/> Medical debt <input type="checkbox"/> Secondary education debt 	<p>B. <u>Presumptions of Potential Risk:</u> It is presumed that the conditions listed below do represent potential increased risk to property or successful tenancy and require additional Supplemental Evidence to assess.</p> <p><u>Does the applicant's history show any of the following conditions? (check all that apply)</u></p> <p style="text-align: center;"><u>Credit History Conditions</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Adverse accounts over \$1000 <input type="checkbox"/> Property debt over \$500 <input type="checkbox"/> Open bankruptcy <input type="checkbox"/> Three or more Credit History Conditions in section 2A <input type="checkbox"/> Other: _____ 	<p>C. <u>Supplemental Evidence:</u> If conditions are identified in section 2B, any Supplemental Evidence provided by the applicant at the time they submitted their completed application must be taken into consideration.</p> <p><u>Did the applicant provide any of the following Supplemental Evidence? (check all that apply)</u></p> <p style="text-align: center;"><u>Credit History Evidence</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Six or more consecutive months of job or income stability <input type="checkbox"/> Six or more consecutive months of rental payments within last year <input type="checkbox"/> Completion of Rent Well or another tenant education program <input type="checkbox"/> Completion of or current participation in credit counseling

Individualized Assessment



Current participation with a legal or non-profit advocate to clear past collections
 Legitimate explanation of no SSN or lack of credit history
 Other evidence that has a tangible impact to the specific conditions noted in their credit history: _____

Criminal History Conditions

- Misdemeanors older than 3 years
- One felony offense older than 7 years
- Two or three felony offenses older than 10 years
- Four or more felony offenses older than 20 years
- DUI offense older than 1 year
- An arrest that did not result in conviction
- Any offense that resulted in a diversion or deferral of judgement program
- Any conviction that was dismissed, expunged, voided, or invalidated
- Any conviction for a crime no longer illegal in the state of Oregon
- Any offense adjudicated in the juvenile system

Criminal History Conditions

- Misdemeanors within 3 years
- One felony offense within last 7 years
- Two or three felony offenses within last 10 years
- Four or more felony offenses within last 20 years
- DUI offense within last year
- Applicant was released from incarceration less than 1 year ago
- Other: _____

Criminal History Evidence

- Six or more consecutive months of job or income stability
- Six or more consecutive months of rental payments within last year
- Completion or current participation in drug or alcohol treatment
- Completion or current participation in psychological counseling
- Completion or current enrollment in secondary education or job training
- Current case management or peer support services
- Current probation or parole oversight
- Certificate of Good Standing
- Other evidence that has a tangible impact to the specific conditions noted in their criminal history: _____

<p>Individualized Assessment</p>	<p><u>Rental History Conditions</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Eviction older than 5 years <input type="checkbox"/> Eviction under 5 years based on an initial no-cause notice <input type="checkbox"/> Eviction under 5 years based on non-appearance of applicant due to lack of notice <input type="checkbox"/> Eviction was dismissed or found in favor of the applicant <input type="checkbox"/> Less than three lease violation notices in former tenancy <input type="checkbox"/> Lack of rental history 	<p><u>Rental History Conditions</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Eviction for cause within last 5 years <input type="checkbox"/> Three or more lease violation notices in previous tenancy <input type="checkbox"/> Defaults in rent in previous tenancy <input type="checkbox"/> Outstanding balance due previous landlord <input type="checkbox"/> Previous unit left in damaged condition <input type="checkbox"/> Two or more Rental History Conditions in section 2A <input type="checkbox"/> Other: _____ _____ _____ 	<p><u>Rental History Evidence</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Six or more consecutive months of job or income stability <input type="checkbox"/> Six or more consecutive months of rental payments within last year <input type="checkbox"/> Completion of Rent Well or other tenant education program <input type="checkbox"/> Domestic Violence indicated as contributing factor to rental history conditions <input type="checkbox"/> Current payment plan toward outstanding debt owed previous landlord <input type="checkbox"/> Other evidence that has a tangible impact to the specific conditions noted in their rental history: _____ _____ _____
	<p>STEP 3</p>		

<p>Assessment Analysis</p> <p><u>Instructions:</u></p> <p>Answer each question in order and follow directions as written in red to the next step.</p>	<p>1. After fully completing STEP 2, do you believe there is enough evidence to deny housing to this applicant? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><i>If YES, move to Question 2. If NO, move to STEP 4A-APPROVAL</i></p> <p>2. For each condition (credit history, criminal history, rental history) for which there is evidence of risk, you must consider:</p> <p>A. The nature and severity of the violations/offenses/accounts.</p> <p>a. Do you believe nature and severity present a risk to the property or successful tenancy? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>Please explain: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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**Assessment
Analysis**

B. The number and types of the violations/offenses/accounts.

a. Do you believe number and types present a risk to the property or successful tenancy? YES NO

Please explain: _____

C. The time elapsed since the violations/offenses/accounts occurred.

a. Do you believe time since occurrence present a risk to the property or successful tenancy? YES NO

Please explain: _____

3. After considering Question 2, do you believe there is enough evidence to deny housing to this applicant? YES NO

If YES, move to Question 4. If NO, move to STEP 4A-APPROVAL.

4. Did the applicant provide Supplemental Evidence that has a tangible impact to the conditions of concern? YES NO

If YES, move to Question 5. If NO, move to STEP 4B-CONDITIONAL APPROVAL or STEP 4C- DENIAL

5. After considering Question 2 and any Supplemental Evidence provided, do you believe there is a legitimate, non-discriminatory business interest to deny housing to the applicant? YES NO

If YES, move to STEP 4B-CONDITIONAL APPROVAL or STEP 4C- DENIAL. If NO, move to STEP 4A- APPROVAL

STEP 4

Notices

A. APPROVAL

You may offer housing to any applicant without issuing a formal approval notice.

You cannot require additional deposit as a condition of approval.

B. CONDITIONAL APPROVAL

You may choose to request an additional security deposit (please see security deposit code) as a condition of approval if you believe there is a legitimate reason to deny the applicant.

The Notice of Conditional Approval must contain (but is not limited to) the following information:

1. The specific conditions identified as a risk to property or successful tenancy and related to the advertised screening criteria.
2. The Supplemental Evidence, if any, provided by the applicant and whether or not it influenced the decision.
3. The reason you believe you have a legitimate, non-discriminatory business interest to deny the applicant.
4. The amount of additional security deposit you are requesting (limited to 0.5 month's rent maximum).
5. A request for the applicant to determine the installment plan of their choice (between 2months-6months).

C. DENIAL

You may choose to deny an applicant if you believe there is a legitimate, non-discriminatory business interest.

You must issue a Notice of Denial within two weeks, and before approving or denying another applicant.

The Notice of Denial must contain (but is not limited to) the following information:

1. The specific conditions identified as a risk to property or successful tenancy and related to the advertised screening criteria.
2. The Supplemental Evidence, if any, provided by the applicant and whether or not it influenced the decision.
3. The reason you believe you have a legitimate, non-discriminatory business interest to deny the applicant.